

Agile Strategy Map: The Innovative Leadership Method

The Agile Strategy Map is based on the understanding that organizations are living and evolving entities facing a complex market environment and needing to design the strategy to suit it. It is both a method and a tool that allows each organization to build their strategy, see it unfold, understand connections, and promote collaboration.

Planning for uncertainty

Organizations these days face two conflicting needs: on the one hand, they need to be able to envision their future, set goals and go after them, and know that they will be able to have all the support they need getting there. On the other hand, current market cycles are rapid, and volatility is very high. This means that what is an excellent plan today might be fiction, or a recipe for disaster, very soon.

The Agile Strategy Map is a collaborative framework to design, manage, and support strategy execution that was developed to deal exactly with this need to combine real-world complexity with the need to have a direction, goals, and means of achieving them.

Uncertainty is difficult to accept because a lot of planning is based on the idea of a predictable future, avoiding failure, and a clear relationship between cause and effect. This leads to trying to predict risk, and, as a result, being prepared for the things that we can imagine happening, based on current circumstances and what has happened before.

Markets, however, are complex environments. This means that any action has multiple unforeseen consequences and any relationship of cause and effect is recognizable only in retrospect and is not repeatable. Working in this environment forces us to accept multiple plausible future outcomes, many unpredictable, including failure. We need to also be prepared for the things we can not imagine. So how do you plan in such an environment? All organizations face that question, and the Agile Strategy Map bases the answer on a combination of factors: accepting the possibility of failure and building into an organization the capability for recovery and improvement (i.e. resilience), embracing multiple options and bets, and testing for beneficial outcomes that can be exploited within the context of strategy and change rapidly and as needed. It is a method as well as a tool and it is both inspired by the principles of ORGANIC agility and a practical tool that supports its application in an organizational context. If we want to understand the Agile Strategy Map, it is helpful to look at the elements that make up its name and the role they play.

Working with agility

Agile is familiar to many as a set of principles and ways of working that revolutionized the IT industry and is now growing far beyond it. The problem with it is that it was never meant to be huge and it was never meant to be applied everywhere. Somewhere along the way, we moved from a manifesto that called for prioritizing

individuals and interactions over processes and tools, and for responding to change over following a plan, to a massive industry that often relies on the cut-and-paste application of the same solutions and processes, whether they make sense in a particular context or not and promotes massive change initiatives that often go nowhere.

The map, on the other hand, is meant to be actually agile: fast, responsive, and adaptive, working in the same way an agile team does: by creating and validating change in small increments and by involving everyone involved in it. Small increments mean that the risk is lower, which is especially important in a rapidly changing environment, and that collaboration is easier. Involving everyone in the process of strategy creation and execution, and making transparent what is being done and why is the only way to avoid resistance to change. So how do we bring these two elements together? By building into the base of strategy and change the process of safe-to-fail experiments that allow people to try out their approaches and react to the outcome of the experiment accordingly.

What makes a map?

The Agile Strategy Map's conception incorporates the work of Simon Wardley, which has a lot to say about maps. According to Wardley, a real map has a series of characteristics: it is visual and context-specific, it shows positioning in relation to an anchor, and it incorporates movement. By this definition, the Agile Strategy Map is a true map. It is visual, and this changes strategy because it forces a process of translation and communication that, on the one hand, makes strategy transparent and, on the other hand, makes it more intuitive and easier to understand. It also facilitates the process of understanding connections. It is also context-specific, constructed uniquely by and for each organization and its goals and circumstances, to help them navigate their unique environment.

The anchor of the Agile Strategy Map is the goal, and we will talk more about it in the next section. The positioning of elements is determined by this goal as well as multiple other factors, such as time or ways of engagement with those elements. Finally, movement is at the core of the Map. We already mentioned the importance of recognizing uncertainty and working in small increments: this necessitates constant movement and triggers it in all directions, allowing a simultaneous overview of where we were, where we are, and where we would like to go.

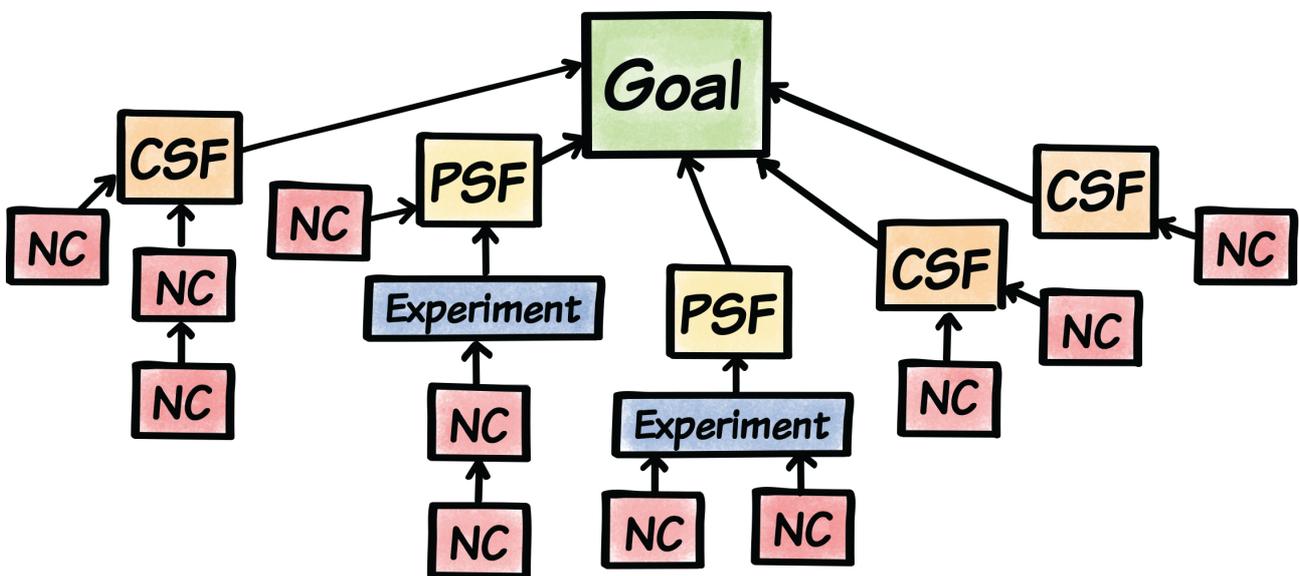
Building strategy with the Agile Strategy Map

