

# Agile Management of Strategy



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JanPH presenting work by:

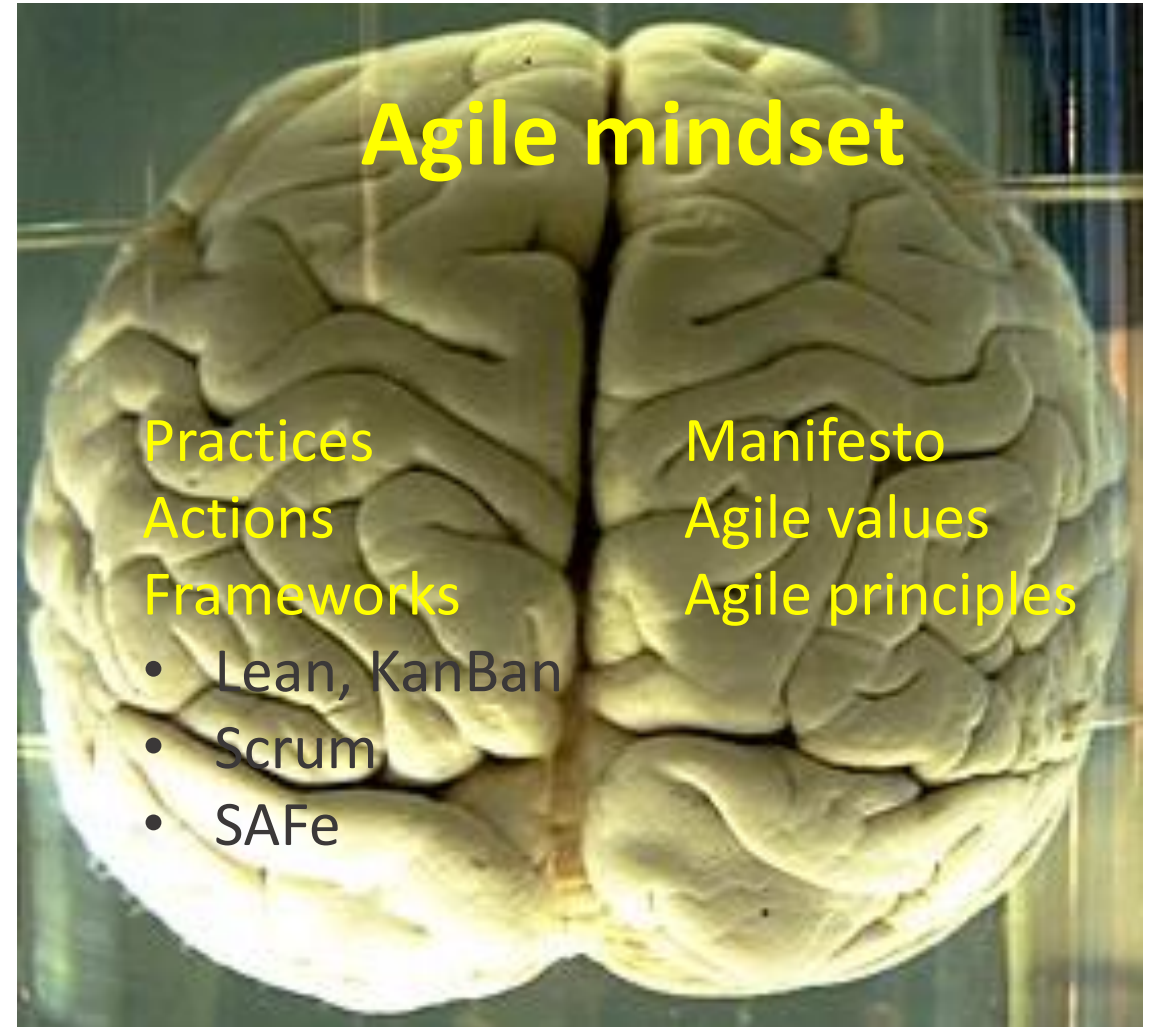
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# Defining agile management of strategy

Agile management of strategy refers to the application of agile principles, commonly used in software development, to the broader process of formulating, executing, and adjusting organizational strategy



