

Meyer's Management Models

10. Strategic Agility Model

How can I develop strategy in a volatile, uncertain, complex and ambiguous world?

Key Definitions

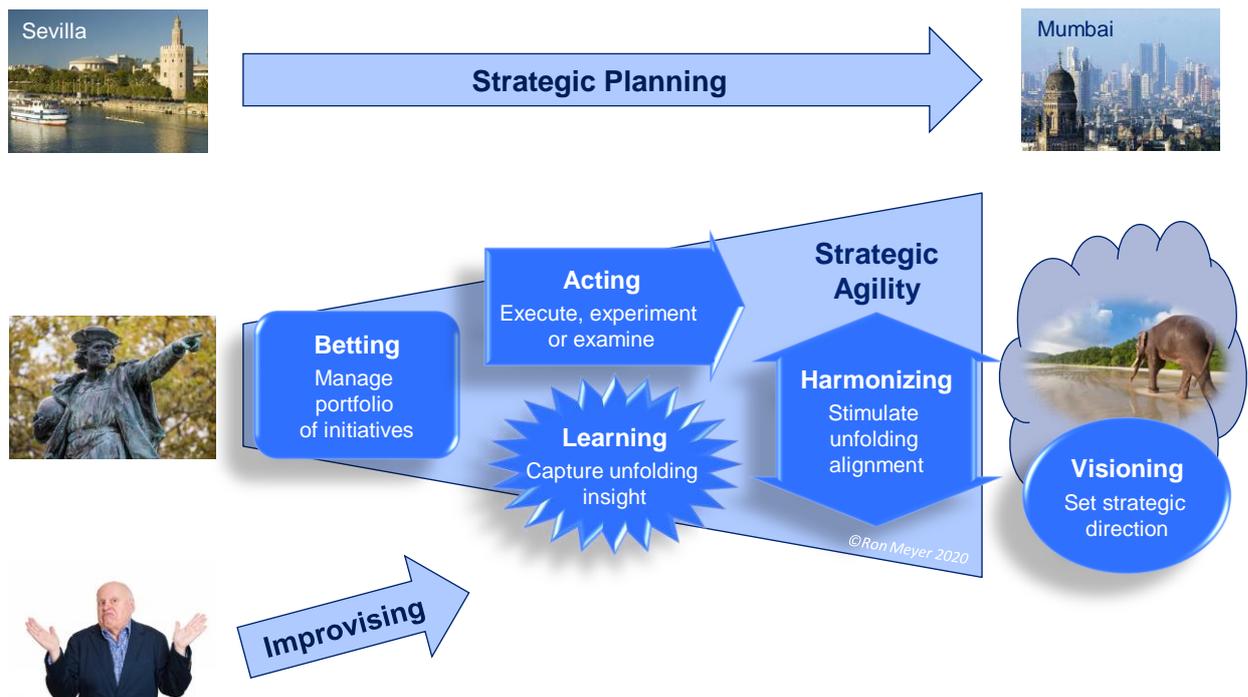
Developing strategy is about setting a course of action to achieve a particular purpose. It is about determining a route forward, while fully aware that the future can't be predicted because the world is inherently VUCA (volatile, uncertain, complex and ambiguous).

Strategic agility is an approach to developing strategy whereby an organization balances between committing itself to a course of action and retaining its ability to flexibly adapt to unfolding circumstances. As such, strategic agility balances between the fixity of strategic planning and the flexibility of improvisation.

Conceptual Model

The *Strategic Agility Model* is based on the premise that you know that you don't know the future and therefore that *your strategy is your current best guess*. If we did know the future, then we could draw up a detailed strategic plan of what to do (often called future-back planning). It would be like planning a trip from Sevilla to Mumbai, for which we could figure out the best possible travel itinerary. But the VUCA reality is that we are more like Columbus searching for a route from Spain to India, for which we have a current best guess, but know that much will need to be found out along the way. As Columbus, we shouldn't fall back on improvising, but take a structured approach to finding the best route forward.

The Strategic Agility Model suggests that there are five key strategizing activities that all need to take place simultaneously. The model doesn't detail how the process should be organized, but presents a general framework with which to approach strategy development.



