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How to Build an Agile Foundation for Change

Achieving sustainable business success requires embracing a new core competency: agility. Creating efficiencies through process standardization and IT investment alone is no longer an effective way to gain competitive advantage. Writer Bobbie Hartman spoke with Randy Browning, a partner with PricewaterhouseCoopers LLP, about how companies can create strategic and operational agility by balancing standardization with flexibility in people, processes, and technology.

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"One of the things we've heard for years is, 'What's the killer app?' And we've had a lot of killer apps over the years. But I think the real killer app for companies today is experience."

RANDY BROWNING, PARTNER, PRICEWATERHOUSECOOPERS LLP

Q In today's credit-stressed marketplace, what are the core ingredients for achieving sustainable business success?

A The factors that are impacting businesses right now—and credit's obviously one—are causing companies to ask: "What is the DNA of our company? How can we thrive, not only today, but 5 to 10 years from now?" Those companies are probably the ones that are going to weather the economy and the credit issues best because they will have built in enough flexibility to enable them to change without a complete upheaval.

Q Can you share your thoughts on process standardization and describe what it means within any size business?

A Standardization around processes is important, but companies must build flexibility into the process. One of the core elements that's missing at many companies is scenario planning. What's interesting is that 90 percent of companies are, in fact, doing it. Most of the time, however, it's done in corporate planning or some strategy department. Unfortunately, that information doesn't make it to the IT person who is implementing Oracle.

So, companies go down the path. They drop in some technology. They solve the immediate problem. But they're not thinking, "What if our products stopped selling?" or "What if three of our major competitors were gone?" Questions like that cause companies to rethink their assumptions.

What we're advocating is that when companies are embarking upon any of these kinds of initiatives, whether it's a technology implementation, a process improvement, etc., that they build into it a more structured scenario planning.

Q How does a company successfully balance standardization in technology?

A Some of it is mindset. Instead of letting the implementation drive the decision-making, do the scenario planning first. Then, think about the business problem you're trying to solve, and the people, the processes, and the technology that will solve it. I believe scenario planning gets our clients to a better answer ultimately, one that is more sustainable and adaptable.

Q Can you identify three major mistakes that companies of all sizes are making when it comes to remaining agile and change-ready?

A The first mistake they make is to move down a path of technology without really thinking about the people, the process, and more importantly, the problem they're trying to solve. The second is not taking into consideration possible "what if" scenarios. And the third mistake is too much standardization, which creates an inflexible environment.

Q Can you address how PricewaterhouseCoopers and Oracle work together?

A At PricewaterhouseCoopers, we help our clients solve business problems. We get to know their business, leverage our deep experience in their industry, and then team with Oracle as part of the solution. So we view Oracle as a very important part of helping us help our clients be more agile, more effective, and more competitive.