# Is Agile Management of Strategy a good idea?

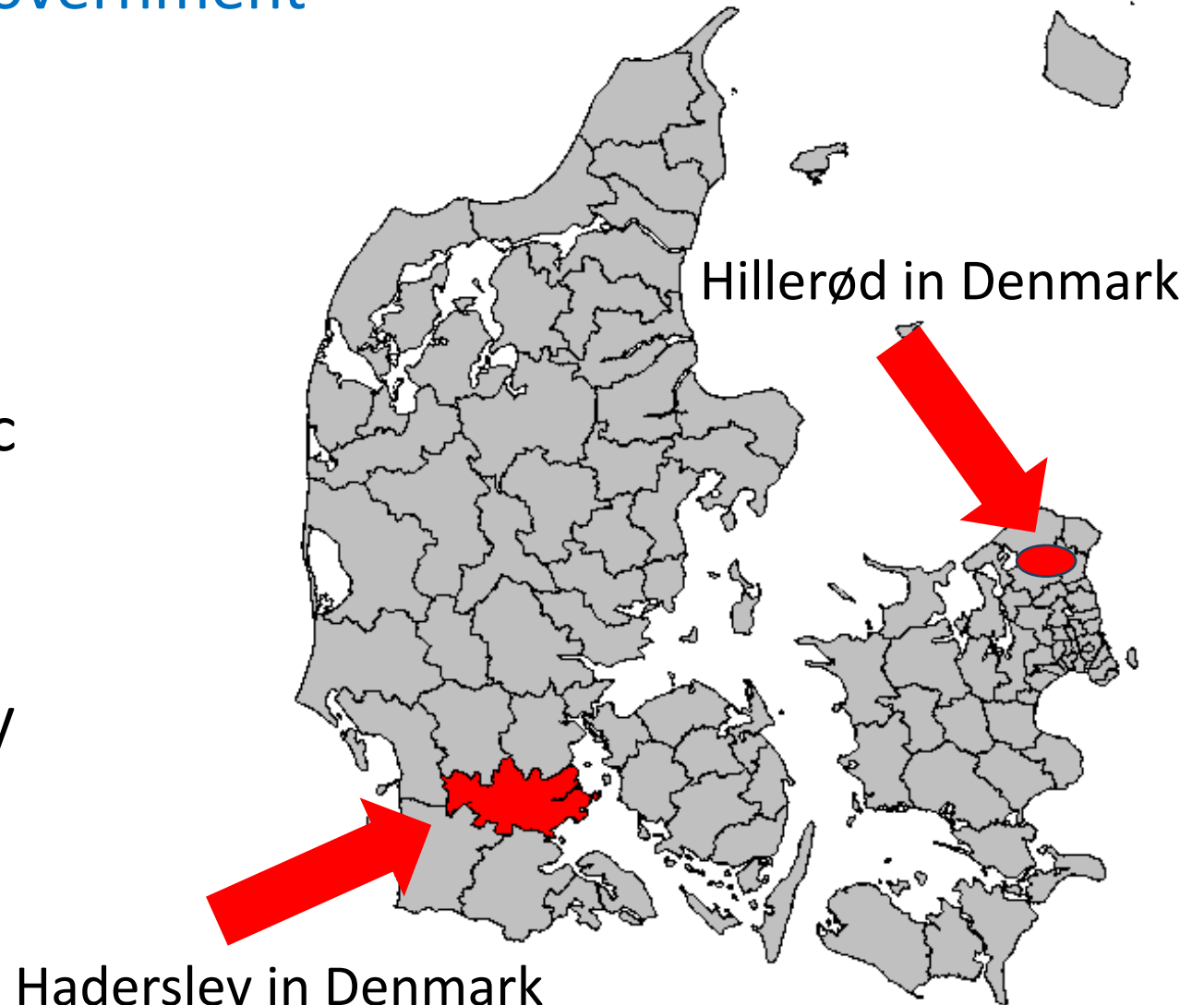
We conclude that agile management of strategy has potential to make strategies much more **valuable**, with considerably **less investment** of time, and a **lower risk** of developing a strategy that is not being applied and used



