

Operational Ambidexterity



Suppose there is one thing that the Pandemic taught us about business. In that case, there is a need to achieve fluency in operations in a short timeframe; this was demonstrated at both ends of the scale during Covid with some businesses closing and others growing their business to new heights. So, what was the primary factor that set these businesses apart? Whether or not businesses labelled it as this, it all comes down to Operational Ambidexterity. It may come in different shapes and forms, but the principal concept remains core.

Ambidexterity is also essential in the supply chain industry, and operations follow the same principles. Ambidexterity combines two distinct capabilities to allow efficiency and adaptability to an organisation. In this instance, we will specifically focus on operational components. The efficiency component of ambidexterity is known as Exploitation. On the other hand, the adaptability aspect is referred to as Exploration. Let's delve deeper into what each of these components entails.

Exploitation: To its core, this notion refers to exploiting efficiency gains in the operations and delivering the product/service most quickly and cost-effectively, which does not impact quality. This is primarily achieved through having a clear strategy and systematic processes in a business to achieve these goals most

efficiently. Unfortunately, the larger an organisation becomes, the harder this is to achieve and requires significantly more attention. However, the benefits available are exponential in a competitive market competing with similar-sized businesses.

Exploration: Innovation is the fundamental foundation of Exploration. Seeking new technologies, products, operational practices, or market opportunities is the main focus of this approach. For some businesses that form an alliance within a specific market to compete with a much larger organisation, it presents an opportunity to cross-pollinate staff to gain new insights on achieving similar goals.

A business may choose not to implement the findings of operational Exploration into its current model. However, it allows the opportunity to build these learnings into a business continuity plan should the market conditions change suddenly, allowing the business to adopt a new approach to continue operations and fulfil a market need. For a company to thrive in this era, fluidity in changing its operations to meet market demands is vital.

Research shows that an operation that achieves both aspects of ambidexterity has a greater chance of strategic agility and gaining a competitive advantage in an ever-changing market. However, how a business achieves Exploitation and Exploration can determine their benefits on an operation. For example, suppose a business operates as one whole operation seeking to gain the benefits of Exploitation while simultaneously conducting Exploration. In that case, it is counterintuitive to seek efficiency gains if you are taking staff or resources away to investigate Exploration opportunities. So, how do you overcome this dilemma?

An operation must have two distinct parts, a significant shift in the typical operations paradigm and may not resonate with many business owners. However, we do this with many other parts of businesses, which should identify that this is not the most outrageous concept.

For example, in a customer-facing business, it is not generally the same person/team seeking new customers or business leads that are delivering the product or service; these are two distinct functions that are best kept separate to ensure the most opportunities are obtained. By having the salesperson constantly out seeking sales and solely focussing on securing customers, more opportunities for sales will be available. However, if the salesperson is stuck delivering the product or service, there is a potential loss of sales.

Therefore, for a business to thrive and adapt at short notice to fluidly change with market needs, it is essential to investigate how to build ambidexterity into their operation.