

# A Conceptual Agenda for Agile Management

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**Abstract** The main purpose of the paper is to identify: firstly, the main shortages in the companies in their agile management and secondly, the key marketing and management competencies needed for its transference. The research is conducted through elaborate overview analysis of the achievements in this agile area. On the bases of the analysis suggestions for improvements are proposed: on the one hand, in the development of a conceptual agenda for agile management and on the other hand, application actions of Bulgarian companies in order to approbate it for agility evaluation of managerial abilities.

**Keywords** - agile management; agile actuators; agile enablers; agile capabilities

**JEL:** M11, M15

## I. INTRODUCTION

Today, in order to make your business competitive and flourishing, it is not enough to rely on one's bright mind, intuition or luck. Modern enterprises are complex multipurpose systems, which need managerial innovation. Their managers are required to have in mind a conceptual agenda for assessment of their agility. Essential element in this framework are the innovations in the Information and Communication Technologies (ICT). Although each enterprise is unique in its financial and economic activities; there are a number of problems common to all enterprises. These include the material and financial resources, procurement, marketing and much more. One possible solution to these problems is the implementation and use of Enterprises Information System which have been rapidly developing in recent years. These systems also provide managers with complete and timely information for management decisions and ensure effective data exchange with business partners.

Dramatic changes in the business environment are leading organizations to quickly adopt towards new agile manufacturing models. The business context moves away from the traditional mass production paradigm and

focuses on manufacturing highly customized products demanded from the consumers. In order to thrive in this turbulent environment companies are increasingly focused on their core competences, building strategic coalitions with corresponding partners to satisfy the overall needs of a personalized project. The agility is main instrument to cope with the increasing uncertainty and competition in the market place. In this paper, we present an initial approach to contemporary agile organizations - essential for further case studies in Bulgarian organizational structures.

Subject of this study is the agile management of modern organizational structures, operating in a context characterized by continuous and unpredictable change. Object of the report is the business framework in which this happens.

The aim of the paper is to derive a conceptual agenda for agile management in order to achieve an appropriate structure for further evaluation and performance measurement of its agility. We claim that the technological transfer is extremely important for intensifying the agility, competitiveness and business results for innovation management of modern organizational structures. The necessities for high level of agility set correspondingly elevated requirements for the adaptability of the separate units in the value chain. Thus an agile organization conceptual agenda has been drawn up. It evaluates the capacity of the enterprise to absorb new technologies and to respond to the rapidly changes in customer demands.

This paper is divided into three main parts. First part thoroughly analyzes a wide range of topical issues from the world practice on the conceptualization, modelling and evaluation of the agile management of modern organizational structures, operating in a continuous and unpredictable change. Second part stands for the conceptual model. Third part discusses and summarizes the conclusions seeking to present some suggestions for the future development in this area. It identifies trends in the AM, and asks whether some of them could substitute for or modify the presently predominant concepts with a more flexible principle exempting certain types of contemporary organizations.

## II. AGILE MANAGEMENT STATE-OF-THE-ART AND TRENDS

This study focuses on what are called agile management (AM). According to (AgileCube) agile management or agile project management is an iterative

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and incremental method of managing the design and build activities for engineering, information technology, and new product or service development projects in a highly flexible and interactive manner, for example agile software development. Our opinion is that this widely disseminated meaning is a very narrow understanding of the AM. Although there is no generally accepted definition of AM, there seems to be wide consensus on constitutive elements in the above mentioned narrow consideration (Attarça). In an attempt to broaden this comprehension in an expanded view of all managerial affairs uncovering better ways of management we tried to rework the Agile Manifesto principles (Agile Manifesto) in the following summarized sense:

- Customer satisfaction is the highest priority.
- Changing requirements are welcome, even late in development or management. Agile processes harness change for the customer's competitive advantage.
- Agile Team working together daily in self-organizing teams in face-to-face conversations, around motivated individuals in a shorter timescale. Business people and
- Agile processes promote sustainable development with continuous attention to technical excellence, simplicity and effectiveness.

This critical situation has forced firms to review their competitive priorities, triggering a transition process in which they are abandoning traditional manufacturing models in favour of new organizational forms, new management practices and new strategies at all levels (Bartezzaghi).