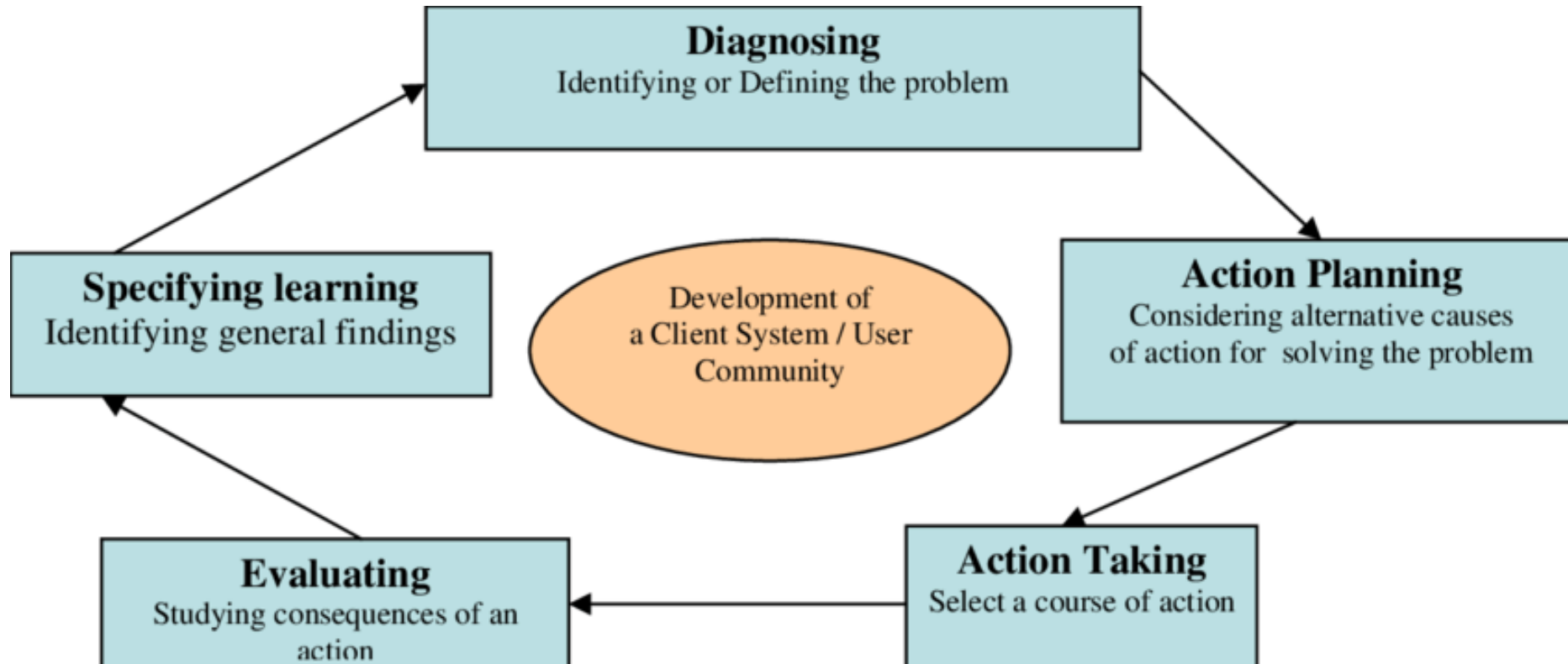
# We applied agile techniques to the strategy-making activities of two municipalities / government organizations

## A need for **Agile**

- Today, organizations not only need the capability to be dynamic and agile in executing their strategies ...
- they need the capability to be dynamic and agile in continuously **formulating and reformulating** their fundamental strategies

