Becoming Agile: How High-Performance Businesses Cultivate Organizational Agility Podcast Transcript
The Accenture High Performance Business Podcast Series

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Introduction
The new dynamics of a fast-changing and less predictable global economy favor agile businesses, those companies able to execute innovations faster and move forward more nimbly by cultivating organizational agility.

Hello, I'm Paul Bushet. In this podcast, "Becoming Agile: How High-Performance Businesses Cultivate Organizational Agility," we examine the growing importance of agility in business. Our focus is on cross-organizational agility initiatives based on what Accenture identifies as the three building blocks of high performance: market focus and position; distinctive capabilities; and performance anatomy.

Market Focus and Position
The first building block of high-performance business, market focus and position, is about how an enterprise understands and responds to its markets. Critical elements include the ability to sense market changes and respond proactively.

The operating model and design of the agile organization seek the middle
ground between the global and the local, between centralized and decentralized structures. The agile organization puts its “non-negotiables,” operationally speaking, in the center, while empowering local units and geographies to be more responsive and adaptive to local markets, customers and trends. This creates the right mix of necessary bureaucracy with the nimbleness and speed of frontline innovators.

Agile organizations are able to change ahead of the curve when it comes to planning and developing the right workforce. They have deeper strategic insight into their human capital. They use that insight to proactively put the right people in place to effectively respond to urgent marketplace needs.

In many cases, creating an agile workforce means addressing organizational inefficiencies caused by mergers or decentralized growth. Perceptive executives scour their companies for organizational anomalies and incongruities, with an eye toward putting the capabilities and right-sized workforce in place to meet ongoing business needs.

This kind of workforce planning has been critical to improving the efficiency and agility of Piramal Healthcare Ltd., a large India-based pharmaceutical company. Piramal’s growth strategy over the past decade or so has been based largely on acquisitions. Because business was booming and growth was robust, Piramal had not taken the time to rationalize and plan for an optimally sized and skilled workforce.

Piramal followed a comprehensive planning process that produced a blueprint for a phased downsizing of the staff according to performance and strategic fit. It also created more efficient and effective processes and structures by which to harmonize how the newly reshaped staff performed. The company managed potentially negative effects on morale by redeploying employees to other areas of the company if their positions were eliminated by restructuring.

**Distinctive Capabilities**

The second building block of high-performance business, distinctive capabilities, is about recognizing, nurturing and developing traits that help businesses stay ahead of their competitors. Much of this work focuses on the development of people and knowledge capital.

The global realignment of skills and workforces now taking place points to the need to rapidly re-skill or up-skill workers. New learning and knowledge management technologies that Accenture calls Learning 2.0 show great promise in creating an approach to workforce enablement nimble enough to keep up with rapidly changing business and workplace environments.

An example of a more nimble learning organization that brings together a number of Learning 2.0 principles is Microsoft’s Academy Mobile. An internal multimedia platform, Academy Mobile helps Microsoft’s salespeople get up to speed on a particular product or solution so they can capitalize on customer opportunities faster.

The Academy provides fresh information on what other salespeople in the field are doing to produce successful results. Content comes from product experts and salespeople, from conference calls, presentations and third-party vendors. All this is then turned into short deliverables such as podcasts and vodcasts.

If a business workforce is to become more agile, knowledge and experience must be available—or, better, proactively delivered—to the right people at the right time. Companies must do whatever they can to overcome the structural deficiencies and organizational silos that prevent the ready flow of information.

UK-based GE Healthcare has been building strong collaborative customer and government relationships focused on reducing health care costs. One of the project’s primary enablers is what the company calls “boundaryless” collaboration. GE Health Care’s engineers in India developed a durable, portable electrocardiogram machine that is transforming how doctors care for heart patients in rural India while driving revenue growth in other parts of the world seeking miniaturized, portable technology.

Another distinctive capability of an agile organization involves integrated talent management processes and systems. Companies need a highly efficient HR organization and well-developed, flexible talent management processes that support workers across the entire employee lifecycle—from recruiting to development to performance management and rewards.

One company that has learned this lesson effectively is SK Group, the South Korean telecommunications and energy conglomerate. Armed with the results of an objective and benchmarked measure of its talent base, its HR capabilities and its leadership’s commitment to globalization, SK is building HR capabilities to support expansion of its global operations and revenue growth outside South Korea.

**Performance Anatomy**

The third building block of high performance, performance anatomy, is the confluence of business strategy, culture and leadership that defines how an organization distinguishes itself from others in its industry. It involves some of the most interesting characteristics of the agile organization. These characteristics, however, are also the most challenging to manage.

Successful companies know how to leverage people’s natural inclination to learn and grow. Agile organizations adopt leadership mindsets based on the assumption people are eager for change. Change programs are generally implemented through discrete projects, either large and transformational or small and focused. This approach translates into a more general capacity to be agile.
Vital skills include the ability to coordinate and manage multiple projects and change initiatives, ensuring coherence and ongoing alignment. Too often, organizations suffer from too many non-aligned change initiatives creating confusion and resistance. High-performance businesses develop centers of excellence within their organizations. These centers include methods, tools and internal practitioners with expertise in change management.

A new generation of organizational and HR analytics helps companies become agile. Instead of just shedding light on what happened in the past, these analytics more reliably identify those organizational capabilities that are most needed. One such assessment methodology is Accenture’s Change Acceptance Predictive Model, which lets companies better predict how workforces in different geographies will embrace the kinds of changes needed to be more agile. With this kind of predictive capability comes a competitive edge in employing talent.

In many ways, the organizational culture looms as the biggest challenge in creating an agile company. Previous Accenture research has found top performers foster a condition of continuous renewal in their everyday operations. By adopting a mindset of continuous renewal, an organization helps create a culture that supports and motivates the kinds of behaviors required to be more agile. They see opportunities instead of barriers and look beyond the way things are done to the way things should be done.

**Conclusion**

Organizational agility is important not as an end in itself but for its ability to enable a set of factors that together lead to high performance. Companies consistently struggle to make the organizational changes needed to encourage innovation. Operational agility can be the key to unlock the value of a company unable to properly direct innovation toward business goals.

This concludes our podcast. We thank you for listening, and hope you found these insights worthwhile and stimulating. For more information about Accenture’s experience and research helping organizations achieve high performance, visit our High Performance Business Podcast Series.