Make your company epic: using agile strategic planning for competitive advantage

The pace of change is accelerating rapidly, and this tectonic shift cannot be ignored. For organizations, this means that the market and competitors move increasingly faster. The key to counter this pace of change is to move faster than they are; thus, organizations must become much more agile to the world & their customers.

Ninety percent of executives in a recent survey by the Economist[[1]](#footnote-0) believe that organizational agility is critical for business success. One-half of all chief executive officers (CEOs) and chief information officers (CIOs) polled agree that rapid decision-making and execution are not only important, but essential to a company’s competitive standing.

This begs the question: how does one achieve business agility? We believe the answer starts right at the very top, with strategic planning.

Agility meets strategy

Agile has become the norm in software development as most technology organizations by now have understood the benefit of employing this model. We strongly believe that an agile method should also be applied to management & strategy. So we have drawn upon the operating system for technology organizations and applied it to strategic planning. The goal is to achieve maximum velocity within your organization.

Quarterly planning is replaced by monthly sprints, ensuring that progress is tracked more closely and that each team can course correct in real time. By bypassing traditional waterfall decision making, this methodology ensures that organizations can move faster, fail at smaller scales and execute on what matters most. Most importantly, this method provides visibility on the velocity of execution.

Bridging the gap between strategy and execution

Traditional strategic planning processes were very useful in helping company leaders understand where they needed to go. And while this understanding will always remain relevant, the largest hurdle to success is the inability to link strategy to execution. Pretty PowerPoint slides confer a feeling of “being done”, but ultimately mean little if you can’t actually get things done. The goal of agile strategic planning therefore is not only to help you understand what the ideal end-state of your organization is, but also to create an adaptive path to get there.

Understanding agile strategic planning

The agile strategic planning method is broken into a specific formula that anyone can apply within their company.

* Company Epics: description of the desired state of your organization by the end of the planning period from a strategy perspective.
* Market Landscape: insightful discussions about your industry. You should discuss opportunities and threats your company needs to be prepared for.
* Introspection: Deep dive into everything that is internal to the business, from financial capabilities to brand promise and values. This also includes an understanding of yearly revenue and profit goals. In addition, your purpose, brand promise, unique selling proposition and [bhag](https://en.wikipedia.org/wiki/Big_Hairy_Audacious_Goal) are written down.
* Creation of Backlog: A reverse engineering what needs to be done to optimize your chances of realizing your epics. The rules are simple: backlog items must be achievable in one sprint, and must apply the [smart](https://wikimatze.de/smart-principle/) principle. The backlog engenders difficult conversations because the *what* is clear but the *how* is a different story. Strategy is not only a choice of what to do but also a choice of what not to do.
* Sprint Planning: sprints are timeboxed effort containers (generally one month), during which each team member will voluntarily commit to accomplishing a set number of backlog items. Track your velocity as a team, learn from past mistakes, get better, repeat.
* Monthly Sprint Reviews: sit down (or stand) with your management team to validate progress and course correct.

Agile strategic planning is one method that can lead to business improvement by aligning and empowering the team, by deploying the right resources and by being adaptable enough to allow faster decision making and execution. However, before applying any methodology, it is critical to understand its roots and evolution across time.

An History of Business Agility

By itself there is nothing new to the concept of agility. Different kinds of organizations has been adapting to internal and external forces for centuries. However, in any field, there is a formalization of practice to theory and then a larger diffusion of knowledge that makes the theory and practice more widespread.

* History/roots in software dev
  + IBM 1957
  + 1990 push RAD, Scrum, XP,
  + 2001 Agile software manifesto
  + Continuous development afterwards
  + From software to business

The Agile Manifesto

* Individuals and Interactions more than processes and tools
  + Self-organization and motivation are important, as are interactions like co-location and pair programming.
* Working Software more than comprehensive documentation
  + Working software is more useful and welcome than just presenting documents to clients in meetings.
* Customer Collaboration more than contract negotiation
  + Requirements cannot be fully collected at the beginning of the software development cycle, therefore continuous customer or stakeholder involvement is very important.
* Responding to Change more than following a plan
  + Agile software development methods are focused on quick responses to change and continuous development.
* Agile software development principles - The Manifesto for Agile Software Development is based on twelve principles:
  + Customer satisfaction by early and continuous delivery of valuable software
  + Welcome changing requirements, even in late development
  + Working software is delivered frequently (weeks rather than months)
  + Close, daily cooperation between business people and developers
  + Projects are built around motivated individuals, who should be trusted
  + Face-to-face conversation is the best form of communication (co-location)
  + Working software is the primary measure of progress
  + Sustainable development, able to maintain a constant pace
  + Continuous attention to technical excellence and good design
  + Simplicity—the art of maximizing the amount of work not done—is essential
  + Best architectures, requirements, and designs emerge from self-organizing teams
  + Regularly, the team reflects on how to become more effective, and adjusts accordingly

Speed and trust

The real recipe for success in any-sized organization is its agility to effectively respond to its market and to its customer. You need to align your team, deploy the right resources and technology; this should start with tough decisions. Agile strategic planning is not a panacea and will not miraculously improve your strategy. It will, however, give you an adaptable method that can empower your team to find the right path.

1. <http://www.eiu.com/site_info.asp?info_name=orgagility> [↑](#footnote-ref-0)