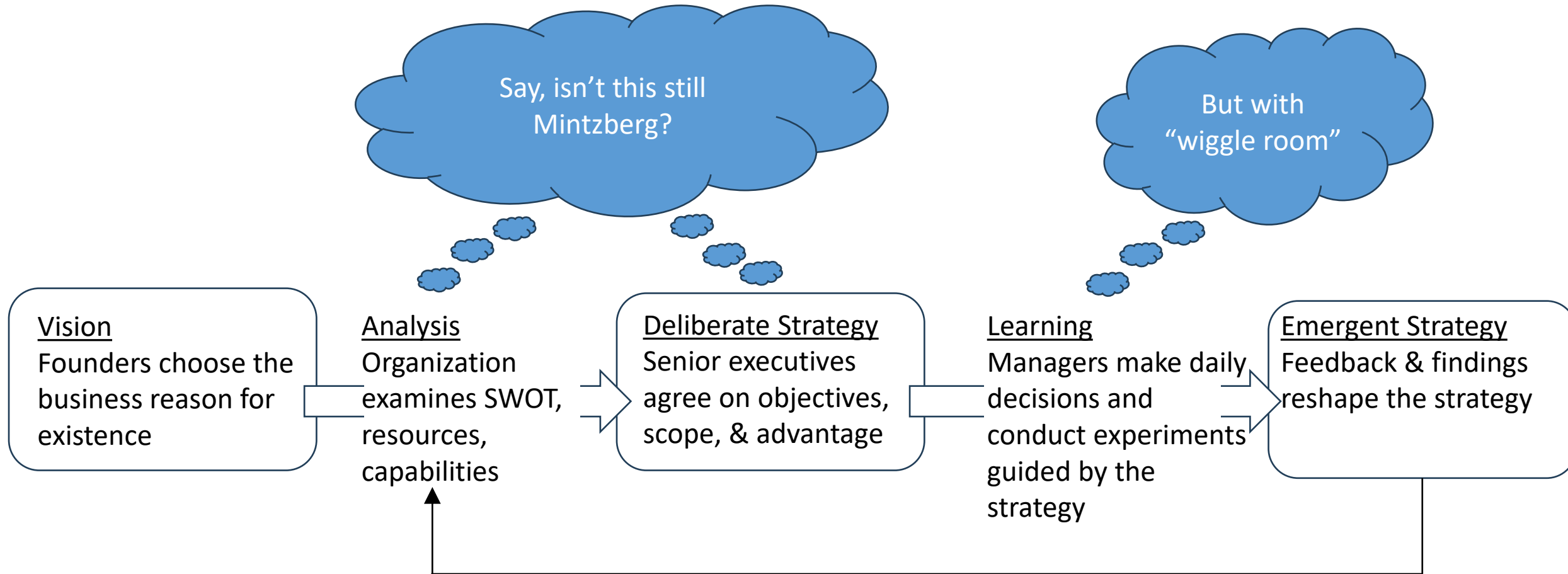


# Using action research methodology in a clinical mode



- A Clinical Mode is client-driven: prioritizing problem-solving over theory-supporting. Sometimes only a single cycle of action research.

# “Lean Strategy” is Too Fat



# Principles of Agile Strategy Formulation

From Wade et al. (2022)

1. Prioritize speed over perfection.
2. Prioritize flexibility over planning.
3. Prioritize diversification and “efficient slack” over optimization.
4. Prioritize empowerment over hierarchy.
5. Prioritize learning over blaming.
6. Prioritize resource modularity and mobility over resource lock-in.



# Haderslev

1. All employees have digital training.
2. It is safe to use digital.
3. Digital technology helps to make the municipality attractive.
4. We use data wisely.
5. We offer citizens the option of a digital first choice





# Hillerød

1. In Hillerød municipality, digitization is used to prevent and remedy labor shortages.
2. Hillerød municipality uses welfare technology wherever it is relevant, saves time and achieves better quality in welfare.
3. All citizens and businesses in Hillerød experience that the municipality's digital service is coherent, safe, and secure.
4. In Hillerød Municipality, we have employees who use digital technology extensively and who are really happy about it.



# Agreed Agile Strategy Management Process

## (Client-System Infrastructure)

- Traditional strategy relies on exploration, documentation, and long meetings to create intricate plans.
- Agile management of strategy accepts we are not prescient => design strategic plans intended to adapt, evolve, and respond to new information.
- Make the minimum viable product is a basic agile principle
- Divide the strategy into modules to ease changing a module.
  - It may be relevant, for example, to change a "module" (= part of the strategy) because new knowledge has been gained, new decisions have been made—for example in the steering committee
  - Or to accommodate outside influence (laws, executive orders, joint municipal strategies etc.