A transformation has been observed in conventional manufacturing models which are leading to a new production concept linked to agility. The movement towards a new agility-based hypothesis, the term 'agile organization' has arisen and is increasingly utilized in literature on operations management and business administration to mean a model of flexible organization, capability of rapidly adapting to changes in the environment and setting a variety of products on the market to satisfy the requirements of increasing demand and well-informed customers (Kidd; Goldman, Nagel and Preiss; Gunasekaran, 1999; Sharifi and Zhang; Gunasekaran, Tirtiroglu and Wolstencroft, 2002).

This emerging concept, the philosophy that considers a new strategic positioning in organization and requires a global view of the firm (Dimkov), breaks with the guidelines of the traditional mass production model and setting special emphasis on the proactive adaptation in order to change (Yusuf Sahardi and Gunasekaran). It highlights the development of dynamic capabilities, the strategic utilization of modern technologies, the integration of strategies and operations, customer satisfaction, through new forms of inter-firm cooperation and knowledge management (Gunasekaran)

According to (Kidd), agile manufacturing is based on three basic resources:

- an innovative management organization and structure,
- a worker's base consisting of highly trained, motivated and empowered people and
- advanced, flexible and intelligent technologies.

Agility is obtained by integrating these three resources in an interdependent and coordinated system. According to (Goldman Nagelm and Preiss), agility is a global response to changes imposed by a new business environment dominated by a set of forces that attempt to break with mass production systems and are characterized by change and uncertainty.

These authors have identified four dimensions or initial elements of agile manufacturing:

- enriching the customer,
- co-operation in order to enhance competitiveness,
- mastering change and uncertainty and
- leveraging the impact of people and information.

For each of these dimensions, they set a list of characteristics of the agile firm that have been considered by many authors as the starting point in their business on agility. Despite the fact that agility has been defined in different ways and from different perspectives and fields of knowledge, a common element to all the definitions is removing from mass production. Sheridan (Sheridan) argues that agility implies breaking with the modules of mass production in order to manufacture more customized products at the time and location which are required by consumer's demand.

### III. A CONCEPTUAL AGENDA FOR AGILE MANAGEMENT

The conceptual agenda on which the research is structured is based on a significant theoretical background. It is explored on the relationship among factors which are important in creation of a research subject and making experimental hypothesis. An analytical model is a kind of model made for exploited variables from the theoretical framework.

According to the overview 26 agile enabler factors, eight agile driver factors and nine agile capability factors are compiled and recognised. On this basis a conceptual agenda for AM derived from the overview is shown in Figure 2. We use combination of nested target diagram and several up-arrow callouts to visualize the relationships between the different influencing factors over the agile management of the organization. It is used to show containment relationships. Each of the first three lines of Level 1 text corresponds to the upper left text in the shapes, and Level 2 text corresponds to the smaller shapes. The conceptual agenda for AM consists of five main components.

