



HOW TO CREATE AND LEAD AN ADAPTIVE ORGANIZATION

BY STEPHAN H. HAECKEL

LIKE THE RED QUEEN IN LEWIS CARROLL'S *Alice's Adventures in Wonderland*, many corporate executives, grappling with unpredictable, continuous change in their industries, find themselves and their organizations having to run faster and faster just to stay in the same place. Even after investing billions of dollars in process redesigns and techniques to better predict market behavior, many companies still find themselves unable to adapt quickly enough. ■ Stephan H. Haeckel offers a way for companies to get ahead of the curve. The former chief of the Center for Strategic Studies at IBM's Advanced Business Institute and the author of *Adaptive Enterprise*, Haeckel says that for truly adaptive firms, a rapidly changing environment becomes a strategic advantage. ■ In Haeckel's sense- and-respond organization, leaders use IT and fundamentally new approaches to management and organization to respond better and more quickly to customers and fast-changing conditions in the marketplace and economy at large. ■ Haeckel doesn't suggest that becoming a sense-and-respond organization will be easy. Indeed, those who lead sense-and-respond organizations must help their people understand external change and respond to it. They become "context" givers, not chief problem-solvers. They set the context for how the organization operates in three ways: by focusing the purpose of the organization on its primary customer; setting the basic policies everyone in the organization must follow; and creating a "role and accountability design" that organizes people by the roles they perform and what they are expected to deliver. ■ Of key importance to leaders in a sense-and-respond organization is their skill at placing the right people in the right roles, and making sure those roles are related coherently. Leaders also must continually scan the horizon for changes in the environment that may require them to reconsider and change the "context." ■ In this whiteboard, Haeckel provides leaders with a road map for organizational success and survival in a sea of change. Following a brief set of questions designed to determine whether the sense-and-respond model is for you, Haeckel suggests how you can move your organization toward becoming more adaptive—and then, once there, continuously increase your organization's ability to sense and embrace change for maximum competitive advantage.

STEPHAN H. HAECKEL is the president of Adaptive Business Designs, an executive education and consulting firm in Pound Ridge, N.Y.; the retired director of Strategic Studies at IBM's Advanced Business Institute; and past chairman of the Marketing Science Institute. His book, *Adaptive Enterprise: Creating and Leading Sense-and-Respond Organizations* (Harvard Business School Press), describes in detail how sense-and-respond organizations operate.