An Agile Strategy Map starts from a goal, which has to do with creating value to an organizations users, customers, or employers. It can be a specific or measurable target, or a direction and speed of the change we want to target. In different kinds of contexts, different goal formulations are preferable. It is also very important to note that the goal itself is not set in stone but should be refined as new insights and discoveries are incorporated, while maintaining a coherent identity. Developing strategy around the goal starts from right where an organization is right now and by exploring its achievements and how it came to be there.

The successes that are relevant to the goal lead to an element of the map called a Confirmed Success Factor, and they make up the past landscape you have already passed through, just like in an actual map. These can be

anything that is established as a way of working within the organization or an existing value that it offers to customers. They are abilities that are already there, but need to be maintained in order to continue delivering in the future. Because these are achievements of the past, it is very likely that uncertainty is lower here: these factors will have been unconsciously tested and validated repeatedly over the past and they can be considered secure. Some of them still require expert involvement, while others can even become repeatable processes.

In order to maintain those key elements, we associate them with Necessary Conditions, which are everything that we need to be aware of and keep doing so that the Confirmed Success Factor is sustained. We can also link those Necessary Conditions to specific points in time, or other events, so that we become aware of them as they are needed. Since we are always talking about a visual map, links and positions are all immediately visible and actionable.



Having established the current strengths and secured that they continue to operate, the organization can now turn to the area of greater uncertainty. What could possibly help them move towards the goal? This is a Possible Success Factor, and visually they belong right under the goal on the map. They need to be made explicit, so that they can be tested and that we can see the relationships between them. A Possible Success Factor is essentially a hypothesis that is yet to be validated. The trick here is that they don't need to be likely— they just need to make sense. This goes back to acting in complex circumstances: since the outcome is uncertain, it is better to place them multiple bets, and make them diverse enough to capture several different possibilities.

This brings us to experimentation, which is the way a Possible Success Factor is validated. Each Factor will have a Champion who will be responsible for exploring and possibly validating it and an Improvement Squad who will collaborate on this process and distribute the awareness and involvement with the Strategy Map throughout the organization. Just like maintaining an existing success factor requires the identification of Necessary Conditions, so does the definition of experiments. Experiments should be quick, so that we can react fast to change. If the hypothesis has multiple elements and belongs to a complex context, not one, but multiple parallel experiments associated with it are needed. In this way recurring patterns can be studied under different conditions, stable one selected, and the elements that catalyze those patterns identified. These

elements can in turn be explored further, perhaps with single experiments, and those that move the organization towards the goal can be amplified, while those that are negative can be dampened. A fully validated hypothesis can eventually become a Confirmed Success Factor. This process allows the organization to quickly go over multiple options and work towards their goals without relying on a certain future.

Each experiment comes with an experiment Canvas, which determines, before even an experiment starts, under which conditions it will be considered a success or a failure and how can its results be amplified or dampened as needed. It is very important for these elements to be determined before the experiment starts, so that there are no post hoc decisions and biases introduced later. Clarity also helps the team carrying out the experiment to make decisions about it. Experiments can also be negative (designed to fail), but most importantly they must be safe-to-fail. This will minimize cost but expand the range of the possibilities people are free to explore, as well as teach the organization practices of recovery in a safe setting that can be recalled when they are needed.

Using the right tools

The method of the Agile Strategy Map is based on a deep understanding of leading in complexity and an emphasis on resilience and recovery over creating seemingly iron-clad structures that break catastrophically. It is embodied in the Strategy Map Tool, a software version of the map that takes full advantage of digital capabilities for visualization and responsiveness. The goal is placed at the centre and each Confirmed and Possible Success factor is made visible and connected with its associated Necessary Conditions. Experiments expand into their full canvases and display not just the teams and hypotheses involved, but also enable the teams to record their results in real time and constantly monitor the progress and outcomes of their initiatives.

This makes the full scope of an organization's strategy visible and engaging to every stakeholder, and makes every employee a part of the effort. The map also draws clear and visible connections between all levels in an organization, from their vision of the future to the day to day operation.

It not only promotes a sense of ownership and gives transparency, but the momentum given by collaboration around a common goal builds focus and creates the environment where a culture of experimentation and adaptation can flourish.