

Agile competitors and virtual organizations: strategies for enriching the custome...



Agile Competitors and Virtual Organizations is a management “blueprint” text that comprehensively examines the global marketplace and offers a framework for businesses to follow for profitability in the future. The authors Goldman, Nagel, and Preiss center their attention around the aspect of agility, and expounds on how business has changed profoundly in the 21st century. The book defined agility as a set of comprehensive responses to the challenges posed by a business environment dominated by change and uncertainty.

This text was written because the authors believed it was clear that most management truisms that were prevalent in the past no longer worked. Through research they hoped to influence today’s executives and business educators by changing and developing effective, profit centered strategies. Agile Competitors and Virtual Organizations, which offers over 100 real world examples of agility, describes what it takes for companies and individuals to be agile, and how they can thrive in a competitive environment of unending, and unpredictable change.

Also, the book was written for the general business reader as well as those who are involved with strategic planning and policy development for companies, institutions, associations and agencies. The focus of the text covers the following five main points. First, the authors uncovered strategic objectives of agile competition and how companies can use them to their advantage. Second, the book covers new organizational structures with an intense focus on core competencies that will enrich customers and producers.

Next, Goldman, Nagel, and Preiss identify strategic principles for using the virtual organization concept, to enhance the profitability of the company's operations. Fourth, the text focuses on the new relationships among marketing and product development that are precursors for marketplace success. Lastly, the book examines how people and information have become differentiators of successful companies and the traits that are necessary to maximize the impact of people and information on a company's operating statement.

Agile Competitors and Virtual Organizations also includes historical perspectives, and some practical advice, as well as some self assessment tools that can gauge a company's agility. This book offers various key ideas; however, the most important one outlines the four dimensions of agile competition. In brief, the four dimensions of agile competition are: enriching the customer, cooperating to enhance competitiveness, organizing to master change, and leveraging the impact of people and information.

In regards to enriching the customer, the agile company must know about the customers, add value to products, sell the company's core competencies and build to order. In cooperating to enhance competitiveness, the agile company must identify win-win situations, develop clear intellectual property rights, and develop clear partnering criteria. In understanding organizing to master change, the agile company must conduct continuing competency inventories, diffuse authority, invest in worklife quality, and create an open information environment.

In regards to leveraging the impact of people and information, the agile company must understand that people and information are differentiators, and also people are successful agile competitors if they are open to continuous learning. Another key point in the text is that an agile organization sells the skills, knowledge and information of the people who work for it, partner it, and sell to it. Agile organizations compete on the basis of their core competencies. They should be people-centered, they need to value learning, and they need to be dynamic, thinking organizations.

The authors believe it is imperative to create an atmosphere that encourages people to take acceptable risk. However, this does not include reckless empowerment, but it will allow employees to carry out tasks and help them take action to improve their performance. The third key point to this text involves the role of the virtual organization. The virtual organization is based on the fact that cooperation enhances competitive capabilities. The virtual organization is an opportunity based dynamic organizational structure that brings pieces of the organization together to meet a worthwhile opportunity.

There are six strategic reasons to form a virtual organization: to share infrastructure and risk, to link core competencies, to reduce concept to cash time through sharing, to increase facilities, to gain customer loyalty, and finally to migrate from selling products to selling solutions. The use and role of virtual organizations are subtle and evolving, and organizations should always define a clear set of objectives and stay focused on them. The last key point of the book covers the topic of enriching the customer.

Enriching the customer is perhaps the most important dimension of agility. Furthermore, enriching the customer confers sustainable competitive advantages. Companies can cause customers to see increased value in their product and service relationships through information connections between customer and supplier, and treating customers as individuals. In creating customer-valued solutions, the marketing function must be reinvented in an agile company, and it should reflect the fact that solutions do not have an absolute value.

Finally, understanding customer opportunities and needs is critical to developing the ability to provide mass individualization. My assessment of this text is that I thoroughly enjoyed reading the material. Although many companies will not explore the depths of being agile, it will certainly need to be examined by our future senior leaders as we head into further global competition. It is most certainly true that organizations will have to find ways to enriching the customer because not only of increased competition, but because without identifying who are customers are, there is no business!

I concur with the notion that agility at its simplest form is on the individual level, and a group of agile employees will compose an agile organization. However, this book should have talked about how companies could continue to help increase the skills and competencies of these individuals. I slightly disagree with the notion that partnering is always a good option. This will certainly depend upon a lot of factors and senior leaders must take a vast amount of time before entering that type of decision.

In regards, to mastering change, this is inevitable; there is not one company alive today who has not learned to change. Creating an open environment and allowing employees to make critical decisions is not a great idea. This type of entrepreneurial spirit does not go well with me. I could only imagine if I had let some of my employees make a critical decision instead of me. Some employees just do not have the qualifications and critical thinking skills necessary to make these kinds of decisions.

The underlying message of this book is the necessity of having great people who are willing and able to be able to adapt to the ever changing world of business. As an example, I worked for a company a few years back that literally changed policies monthly. Even though the company was quite large, it was a very unstable environment because of how often change was implemented. Needless to say a lot of people left the organization, causing a huge turnover rate, and leaving many positions unfilled for quite some time.

Overall, Agile Competitors and Virtual Organizations is a great book that should inspire new senior business leaders to anticipate customer requirements, create new markets, balance people, balance processes, and enrich both the employees and customers. This book will help senior leaders maximize their opportunities and will cause some leaders to rethink the strategic direction of the company. Furthermore, it will help business personnel identify when change is necessary, what challenges they should expect in the future, and how the global economy will shape each individual industry.