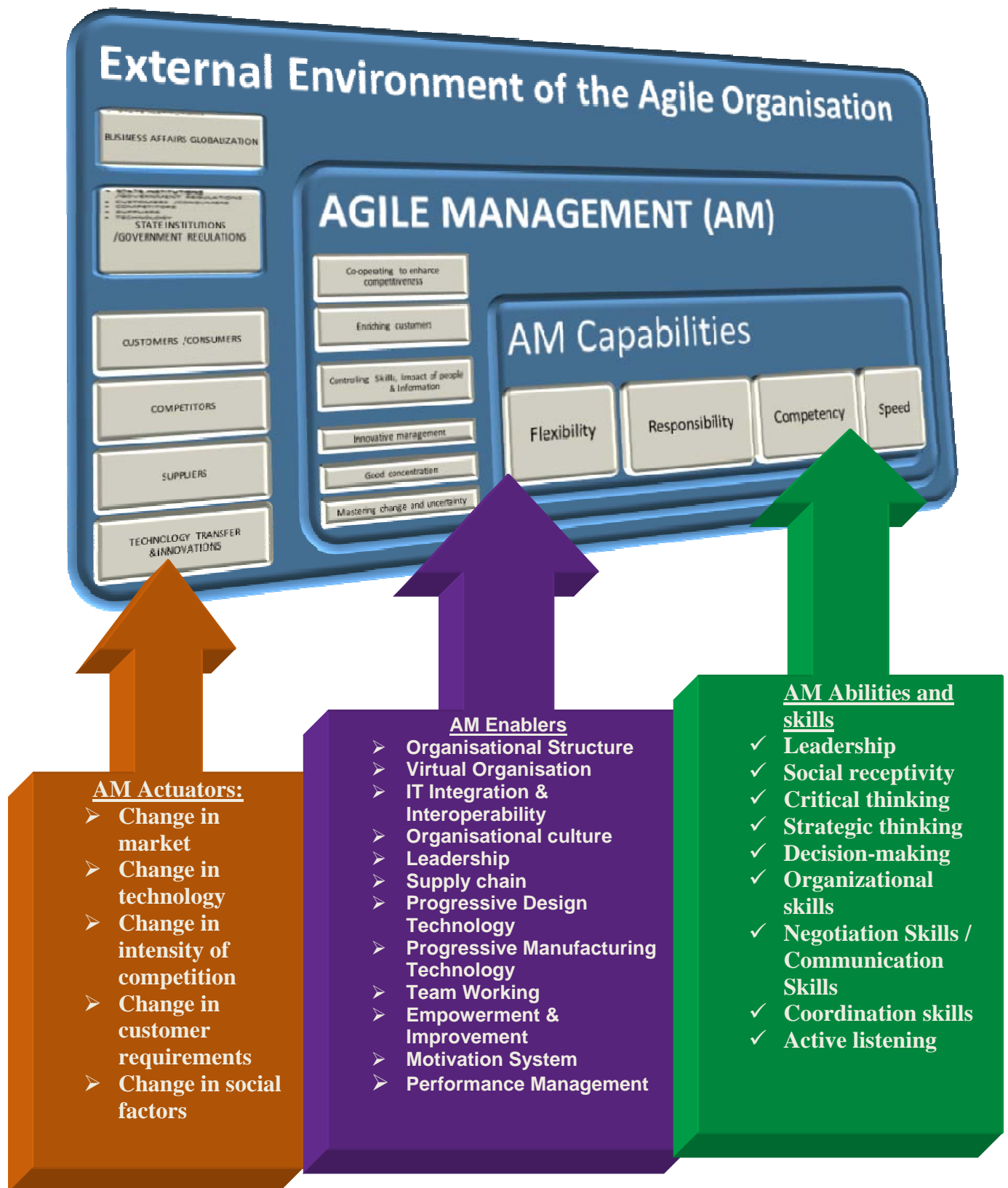


Figure 1. Conceptual Agenda for Agile Management

Initial are the agility actuators which change the business environment, driving the company to a new position in running its business searching for a competitive advantage. Next are the agility enablers that intend the indispensable headlines of abilities which provide the required strength for responding to changes. Third are the abilities of an agile organisation which provides the means by which the so-called capabilities could be achieved and are supposed to be required from four major areas (flexibility, responsibility, competency and speed). Finally, the agile organisations are the fourth part concerned with enriching customer interaction by providing 'added value' which requires the organisation to assume a solution-based approach to satisfy individual customers' desires. On this basis a methodology should be developed to provide the managerial organisation with a reasonable device for better understanding the overall concept of agility, determining the agility requirements, assessing their current position, and determining the agile capabilities.

The external business environment as the source of turbulence and change enforces pressures on the business activities of the company. These uncertainties, unpredicted changes, and pressures urge contemporary organisations to move towards proper ways that could lead them to a stable position and protect them from losing their competitive advantage. These are called, as mentioned earlier, agility actuators. These actuators could vary from one company to another and from one situation to another, and therefore the way they affect a company could vary as well.

#### IV. CONCLUSIONS

From the conducted overview it can be seen that most of the authors has treated the problem of AM only in the narrow sense. Thus appears the necessity of creating a methodology for evaluating agility of managerial affairs and innovations. The methods differ in their approach to evaluate the agile organization and management. They are seeking to present some suggestions for the future development in this area. They identify trends in the AM, and ask whether some of them could substitute for or modify the presently predominant concepts with a more flexible principle exempting certain types of contemporary organizations.

The idea of the conceptual model is that management should be continually improved regardless of outstanding results. Scientists must constantly search better and better ways to save nature; improve management, production and life. However, focus should be on finding new and innovative technologies not only on improving already existing ones. In every sphere there is a possible growth or improvement area of stability that after being reached cannot be further developed. This means that totally different new approach should be considered in order to change the overall view.

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