01.11.2019

Agile Management in the Chemical Industry

New Ways of Managing Change and Innovation

The consulting business has a new bandwagon: agility or agile management. Should the chemical industry jump on it or should we let it pass by? Is it more than old wine in new bottles? This question was posed and illuminated from several vantage points in a recent conference of the Association for Chemistry and Industry (Vereinigung für Chemie und Wirtschaft) in the German Chemical Society (GDCh), hosted by Evonik Industries on Oct. 15, 2019, in Essen, Germany.

Other industries but the chemical industry are leading the way here, in particular the automotive industry. That should not come as a surprise – there is barely another industry so deep in fast transition to the next generation of its core mission and product benefits – individual mobility. Already Darwin reminded us what is takes to win in a fast-changing environment: "Not the big eat the small, but the fast eat the slow." More, faster, and bigger innovations are required to adapt to the higher pace of change. Customer orientation, shorter time-to-market and fail-early are key elements of agile processes and the related organizational changes. They are the answers to the challenges of the new VUCA business world and the accelerating pace of change.

Here the chemical industry can learn from other industries, e.g. automotive. Like the discussion of the future of the combustion engine for automotive, there are challenges emerging in the chemical industry that will require new ways of managing change and innovation, e.g. circular economy, renewable materials, plastic waste and many more. But the management approach of the chemical industry is walled in production process paradigms (pots, pipes, and pumps), material flow vantage points, and volume growth adoration.

Consequently, half of the presenters came from outside the chemical industry, from companies like Bosch, a leading automotive part and technology supplier; 3M, one of the most innovative material creator and manufacturer, and a start-up from the software industry. Leading consulting firms like McKinsey and ECSI talked about their experiences with introducing agile management principles in the British Army

and other organizations.

In the following Bar Camp Sessions, participants discussed with experts from the chemical industry and the presenters the "how-to" and "what-for-to" utilize the new features. This provided ample opportunity to gain new insights with colleagues from other companies as well as identifying practical applications. Here some selected gems from the day:

- Agility started in software but now is adopted with success by companies outside the tech industry.
- Agility started as project management methodology to then migrate into organizational and cultural transformations.
- Pioneering cases in science-driven businesses (pharma, chemicals, material science), show that agility can be applied also in R&D doubling the productivity levels.
- Agility is not activity but a way of working.
- Time boxing is the most fundamental principle of agility and works well. Sprints are at the core of time boxing, but this does not require that you have to run like mad all the time.
- Be as agile as possible, as rigorous as necessary.
- Respect preconditions and heritage – if they strengthened the business in the past, they will enhance the benefits of agile management and lower the threshold of change.
- Agility enables organizations to co-manage antagonistic requirements: hierarchy and self-organizing teams, high quality and minimum-viable-product approach.
- Agile management and its focus on outcome and customer support the transition from transactional business to offering customer solutions and from manufacturing components to developing systems.

A great day full of gathering new information, collecting new insights, and making new connections! But the proof of the pudding is in the eating. Already in the 18th century, one of the greatest German poets and thinkers, Johann Wolfgang von Goethe, coined the insight that "Knowing is not enough, we must apply; willing is not enough, we must do."

Note: Alessandro Di Fiore, founder & CEO, ECSI Consulting, contributed to this summary.

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