

Welcome to Basis Points! Each month, Basis Points provides you tips and techniques that we've gleaned from a variety of sources to help better your business life. In this month's issue themed, "Agility" we discuss how nimbleness enables firms to respond to the accelerated pace of business in ways that enable them to excel.

How to Build a Nimble Company

When faced with change, companies can choose to adapt or falter; to reinvent themselves or struggle to survive. Gary Hamel, Visiting Professor of Strategic and International Management at the London Business School, offers these tips to "build a nimble company".

- 1 Embrace the idea of a 'strategy re-boot'. Don't fight change. Anticipate, adapt, excel.
- 2 Encourage colleagues to challenge the status quo. Standing still is falling behind.
- 3 Remove barriers to change. Don't let structure or system keep you from redeploying talent or capital to new ideas.

Source: "The Future of Management", Gary Hamel with Bill Breen; Harvard Business School Publishing, 2007

"Change is always tough. Something familiar is destroyed. Something unknown is coming. Genuine leadership must aggressively step into the unknown or risk the certainty of being destroyed by the status quo."

- Kevin Cashman, CEO of LeaderSource

The World Is Changing... Faster Than You Think

Need proof of how fast the world is changing? It took more than 100 years to populate the planet with 1 billion telephones. The second billion took only five years. By the end of this decade, 2 billion people will own not just phones, but phones with web browsers. Businesses – indeed, whole economies – are built on a digital platform whose features are multiplying exponentially even as its costs are dropping 30% per year.

Coping With Change

A research study by the Center for Creative Leadership identified the #1 issue facing senior management today is dealing with complexity and change. It shouldn't surprise, then, that learning agility – the complex set of skills that enable us to learn something from one situation and apply it to another – has been shown to be quantifiably more predictive of long-term leadership potential than raw IQ.

Source: Center for Creative Leadership (www.ccl.org)

Three Strategies to Improve Agility

In his book, "Losing My Virginity", Sir Richard Branson, Founder and CEO of Virgin Companies, a branded venture capital conglomerate of more than 360 companies, outlines three ways to practice agility in the marketplace.

1 Do what others don't. In creating Virgin Mobile, Branson heard from lots of naysayers. Most questioned why he'd want to create a new telecommunications company when the market seemed overcrowded and cluttered. At the time, every cellular phone company in Great Britain required a long contract. Branson knew that consumers didn't want contracts. He saw an opportunity to deliver something different, not offered by anyone else. His idea had instant value.



2 Listen carefully; pay close attention to detail. Branson, who oversees an empire of 35,000 employees and annual revenues of \$20 billion, writes down everything in black notebooks. In the course of his 38-year career, Branson has filled more than 120 black ledger notebooks with jottings from conversations, new ideas and "to do" lists.

3 Have courage, but hedge your bets. Although Branson projects the image of a wild risk-taker who throws caution to the wind, his innovative and bold business ventures are carefully structured so as to minimize risk. Example: when he launched Virgin Atlantic Airlines, he was careful to lease (not buy) a jumbo jet. He also set up a separate company, so as to protect the assets of his other business interests.

Source: *Webcity Source Guide*, 2007