# Action Planning

1. A very fast process: 6 weeks from the beginning to a digitalization strategy document was ready.
2. An intensive involvement of users; The Digital Steering Committee as well interviewing all five department managers
3. Co-creation of the strategy document by a group of three, two from Haderslev + action researcher, and in Hillerød by a group of 5 including the action researcher
4. Weekly working meetings with the manager responsible for IT and digitalization in Haderslev. Meetings every 10 days in Hillerød (on average)
5. Strategy document portioned into modules with low coupling and high cohesion
6. Four modules in the digitalization strategy document: (1) Overall strategy and vision; (2) Governance, (3) Enterprise architecture and IT security; (4) Execution of strategy



# Action Taking

- **Week 1 and 2 – Strategy and visions**
  - Inspirational meetings with key players (virtual on Teams)
  - Decision meeting on what to include (physical in Haderslev)
  - Writing this module of the digitalization strategy (interaction between the action researchers, one from university, and two from Haderslev)
- **Week 3 – Governance**
  - Inspirational meeting with key players (virtual on Teams)
  - Decision meeting on what to include (virtual on Teams)
  - Writing this module of the digitalization strategy (interaction between the action researchers, one from university, and two from Haderslev)
- **Week 4 – Enterprise architecture and IT security**
  - Corresponding process regarding enterprise architecture and IT security. At the end of week 4, the first draft of "modules" is available for review
  - Key stakeholders reviews and comments on this module
- **Week 5 - Execution**
  - Mapping how execution of projects are done today in Haderslev municipality
  - Inspirational meeting with key players (virtual on Teams)
  - Decision meeting on how to execute (virtual on Teams)
  - Writing this module of the digitalization strategy (interaction between the action researchers, one from university, and two from Haderslev)
- **Week 6 – Finalizing and deciding**
  - Co-writing the digitalization strategy document
  - At the end of the week the strategy consisting of four modules is finished
  - Ready for review by all stakeholders by the end of week 6



# Specifying Learning in Haderslev

1. AMofS fit the circumstances and context in a municipality - AMofS helps cope with the unstable and disruptive environment of information technologies.
2. Agile management of strategy requires agile management practices that will execute the strategy
3. Developing the agile strategy document in only six weeks may be too fast. Managers new to agile strategy management need careful preparation and training to construct their teams.
4. More active engagement of the department head level would have been preferable
5. Agile strategy team need the right network to keep the “folks back home” informed and in-the-loop.
6. Everybody would do the agile management process again! “It has been a super exciting process.”
7. The adaptability and portability of agile techniques:
  - The concept of the 1 week sprints worked well
  - Modular layout of the strategy itself (~the layered architecture of agile software)
  - Management needs forethought in keeping the composite architecture consistent and compatible

# Specifying Learning in Hillerød

The first lesson learned was again (meaning that it was the same as in Haderslev) that agile management of strategy requires agile management practices that will execute the strategy

The second lesson learned was that hard deadlines are very useful to speed up the development process and make it much more agile

The third and fourth lesson learned were equal to the ones presented above for the Haderslev case. A more active engagement of the Department head level would have been preferable. And using an agile management of strategy was probably the right thing to do