Key Elements

To be strategically agile requires carrying out the following key strategizing activities:

1. **Visioning.** While it is impossible to know exactly where to go, one does need a rough estimate of the direction in which to head, in order to set a course of action. Columbus didn't have precise coordinates, but he did envision that India could be found to the West. Likewise, organizations need to constantly envision their desired destination so they can focus people on taking actions that will move the organization in the preferred direction.
2. **Betting.** While it is also impossible to know exactly what to do, one does need to take actions to move forward. That means taking calculated risks, by betting on different initiatives, each with their own guesstimated risk/reward profile. Some initiatives will be *sure bets*, probably useful in any future, while others will be risky *side bets*, just in case the unexpected happens. Taken together the portfolio of bets is the organization's strategy.
3. **Acting.** Depending on the risk of each bet, one can move into action in different ways. Where the risk is low because the predictability is deemed high, a relatively detailed plan can be made and *executed*. Where the risk is medium, it is often wise to commit less and *experiment*, using simulations or pilot projects. Where the risk is high, it is generally better to commit even less and *examine*, testing the ideas and feeling out support.
4. **Learning.** Whichever form of acting is used, one knows that each bet is a guess and that new insights will probably emerge by doing. These unfolding learnings need to be captured and used to adapt the acting, so that a virtuous cycle of acting and learning evolves. The shorter these cycles and the quicker these cycles follow each other, the more flexible and adaptive it will be.
5. **Harmonizing.** The portfolio of bets will be constantly changing, due to the cycle of acting and learning, with some initiatives being scaled up as they become less risky, while others will adapt course or even be discontinued. The challenge is to ensure that the various bets don't pull the organization in different directions, but are realigned into a consistent whole. So, *say yes to the mess*, but still attempt to harmonize initiatives along the way.

Key Insights

- **You know that you don't know.** As strategists, we must accept that the world is volatile, uncertain, complex and ambiguous, and therefore inherently unpredictable. We are driving in the mist and must be prepared to deal with whatever we can't yet see.
- **Strategy is your current best guess.** As we peer into the mist, we set out a course of action as well as we can, because we need to move forward. But we know these actions are based on a guess, so we hold on to the steering wheel, ready to course-correct.
- **Strategizing is about constant learning.** As strategy is not about knowing ahead of time, but about guessing and finding out along the way, strategists must focus their efforts on organizing a fast and efficient organizational learning process.
- **Strategizing is about calculated risk.** As learning by doing involves making plenty of mistakes, strategists must take calculated risks, committing enough resources to learn, but avoiding premature commitment of large sums where the unpredictability is still high.
- **Strategizing is an ongoing process.** An organization's strategy should never be fixed, but constantly adapted on the basis of unfolding insight and unfolding alignment. People might want to have certainty and you might feel the urge to sell your guess as a certainty, but as you know you don't know, it's better to be honest, learn together and remain agile.

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Insightful Tools to Kickstart Your Thinking

Publication Schedule

<i>July 2019</i>	<i>Mind the Gap Model</i>	<i>Change Management</i>
<i>August 2019</i>	<i>Digital Platform Map</i>	<i>Digital Strategy</i>
<i>September 2019</i>	<i>Interaction Pressure Gauge</i>	<i>Interpersonal Interaction</i>
<i>October 2019</i>	<i>Revenue Model Framework</i>	<i>Revenue Model Typology</i>
<i>November 2019</i>	<i>House of Engagement</i>	<i>Organizational Engagement</i>
<i>December 2019</i>	<i>Confidence Quotient</i>	<i>Trust Building</i>
<i>January 2020</i>	<i>Competition Tornado</i>	<i>Competitive Strategy</i>
<i>February 2020</i>	<i>11C Synergy Model</i>	<i>Corporate Synergy Management</i>
<i>March 2020</i>	<i>Leadership Fairness Model</i>	<i>Leader-Follower Interaction</i>
<i>April 2020</i>	<i>Strategic Agility Model</i>	<i>Strategy Process Approach</i>
May 2020	The Control Panel	Corporate Control Dimensions
June 2020	Rising Star Framework	Talent Management
July 2020	Strategy Development Cycle	Strategy Process Steps
August 2020	7I Roles of the Corporate Center	Corporate Organization
September 2020	Deft Dialogue Model	Interpersonal Communication
October 2020	Digital Business Model Dials	Digital Strategy
November 2020	Fruits & Nuts Matrix	Priority-Setting
December 2020	Story-Telling Scripts	Leadership Communication
January 2021	Corporate Value Creation Model	Corporate Level Strategy
February 2021	The Innovation Box	Innovation Approaches
March 2021	Empowerment Cycle	Employee Empowerment