Pattern–Based Approaches for Organizations' Agility

Darko Galinec
Polytechnic of Zagreb, Croatia

INTRODUCTION

Technology's role in the enterprise is increasing. This does not mean, however, that the role of the information technology (IT) organization is increasing. Chief information officers (CIOs) concentrating on (IT) as a force of operational automation, integration, and control are losing ground to executives who see technology as a business driver and source of innovation. Effective leaders use technology, which includes IT, to strengthen the customer experience and eliminate costly internal distortions (McDonald & Aron, 2012, p. 2).

In this work we illustrate innovative approaches which are used in analyzing and modeling behavior of the systems. These theories and their concepts are used for investigating the problems that belong to the domain of organizational systems.

Pattern-based approaches enables business leaders to seek, model, and adapt to new and emerging business patterns that could represent opportunities and threats. Pattern detection is not new. Any human activity involves pattern seeking and modeling — for example, making a business decision or identifying a potential problem are all about pattern seeking and modeling (Burton, Genovese, Rayner, Casonato, Smith, Beyer, Austin, Gassman, & Sommer, 2010).

Pattern-Based Strategy complements Boyd's emphasis on the need to quickly identify, analyze and synthesize patterns to gain competitive advantage. Trust and accountability are essential for an adaptive organization. Leaders who empower individuals with implicit guidance and control will establish organizations that proactively seek, model and adapt to patterns of change better than their competitors.

Organization's competitive advantage and survival are about recognizing and acting on patterns before others. Previous strategic planning models were strained to seek changes, predict outcomes, adequately guide decisions and assist leaders in defining governance models that embrace change. Through a focus on pattern-based strategy organizations will move from being "reactive" to being "proactive" (Genovese, Sribar, Prentice, Burton, Austin, Rayner, Popkin, Smith, & Newman, 2009).

The adaptive organization takes immediate action to exploit opportunities or mitigate threats by sensitizing itself to changing patterns. Meanwhile, the reactive organization ponders and waits until all the facts are in, while fast-changing events or circumstances quickly overtake them. It then tries to calculate the impact on operations, customers and partners. Successful organizations are those that adapt to change faster than their competitors, through the appropriate use of information technology (IT).

The theories of strategist John Boyd — coupled with Gartner's Pattern-Based strategy — will provide leaders with the insight and actions they will need to transform their businesses into adaptive organizations. These two approaches complement each other in the following ways:

- Examining the specific challenges facing today's leaders and explaining how an adaptive organization meets such challenges;
- Learning Boyd's strategic theories and frameworks — notably his OODA feedback loop — which organizations can use

to make their decision-making processes faster and more implicit, empowering individuals on the front lines to adjust the tempo of operations (either speed up or slow down) before competitors;

- Four phases of OODA loop can be mapped to Pattern-Based Strategy, which enables the adaptive organization to quickly transition to a more proactive, "seek, model and adapt" culture (Newman, 2011).

The description of two pattern-based approaches will be given later in the paper.

ADAPTABILITY

As we have announced in the introduction, adaptive organization takes immediate action to exploit opportunities or mitigate threats by sensitizing itself to changing patterns.

From the literature (Genovese, Sribar, Prentice, Burton, Austin, Rayner, Popkin, Smith, & Newman, 2009) is known that:

- A business pattern is a set of recurring and/or related elements (business activities, events, weak or strong signals) that indicates a business opportunity or threat.
- Pattern-based strategy is defined as the discipline that enables business leaders to seek, amplify, examine and exploit new business patterns.
- A weak or strong signal is a piece of information, an activity, and/or an event that indicates an impending change that might have an impact on your business pattern.
- The aim of business pattern recognition is to understand how elements (activities, events, objects and information) may form new patterns that represent an opportunity for innovation or a threat of disruption to business operations or strategies.
- The term "business pattern framework" refers to an organization's focus on and its

investment in a balanced diversity of business activities (in the defined, creative, collective and exceptions categories) that enable it to lead and respond to weak and strong signals of change (opportunity or threat).

- Operational tempo is a focus on disciplines, activities, technologies and resources that give organizational leaders the mechanisms and controls they need to understand how to enable consistent and repeatable organizational change in response to changing patterns.

The aim of business pattern recognition is to understand how elements (activities, events, objects and information) may form new patterns that represent an opportunity for innovation or a threat of disruption to business operations or strategy (Burton, Genovese, Rayner, Casonato, Smith, Beyer, Austin, Gassman, & Sommer, 2010).

To become adaptive from today's organizations transition is required from reactive, "sense and respond" decision styles to more proactive "seek, model and adapt" environments.

Seek, Model and Adapt Decision Style for Organizations

It is this ability to quickly find patterns, understand patterns and change patterns that becomes critical for success in today's highly competitive, highly interconnected environments, where risk and uncertainty often prevail (Newman, 2011). Adaptive Organizations have the Following Characteristics (Strategy-Keys.com, 2012):

- **Modular:** Modular organizational units that meet top standards and plug in where and when needed. This enables the firm to introduce and quickly implement product and process variations, adjust resources where and when needed, and ensure that the firm's high standards are being met.

16 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/pattern-based-approaches-for-organizations-agility/107370

Related Content

Stock Market's Reactions to Industrial Accidents: Evidence from Chinese Listed Companies
Jiuchang Wei, Han Wangand Xiumei Guo (2014). *International Journal of Business Analytics (pp. 18-33).*
www.irma-international.org/article/stock-markets-reactions-to-industrial-accidents/115518

Classifying Inputs and Outputs in Data Envelopment Analysis Based on TOPSIS Method and a Voting Model
M. Soltanifarand S. Shahghobadi (2014). *International Journal of Business Analytics (pp. 48-63).*
www.irma-international.org/article/classifying-inputs-and-outputs-in-data-envelopment-analysis-based-on-topsis-method-and-a-voting-model/115520

Stock Market's Reactions to Industrial Accidents: Evidence from Chinese Listed Companies
Jiuchang Wei, Han Wangand Xiumei Guo (2014). *International Journal of Business Analytics (pp. 18-33).*
www.irma-international.org/article/stock-markets-reactions-to-industrial-accidents/115518

Some New Alternative Formulations of Adaptive Kalman Filter for Market Risk Beta Estimation
Atanu Das (2021). *International Journal of Business Analytics (pp. 17-37).*
www.irma-international.org/article/some-new-alternative-formulations-of-adaptive-kalman-filter-for-market-risk-beta-estimation/276444

RMS: A New Linkage with Pervasive Computing
Vasdev Malhotra, Tilak Rajand Ashok Kumar (2010). *Pervasive Computing for Business: Trends and Applications (pp. 52-60).*
www.irma-international.org/chapter/rms-new-linkage-pervasive-computing/41096