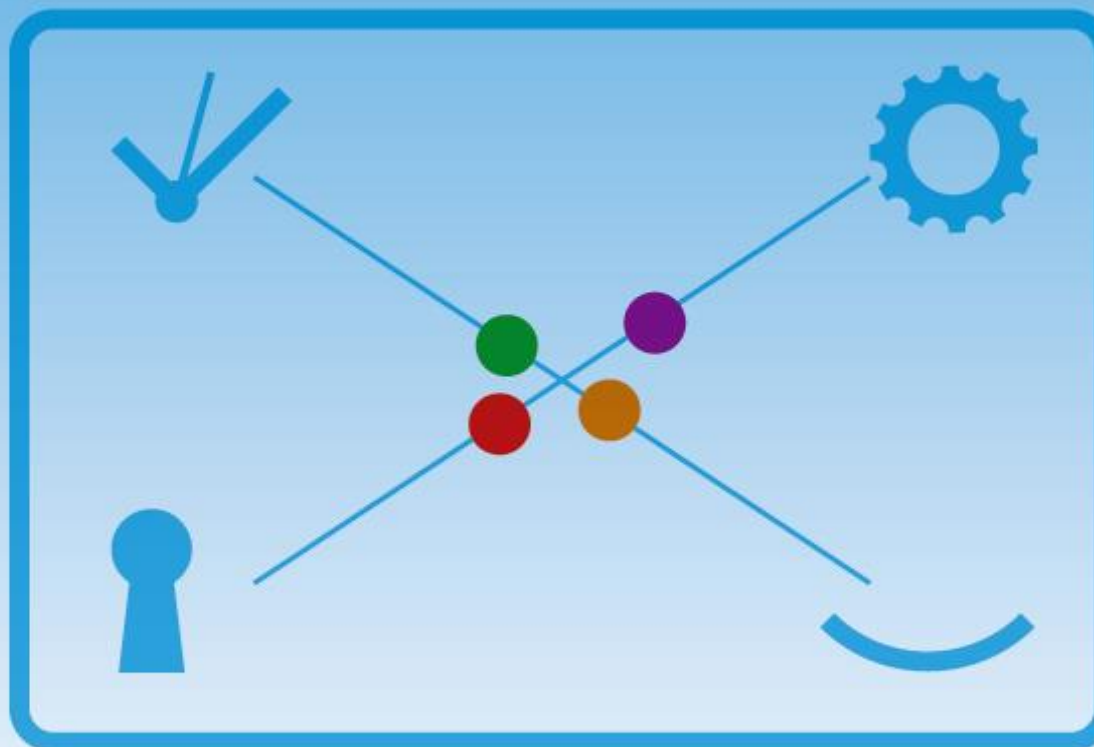
The *fifth lesson* was that the instrument presented on the next slide had proven extremely useful in measuring ideas vis-à-vis how their individual implementation contributed to the four visionary statements in the strategy

# Styring af det digitale: Fra vision til handling

**VISION 1**  
SPARER TID OG OPNÅR  
BEDRE KVALITET

**VISION 2**  
IMØDEGÅR MANGEL  
PÅ ARBEJDSKRAFT

På figur er vist et eksempel på en idé og hvordan den bidrager forskelligt til de fire visioner, gående fra ganske meget i forbindelse med imødegåelse af arbejdskraftmangel, til slet ikke i forbindelse med sammenhængende, tryk og sikker



**VISION 3**  
DET DIGITALE ER  
SAMMENHÆNGENDE,  
TRYGT OG SIKKERT

**VISION 4**  
MEDARBEJDERE DER  
ANVENDER DET DIGITALE  
- OG GLÆDES VED DET

Det er Digitalisering og IKT-Drift, der har hovedansvaret for, at der sammen med afdelingerne laves foranalyser, af de indkomne idéer.



