

# The Increasing Relevance of Corporate Agility

When I first learned about corporate agility I initially thought: this is again new management hype. However, over time, I changed my mind and I now think that corporate agility as a concept is here to stay. In this article I will explain why and share my personal views on what this means for organizations in general and companies active in the built environment in particular.

*from Maarten Vermeulen CBM FRICS,  
RICS Regional Managing Director for Europe, Russia & CIS*



## Why do companies need to become agile?

Agility means the ability to move quickly and easily and this is exactly what companies must learn if they want to cope with the challenges ahead of them. In 2015 RICS published a Futures report named 'Our Changing World: let's be ready'. This influential report was the outcome of a global study which identified the six main global challenges the built environment sector faces in the years to come. These challenges relate to:

- » Winning the war for talent;
- » Ethical behaviour, professionalism, governance and transparency;
- » New technologies and big data;
- » Urbanization, smart and sustainable cities;
- » Taking a more integrated and opportunity-led approach towards real estate and infrastructure;
- » Developing stronger leadership.

Each challenge on its own has already significant consequences for the sector, let alone all six of them combined. And it doesn't stop here: change is the only certainty nowadays and change gets faster by the day. Digitalization accelerates this process massively.

If companies in the built environment want to maintain their relevance they need to adopt to change in a timely manner and try to learn and be aware of factors outside the industry. Examples such as Airbnb, Uber and Amazon show that inno-

vation most likely doesn't come from inside but from outside the sector. People and organizations not active in the field of land, property and construction have a completely different mindset and perspective on how things can work and do not carry the same culture and history which potentially blocks a clear view on opportunities for innovation.

## The difficulty with the built environment sector

The RICS Futures report 'Our Changing World: let's be ready' also shared some conclusions about the sector which clearly show why our sector is more likely to struggle with the above mentioned challenges than most other sectors.

Our sector is (being seen as) very traditional and change averse, we are scared of new technologies and do not score well on ethics, innovation and change. Moreover, we lack strong leadership: people with a vision who act responsibly and lead the way.

Nonetheless, there is hope and every day more and more companies in the sector start to collaborate with organizations outside their traditional scope. Also, more and more companies are hiring people with a completely different background to get a different perspective on their businesses and to get the discussion going about innovation. But, there is still a long way to go and speed and alertness are of essence.

## Corporate agility defined

Based on my own experience I think it is important to define corporate agility at three levels. Level one is the strategic level. Level two is about the organization and level three relates to the real estate professional working for the organization. Each level will be discussed in more detail.

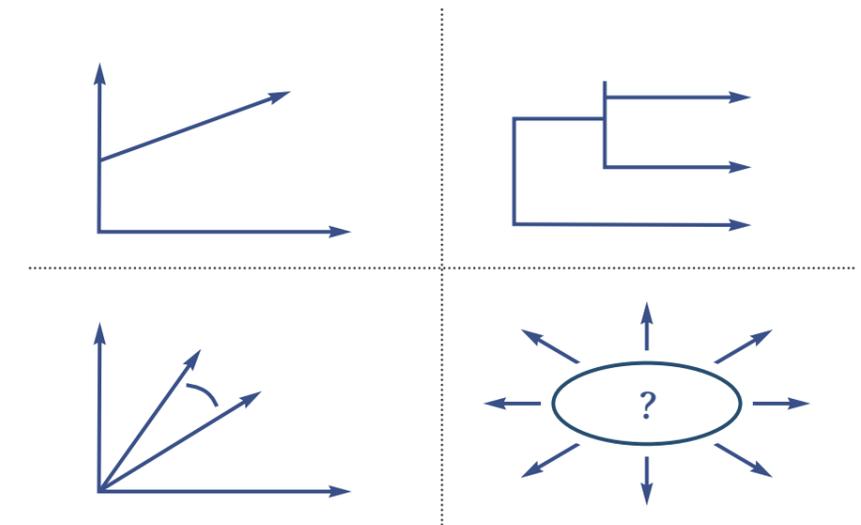
## Strategic agility

A strategy describes how an organization gets from A to B and in the past this was more or less straightforward and could be mapped for a period from five to ten years. Today, the world can be completely different from tomorrow which isn't unlikely if we assess our recent history with international terrorism, geopolitical conflicts and increasing nationalism and populism. And on top of that, many of the above mentioned disruptive factors can make us completely rethink the way we are going to achieve our objectives from one day to the other.

Organizations therefore need to start using scenarios to identify various ways of achieving their objectives. Scenario planning helps you to think about and prepare for complete uncertainty. In the past we were only talking about uncertainty in terms of risks, and trends related to risks. The number of trends was relatively small and therefore it was 'easy' to forecast outcomes and find mitigating solutions.

Some years later we were facing structural uncer-

ainties and although we could identify these it was very hard to say something about the likelihood of these uncertainties happening. And today we are facing a situation in which we don't know what uncertainty is going to look like nor what the impact or likelihood is going to be.

