Peter Drucker: A Forerunner of Strategic Agility as a Dynamic Capability?

1st Global Peter Drucker Forum Vienna, 20 November 2009

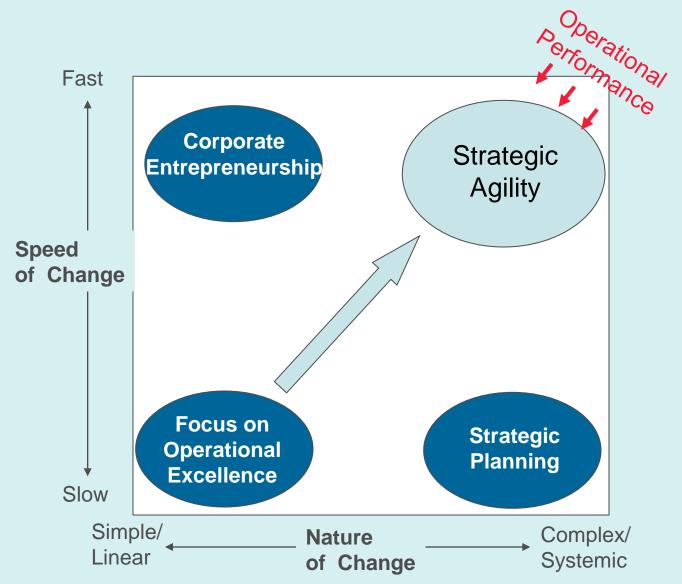
Yves Doz

The Timken Chaired Professor of Global Technology & Innovation, INSEAD

Some of what we learn from reading Peter Drucker:

- Focus on the Future through today's window: weak signals, trends, discontinuity pattern recognition, synthesis
- Focus on marketing (the most important function), customers and non customers, incongruities, surprises
- Organized abandonment is a precondition to innovation
- Innovation is a systematic process, that can be managed with discipline
- The Theory of the Business matters (business system, model)
- Knowledge and knowledge workers' engagement are key
- We need organizational flexibility, multidimensionality
- Organizational and governance innovations are key enablers
- Leadership is not charisma but purpose, hard work, discipline and process
- The power of synthesis...and systemic understanding
- Management is the art of making things happen in a social system

Why is this so relevant today?



The Dimensions of Strategic Agility

Strategic Sensitivity

Both the sharpness of perception and the intensity of awareness and sense-making

Systemic Interactions and Dynamic Capability Building

Resource Fluidity

The internal capability to reconfigure business systems and redeploy resources toward new opportunities rapidly

Leadership Unity

The ability of the top team to make bold decisions fast, without being bogged down in "win-lose" politics at the top, and to implement these decisions wholeheartedly



Key Capabilities enabling Strategic Agility

Strategic Sensitivity

- Cabinet responsibility
 - Involvement
- Top team collaboration
 - Importance of values, ethics
- Leadership style and capabilities of the CEO
- Leadership is hard work and strong discipline, not charisma...
- Leadership is management

Leadership Unity

- Open Strategy Process
 - Customers, non-customers...
 - Innovation, Marketing
- Heightened Strategic Alertness
 - Overcoming inertia (theory of the business)
- High Quality Internal Dialogue
 - -Knowledge workers
 - Information tools
 - Continuity and change
 - --Learning by listening

Resource Fluidity

- A "Variable Geometry" Organization
 - Multidimensional structures
 - Partial/virtual decentralization
- Temporary Systems, Projects
 - "Organized abandonment"
- Organization as a social system
 - Rich enough view of the human being
 - Systemic analysis
 - Biological metaphors, away from "Machine" metaphors

Lessons from Drucker' work for a World of Volatility and Complexity...

- 1. Separate "enduring truths" from immediate contexts...

 Learn/extract general patterns from specific stories/contexts
- 2. Be interdisciplinary without prejudices Problem driven, integrative, inclusive
- 3. Understand the process and dynamics of complex changes ("The future that already happened")
- 4. Apply power of reason... clarity of thought and argument
- 5. Focus attention on management, individuals in action, in context...
- 6. Develop a rich, deep, empathetic understanding of and appreciation for human beings...

