**When-Where Agility**

Organizations don’t become agile overnight. It takes deep commitment at all levels, and it permeates all facets of the business. Missteps are to be expected, but to get started on the right track, we must first understand when and where agility makes the most sense for the organization.

Organizations that are agile are those that are constantly seeking change, rather than resisting it or trying to hide from it. New input leads to new innovations, and even entirely new industries, and only those that go looking for them will find them. Resistance to change — “standing firm” —may work in short-term situations, but companies that consistently thrive possess the agility to turn challenges into a opportunities.

That said, trying to be agile in every single part of the organization, all at once, can be counter-productive. At its core, Agile is a do-and-inspect system, where an organization does something and then seeks feedback from the market, customers, employees and anyone who will give it. This feedback may be good or bad, but the intention is that the next iteration of whatever initiative the company is pursuing will be made better for it. If the feedback loop is constantly in motion, it will be difficult to learn and apply new knowledge gained, and even more difficult to measure incremental results.

**WHEN should an organization be agile?**

The concepts behind being agile seem so fundamental that it is tempting to think that it should be practiced everywhere. And while it certainly is possible (and advisable) to be flexible and responsive at all times, there are situations where being agile makes the most sense. That doesn’t mean that it cannot succeed absent these factors, but the chances are greatly improved.

   >>  When the cost of being wrong is low or acceptable.  When a patient goes to the doctor, there is a certain amount of poking and prodding with the question, “Does this hurt?” When the doctor gets positive feedback, that yes something does hurt, they stop and poke somewhere else. The goal is to get a diagnosis, and the moments of pain felt by the patient are uncomfortable, but usually not life threatening. If a cardiac surgeon did the same thing, poking at different places of your heart to see what caused pain, he would likely do material harm to the person on the table.

Some businesses do indeed deal with life or death situations with their customers; others may be facing a potentially fatal decision to the business itself. If a company is about to embark on a multi-billion dollar spend, it’s probably worthwhile to attempt to get it right the first time. The team launching a man into space should probably consider double-checking their calculations ahead of time, rather than literally adjusting on the fly.

Fortunately, instances of this for most organizations are very rare. Sure, Apple’s first music player, the ROKR, was a complete dud, but what came out of it was the most popular personal music device in the history of devices. Netflix’s recent decision to get out of the DVD mailing business and Starbucks attempt to get people to have serious conversations with their baristas were both poorly received by the market, and were reversed. While the brand suffered momentarily, the knowledge gained even by these missteps is invaluable for future product decisions. As long as the decision can be changed, there is no reason not to make one now, and see if it’s right.

   >>  When the business is involved and interested in learning.  There is a quote attributed to Henry Ford (though probably not really said by him) that if he asked his customers what they wanted, they would have said “faster horses.” This apocryphal story points out when being agile might not be the right decision. Being agile relies on getting feedback from the market, and making changes based on that feedback. An organization that is closed-minded to what their customers are saying might as well not attempt it, and just simply hope that they are right.

There are a couple of legitimate cases where this arises in the business world. Contractual obligations, particularly government ones, are an example of this. Often companies are hired to build a certain thing, and success (and the ability to be compensated) is entirely predicated on building that exact thing. When that is the case, speculating as to what the right thing to build is, releasing it, inspecting results, and adjusting, is unlikely to make for a happy client. If the customer is truly demanding something a specific way, and is willing to tie the organization’s hands, then delivering it that way is probably the right choice.

Another example of this is when a business revolves around creative work, or someone with a powerful vision. Many famous works of art were released fully formed into the world, and have stayed the same for hundreds of years. There has been little chance to create an agile Mona Lisa, or Ninth Symphony. The creator had a vision, and was willing to take the risk of being entirely right, rather than try to have their creation be subject to committee review.

These kinds of cases do come up, and neither are entirely rare. Practicing agility takes full participation from all parties, and without it, the process won’t work. However, the majority of cases will not be like this — most organizations are interested in feedback, in releasing new versions, and meeting a customer need. It should be obvious to the team which environment they are in, and choose accordingly.

**WHERE is being agile important?**

The switching cost to becoming an agile organization should be evaluated, and may require an entire rethink of your corporate structure. Trying to change the entire organization, all at once, may be difficult and the value created might not be worth the investment needed. Deciding where to make this investment will be one of the more important decisions that a company will make, and should be one with a few factors in mind.

First, agile works best where the rate of change in the market or the environment is high. There are still plenty of areas where both the expectations and offerings of the market have remained constant for years or more; while these would benefit from an agile approach, failing to do so is unlikely to put the company at risk.

Second, agile has a high impact when customers make decisions based on the performance in a specific area. Many items that can be developed or improved in an agile manner will not make a difference to customer behavior, and while they would benefit from an agile approach, they are unlikely to lead to increased sales or a better experience.

   >>  When the market desires a high rate of change.  Many industries have experienced a compression of the time that customers expect an offering to improve, or for new products to be introduced. While it was once acceptable to release upgrades to a product twice a decade, the market is now expecting new features twice a month. As with everything else, this isn’t always the case, and it is important to know the difference. Knowing where customers are expecting frequent and constant improvements is key to understanding where organizational agility becomes a strategic advantage.

Apple is a good example of this; there is an entire cottage industry created around trying to predict Apple’s product pipeline. This creates two separate waves of excitement, once when the product is announced, and a second when the product actually hits the shelves. Meanwhile, these same owners of Apple products bemoan having to update their instance of iOS.

The dichotomy is easy to understand when viewed through the agile lens. Customers are expecting the products to get continually better, but they feel that for the most part, their operating system is fine the way it is. Apple has launched products and features that were not favorably met, and yet this was easily overcome. A single bad iOS update will cause people to stop taking the updates entirely.

   >>  When it impacts customer decisions. Even on the same product, there are items that will change a customer’s purchase decision, and those that won’t. For instance, if you are a manufacturer of televisions, the ability to stream content from the internet will cause someone to buy the TV, but where the power button is on the remote probably will not. An agile company must know what factors go into the buying decision, and commit to iterating and improving those items, even at the expense of the items that aren’t.

Creating a new process through agile methods can lead to unexpected customer delight. A few years ago, a few high-tech stores moved to giving their retail associates a mobile payment processing device. This meant there was no more need to send the customer up to the register to pay, or to break the service context the customer was already in. This meant no lines, and no new faces between you and purchase, which is good for the customer, but also very good for the merchant. Payment processing, one of the seemingly least impactful and most consistent part of retail, is but one example of where careful thought leads to a big win.