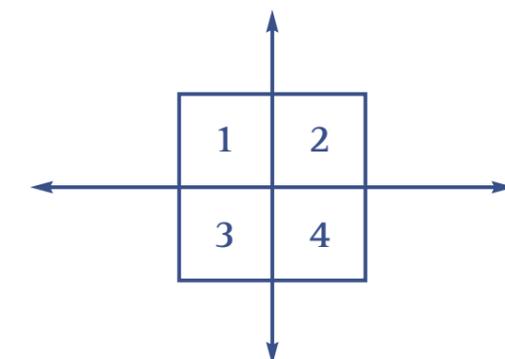


This Figure shows the evolution in uncertainty over time. From having just a limited number of risk factors in the past with a reliable estimate of probability to the situation today with total uncertainty today, numerous risks and limited insight in probability.

## Scenario planning

The steps below show in a very simplified manner how scenario planning can be implemented and used for strategic decision-making.

- Step 1:** make an inventory of all the developments and trends impacting your business;
- Step 2:** select two, based on relevance and level of uncertainty;
- Step 3:** decide about time horizon and focus (objectives);
- Step 4:** discuss consequences per quadrant for stakeholders;
- Step 5:** define a strategy per quadrant;
- Step 6:** mirror the strategy and outcomes per quadrant with current situation. »



This Figure visualizes the roadmap for scenario planning. Two developments taking place at the same time, leading to four possible outcomes.

Self-awareness	Mental agility	People agility	Change agility	Results agility
<ul style="list-style-type: none"> <li>» Personal learner</li> <li>» Feedback oriented</li> <li>» Reflective</li> <li>» Emotion management</li> <li>» Self-knowledge</li> </ul>	<ul style="list-style-type: none"> <li>» Curious</li> <li>» Gets to root causes</li> <li>» Comfortable with ambiguity and complexity</li> <li>» Finds parallels and contrasts easily</li> <li>» Questions conventional wisdom</li> <li>» Finds solutions to difficult problems</li> <li>» Reads broadly and has wide interests</li> </ul>	<ul style="list-style-type: none"> <li>» Open-minded and tolerant</li> <li>» Self-aware</li> <li>» Comfortable with diversity and differences of opinion</li> <li>» Can play many roles simultaneously</li> <li>» Understands others</li> <li>» Relishes helping others succeed</li> <li>» Politically agile</li> <li>» Deals with conflict constructively</li> <li>» Very skilled communicator</li> </ul>	<ul style="list-style-type: none"> <li>» Loves experimenting and trying new things</li> <li>» Easily accepts challenges</li> <li>» Accepts responsibility and accountability</li> <li>» Introduces new slants on old ideas</li> </ul>	<ul style="list-style-type: none"> <li>» Builds high-performance teams</li> <li>» Can achieve goals against the odds</li> <li>» Has tremendous drive to accomplish tasks</li> <li>» Very flexible and adaptable</li> <li>» Has significant personal presence</li> </ul>

tencies but also based on agility competencies. Research, conducted by Korn Ferry, one of the leading global executive search firms, shows that in this case it is about five additional competencies that are defined in the table on the left.

However, recruiting and training professionals related to these additional competencies is one thing,

### Organizational agility

Research shows that organizations who want to become agile need to change the organization from the way it is being lead and managed, to the usage of new technologies to how people are being hired. In other words, it is likely that the organization needs complete re-design. Hence, the reason why organizations which are serious about their future quite often set-up a separate organization or business-unit where old and new concepts can be safely merged, without initially affecting the existing business too much. Organizations that have implemented agility as a concept can be characterized as follows:

- » Limited hierarchy
- » World orientation
- » (More than) tech savviness
- » International & diverse
- » Programme & project management versus on-going process
- » Skills & experience versus job description
- » Principles versus procedures
- » Increased decision-making
- » Execution power

As with scenario planning much more can and should be said about organizational agility, but that goes beyond the purpose of this article which is to raise awareness for the concept of corporate agility.

### Personal agility

Last level of agility ties in with the staff or professionals working for the organization. In the end, it is all about people and if they cannot cope with the changes and challenges ahead of them the organization is also very likely to fail. So, in addition to the above, staff not only needs to be recruited and trained based on technical skills and compe-

but holding on to staff and making sure that they are willing and keen to stay in your organization is a different matter and demands a different approach towards retaining talent:

- » Keep them interested and not confined to a 'golden cage';
- » Choose people over protocol;
- » Evaluate performance regularly;
- » Align corporate and individual values;
- » Offer challenging projects inside and outside the company;
- » Let talent participate in strategy development and offer them autonomy when it comes to execution;
- » Check how talent feels;
- » Do whatever you can to hold on to talent, but if talent really wants to leave, facilitate them leaving.

### In conclusion

I wrote this article because I honestly feel it can help raise awareness for a topic which I consider to be very important for our profession and the way it develops going forward. As mentioned before, much more can be said about corporate agility, but the main purpose of this article is to raise awareness and to start a discussion. This is therefore an open invitation to you as a reader to get in touch with me to talk more about the concept of corporate agility and / or to help you with implementing the concept in your own organization.

.....  
**Kontakt:**

Maarten Vermeulen FRICS  
 +32 (0)2 - 739 42 25  
 mvermeulen@rics.org

[www.rics.org](http://www.rics.org)

.....