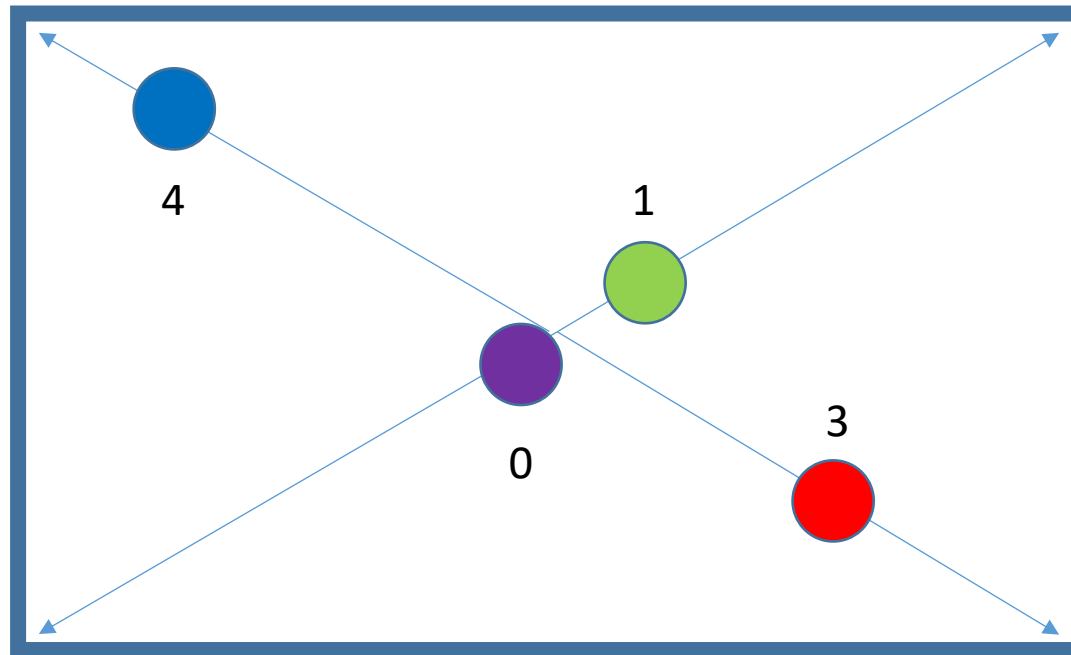
# Example of an idea and how it contributes to 4 visionary statements

Vision 1

Addresses labor shortages

Vision 2

Saves time and achieves better quality



*The figure shows an example of an idea and how it contributes differently to the four visions, ranging from quite a lot in terms of addressing labor shortages, to not at all in terms of coherent, safe and secure*

Vision 3

The digital is coherent, safe and secure

Vision 4

Employees who apply the digital – and be happy about it



# Scale used for scoring

Scoring		Description
5	Critical	Critical for realising our vision / strategic intent. Without this it will be impossible to realise
3	Enabler	Enables the vision /strategic intent. It will cost extra without this
1	Indirect	Indirectly related to the enabling of a vision / strategic intent
0	No effect	No effect what so ever to vision / strategic inten

# Comparing with the six agile principles

From Wade et al. (2022)

	Case 1 - Haderslev	Case 2 - Hilleroed
<b>Principle 1: Prioritize speed over perfection.</b>	Yes, 6-week core process	Yes, 8-week core process
<b>Principle 2: Prioritize flexibility over planning.</b>	Yes, core group of 3 people working nearly full time for short period. The modules to be written (principle 6) worked as organizing principle	Yes, core group of 5 people working intensively for the short period
<b>Principle 3: Prioritize diversification and “efficient slack” over optimization.</b>	Not applied	Nearly the opposite: a formal choice process for best ideas was set up (see Figure 4)
<b>Principle 4: Prioritize empowerment over hierarchy.</b>	Yes, core group of 3 people empowered. Weekly presentations to management leading to iterations of the writing	Yes, 5 people empowered with the manager being one of the group
<b>Principle 5: Prioritize learning over blaming.</b>	Partly practiced, in that no blaming took place	Partly practiced, in that no blaming took place
<b>Principle 6: Prioritize resource modularity and mobility over resource lock-in.</b>	Yes, Comprehensive modularization	Yes, Comprehensive modularization

Table 1. Cross-Case Analysis

We conclude that agile management of strategy has potential to make strategies much more **valuable**, with considerably **less investment** of time, and a **lower risk** of developing a strategy that is not being applied and used



YES, Agile Management of Strategy is a good idea

## Future research

- More case-studies than the two reported here
- A deeper analysis of team dynamics and interpersonal aspects in agile strategy-making.
- A discussion of what the role of agile management of strategy in other settings

# References

- Pries-Heje, J., & Baskerville, R. L. (2024). Agile Management Of Strategy. Southern AIS Conference, March 2024
- Pries-Heje, J., & Baskerville, R. L. (2024 forthcoming). Agile Management Of Strategy. International Conference of Information System (ICIS), Bangkok, Thailand, December