

ΜΕ ΑΠΟΨΗ

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"Ambidextrous" Businesses



By George Karlaftis

How does a Business maintain its acquired efficiency, while simultaneously expanding with safe and fast steps in innovative explorations for new products and new markets?

I will attempt to analyze a fundamental, although a 'silent' problem of every business: *'how will it meet future demands in the business field in a timely and successful manner?'*

This problem has been thoroughly approached for several years under the term "Ambidextrous Business". The approach is clear and can be simply formed, as I will briefly do so below. However, I would immediately like to raise a series of issues that may be considered interesting, if not substantive and lead to further questions, so as to be food for thought on how to clarify the prerequisites and steps for the venture to perform positive and sustainable results.

An Ambidextrous Business seeks to grow by separating the functions of two entities within the business itself: (1) The existing business in the way it operates by providing products and services to its customer base, and (2) an autonomous entity with authority to explore new markets and cover them with new or improved products. The autonomous entity is essentially inside the business, however it functions as an autonomous innovative research and development laboratory for the design of new services, but also functionally markets its standards or complete products simulating a startup.

In order for the above system to be functional, an additional feature is necessary: (3) that the autonomous entity has access to the resources of the existing business, so that it can scale up its course faster and without the risk of 'burning out' financially since it is at the stage of exploration at two levels, namely research and development, as well as the investigation of the initial and potential size of the target market in order to weigh the dynamics that will ensure the factors of its sustainability and the growth of its performance.

There are two additional components to completing our brief formulation and they refer (where else?) to the human element and organizational models.

People in the Ambidextrous Business - special emphasis is placed on the staff management potential, its adaptability and ingenuity at the level of balancing the dual role of observing in two directions more specifically in the existing entity thus in the past and the history of the existing business, while at the same time exploring the market horizon by anticipating new needs, new markets and new services with innovative features.

Focused on an Idea - in this case a specific idea or opportunity is initiated by a senior executive or business owner and may refer to a new or improved product, a new production facility or a new market, or something completely different. This can be a combination of the above which, based on the carrier of the idea, brings a new reality to the business.

Top-Down Hierarchy – in this case a process is created with strict specifications leading to a new entity (could be an R&D Unit/Division) within the existing one, which will generate and process potential innovative ideas towards the production of new product prototypes and controlling their acceptance by the market by shaping a portfolio of new offers to the market

Bottom-Up Hierarchy - in this case, through a similar process with strict specifications, the development and submission of innovative ideas from the employee level is encouraged, their filtering to higher levels and the final qualification of those to be assigned to a high-ranking executive for further development. The main purpose in this organization is the active commitment of employees to attempt continuous communication of their ideas creating a basis of continuous accumulation of ideas.

We now come to the most interesting part about Ambidexterity in business. We will try to penetrate the simple descriptions above by raising a number of issues for further elaboration. The answers can be considered as a personal preparatory test if someone is asked to lead an idea in the context of an Ambidextrous Business:

TOPIC-01: How does the Corporate Culture and the existing Organizational structure affect the launch of an Ambidextrous Business by expanding the existing entity by adding an autonomous entity?

TOPIC -02: How is the Investment forecast for the autonomous entity based on the resources of the existing entity?

TOPIC -03: By what method is a new idea or new approach pre-evaluated before the autonomous entity is established?

TOPIC -04: How autonomous is the autonomous entity required to be and apart from money what other mechanisms could the existing entity use?

TOPIC -05: In the top-down hierarchy when the formation of the new entity is decided, will any autonomous entity be within the new entity or will it be truly autonomous?

TOPIC -06: In the bottom-up hierarchy, how is the motivation of employees to communicate new ideas consistently and continuously?

TOPIC -07: What are the critical success factors and how are they specified and evaluated before the formation of an autonomous entity?

In conclusion, from Microsoft's Office for Desktop to Office365 in the cloud or from Amazon's original eCommerce core business to Amazon Web Services (AWS) we can distinguish high-profile upgrades of solutions or creation of new business entities of the same company, which demonstrate that Ambidextrous Business is possible and there are Companies that work well at this level.

On the other hand, the above brief mapping along with the issues raised were intended to initially show that any size business can evolve into Ambidextrous as long as classic strategic and operational planning additionally takes into account the special characteristics of this transition. Before the company embarks on putting the Ambidextrous approach into practice, it must have taken into serious consideration the obvious as well as the invisible parameters of the venture!

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