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From Adaptation to Innovation: The Power of Ambidexterity and Radical Optionality

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MidJourney

Ambidexterity

Ambidextrous organisations (meaning: efficient today while adapting to tomorrow's demands) are identified by their ability to **exploit** existing competencies as well as **explore** new opportunities, with equal skill.

Generally speaking, their ambidexterity is intentionally activated by a vision and a strategic plan. Amazon is often held

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up as the best current example of how an ambidextrous organisation works. Though it began as an online retailer, it continually sought to innovate and grow, expanding into technology by offering a cloud computing platform. It also works as a services and distribution company and streaming platform, an electronic hardware business, a production company, and a publisher.

Ambidextrous businesses like Amazon, which exist through a deliberate strategy, will often have completely separate org structures to accommodate their BAU “exploitative” model and their “explorative” innovation hub.

But according to recent research, the ambidextrous model is not always the result of conscious decision-making and planning. These studies show that if the senior **leadership** team has certain complementary capabilities, then ambidextrous characteristics and conditions will simply emerge within the organisation.

> “Having a mix of exploration-oriented and exploitation-oriented team members at the apex of the organization can induce ambidexterity…for this operation, there is need of low egocentricity, mutual trust and respect, and balanced power sharing between two poles of the team.”

In our language, this translates into businesses with a high empathy culture where power is more horizontal and distributed.

Other reasons for *emergent* ambidexterity may include **external pressures.** For instance, the recent pandemic created market disruptions and advancements in our use of technology. Companies were forced to innovate to keep providing the services and products core to their organisation, despite supply chain interruptions. And it’s been found that the organisations that responded with emergent ambidexterity,

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adapted better and more quickly to the shifting landscape.

Unsurprisingly then, ambidextrous organisations with reliable resource availability are now being held up as the ideal model for our unpredictable current and future business contexts.

Becoming an ambidextrous organisation

So here are some suggestions on how you can provide the right conditions for ambidexterity to flourish organically.

- Recruit senior leaders with complementary capabilities
- Make any implicit ambidextrous principles in your ways of working more explicit and transparent
- Employ high levels of knowledge sharing between the right and left hand

But ambidexterity is not the only topical organisational approach. Recently, organisational specialists have begun to use the term radical optionality, which suggests that we should be exploiting (BAU) **while** we're exploring (Innovation). In other words, it's about having a dynamic process of execution and search, whereby we embrace complexity and seek to reduce the implementation time for new ideas. To reduce the cost and time that sits around traditional R and D requires some shifts in thinking, including:

- From t**hinking *then* doing** to **thinking *while* doing**
- From **a perfect fit** to **flexible options**
- From **dividing the customer pie** to **mass customisation**

Radical optionality could be seen as ambidexterity on supercharge, without the need for separate structures (as seen by those organisations that thrived during the pandemic). And it comes hand in hand with **versatile leadership** and a deeper marriage between humans and technology.

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