

Agility vs. the Stability Horizon

In many articles, there are talks of looking to the future to see the big trends or the big disruptions that are (or may be) coming. Phrases like "here are the future trends, prepare for economic uncertainty, weather-related disruptions to increase." The underlying assumption? **If we could just see and precisely predict the future events, we would be more agile.**

As I think about this, two thoughts occur to me.

1. These big-picture future awareness pieces don't necessarily translate for me. They don't prescribe what I'm supposed to do.
 - a. They tell me what to prepare for, but not how to prepare for them. Yes, there might be more shipping disruptions, but what does that mean for me, and what action should I take?
 - b. Yes, there might be political instability or even war, but what does that mean for me and my business?
2. The second thought is that pinpointing the future events that require preparation is really like expecting me to take an action today that accommodates me and my company's planned stability, not the quest for agility.

In other words, If I can see the events of the future, I can design my present such that I can continue to enjoy my sense of a stability horizon.

The Stability Horizon. Let's talk about that. Most companies attempt to build a schedule. Whether it's a production schedule a decision schedule or some other schedule, as humans, we want to know what we'll be doing over the next one, two or three weeks at a minimum. Ever been asked where you see yourself in 5 years? And we want to have some cadence for much of our life: daily production meetings, weekly production schedules, monthly goals to achieve, Annual Reviews, Thursday night is date night.

All of these are examples of stability. If we find out that our favorite restaurant is going to be closed on Thursdays, we change and make Wednesday (from now on) our date night. Not agility, but an attempt to maintain a stability horizon. We can move our production schedule around, as long as we still meet our weekly goal (stability horizon).

And the bigger picture is the same. There will be more weather disruptions in the coming year. What do I do about it? If I think back to my primary school days, the school district made a schedule that allowed a certain number of school cancellations without consequence, but if we went over that number, there was a plan to add school days at the end of the year. **Again, not agility, but plans to maintain stability.**

Sticking with the school example, most school districts have a roster of substitute teachers. Why? Because when a Teacher wakes up sick and won't be coming in, we need to put someone at the front of the class that will continue the planned lesson. Again, not Agility, but continuing the planned stability. Agility happens on the part of the substitute teacher, but only with regard to availability that day.

If you have exactly the right number of people for your operations, when someone calls in sick, you can replace them with someone shifted from another area. Not agility, but choosing between stability horizons, sacrificing one horizon to maintain another. A plan that allows you to handle known and specific disruptions is not agility. It's an attempt to maintain the stability horizon. Think about your agility plans and confirm they are truly agile.





What is agility?

Imagine a production schedule based on capabilities. I have an assembly line and a workforce able to produce around 200 units. 200 units of what? That will be decided in a certain window of time (think hours, not days) before the start of production.

Imagine a school district where when a teacher is sick, the students are tasked with writing an essay during that period (topic? Who cares?). Or, tasked with helping a teacher in a lower grade? Or asked to create something (Art? A card game? A story?) or read and interpret a poem?

Imagine deciding what you will eat for dinner at 4pm. Identify the ingredients you have and determine what you can make? Or, choose your restaurant (eat there or take out). Your tendency will be to think about it all day, because as humans we want stability. We want to know what's going to be, what's going to happen. **Good or bad, we want advanced notice so we can get excited or prepare for the feeling of dread.**

Restaurants have some degree of agility. There are restaurants that offer a fixed menu – they tell you what you're going to eat. The only variability for them is how many to make each day. Then there's the sliding scale of requests like, hold the onions. Or substitutions. Some have added "build your own" items to the menu. Fewer will accept items that are not on the menu at all, like can you make an omelet on brioche toast with tomatoes on the side? You can see that they must have all the ingredients from their other offerings.

Can you imagine the day where all the items in the kitchen are public (and the related on-hand balances) and you can create the recipe upon order entry, which they will then make to your specifications? Now that would be Agile!

Agility still fits within a framework. It's not the same as randomness. I can go to the bus station and get on the next bus to wherever. That's randomness. But if I align myself with a framework (vacation, at least 500 miles south, still within the US) then I can prepare for anything that fits these criteria.

We witnessed a degree of Agility when companies that made Product X were quickly able to retool production to meet a medical (respirators or masks) need.

Let me try to define agility in the sense of my supply chain aspirations. Within my business framework and operational range, I quickly adapt to changes in customer demand (both quantity and timing) by shifting or expanding my capabilities. Outside of my business framework, I quickly react to a spike in demand (whether it be for a product or service) and adapt my business in response to the evolving needs of the world. This is a great conversation starter, at least.

We become Agile by making plans and decisions in the strategic range that are designed to create a degree of flexibility in reaction to variability in the operational range.

Agility is not easy. But the first step is to understand what agility looks like. After that, we must determine how to be agile. It's another paradigm shift.

Our business model guarantees that customer satisfaction is our focus. We charge a monthly fee with no long-term commitment. Which means we must continue to add value from the customer's perspective.

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