



Building an Agile Organization to Thrive in Uncertain Times

By Michael Mangum

One electrical construction and automation services provider used its agile business strategy to break through the barriers during coronavirus pandemic and prepare for the next disruption.

All companies would like to think that their operations were built to withstand a major crisis, but COVID-19 taught a lot of organizations otherwise. From its initial onslaught and subsequent shutdowns to the global supply chain failures and permanent shuttering of some businesses, the global pandemic has exacted a heavy toll on both human life and our livelihoods.

While some companies are still trying to figure out how to deal with the immediate situation, Interstates of Sioux Center, Iowa, not only has the current impacts under control, but it's also carving out a path forward that will help shield the organization from future disruption. Some of its success on this front can be traced to its status as an *agile organization*, where “agile” is [defined as ability to create and rapidly respond to change](#).

According to [Clearly Agile](#), the success of agile organizations is well documented and includes companies like Google, Amazon, Netflix, Adobe

and Spotify, to name a few. Able to develop and deliver products rapidly and provide value to customers and stakeholders alike, **agile organizations focus on transforming a group of people into a cohesive community through a shared purpose and vision.**

Well on its way to becoming an agile organization before the COVID-19 outbreak, Interstates was making moves to ensure high levels of resilience during times of uncertainty. In recent months, its traditional business unit structure had been revamped to allow for the creation of agile teams formed to deliver work for clients. Employees and leaders alike were also empowered to begin making more decentralized decisions and integrate agile behaviors rooted in the Interstates Core (Interstates Culture). “VUCA¹ is constantly changing, and the market is uncertain from

¹ VUCA stands for Volatility, Uncertainty, Complexity and Ambiguity.

many different perspectives,” says Joel Van Egdome, CFO. “As we moved into the COVID-19 situation, we knew that we needed stability, a focus on core values and a strong mission to set us up to make quick, agile decisions—to adapt rapidly to the changing environment.”

For example, the company immediately mobilized to form several teams and subteams to address specific areas of concern. This dovetailed off the firm’s agile approach, which is based on multiple different “nerve centers.” To address COVID-related concerns, the company’s emergency response team began evaluating everything from travel restrictions to state closures to social distancing requirements and how those issues impacted Interstates’ work and team member safety in specific regions.

“We quickly formed another team to address impacts to our supply chain and how we were going to stay in tune with those impacts,” says Van Egdome, “and one that we called ‘revenue growth initiative’ team.” The latter was focused on increasing correspondence with clients while also ferreting out new project opportunities for the short term, while other work was being placed on hold as a result of the COVID-19 impacts.

Van Egdome says these (and other) quick moves helped Interstates respond quickly in an extremely disruptive situation. “The ability to quickly form new teams, get them launched with a clear mission, and then allow them to really own the decisions in their areas of responsibility,” says Van Egdome, “is a prime example of agile, decentralized decision-making in action.”

A Nerve Center

It would have been nice if Interstates had been further along in its agile journey before COVID-19 surfaced in March of 2020, but President Dave Crumrine admits that simply establishing a nerve center quickly helped the com-

pany more effectively deal with the challenges of the global pandemic. For example, by creating centralized direction, the company’s leaders and managers were given more autonomy for distributed decision-making, and critical issues were handled on the spot—versus waiting around for a chain of command to approve or deny specific requests.

“They didn’t have to worry about their level of approval or who to ask—they just took care of the problems,” says Crumrine. “They relied on their teams to move forward boldly, knowing that they were empowered to make those decisions.” Reflecting on the company’s previous structure, Crumrine feels that Interstates would have been slower to respond to the COVID-19 situation, namely because decision-makers would have been reluctant to pull the trigger without further consultation.

“People would have been dragging their feet in all corners of the organization,” says Crumrine, “mainly because they didn’t agree on something, or because they didn’t see things the way we (the leadership team) did.” For instance, a number of employees were immediately furloughed for one or two days a week. Now those employees are being rehired full time. “That was one of the more painful topics,” says Crumrine. “Was that the right thing to do? History will judge.”

Forming a Core Team

According to Doug Post, president, Interstates’ biggest leverage point in any type of crisis is the fact that it has 25 leaders in place, each of whom is responsible not just for one small area or department, but for the entire organization. Working together as an overall “senior leader team,” this group helped the company be better equipped to examine the impacts of COVID and then respond as a unified front—not just as different “pockets” of the company.



Noting that the company has always had excellent leadership in place, Post says the company's new agile approach has encouraged its leaders to respond more quickly, pull in available resources and then leverage those resources across the company. This has helped produce more consistent messaging about how the company is faring through the current crisis while also emphasizing its key strengths as an organization.

"That way, someone who is working in a regional office that's been highly impacted by COVID can also see that Interstates overall is remaining robust, and that he or she stands to benefit from that," Post explains. "Out on the job site," he continues, "operations haven't shifted much in response to COVID, save for some additional screening processes (for entry onto job sites)." On the client side, Post says the company has seen shifts within its consulting, design and control divisions, all of which have faced some limitations in terms of being able to get on-site. Thinking about how quickly Interstates has reacted to these and other COVID-related changes to its business, Post says the company is still in the learning stages with its agile initiative.

"The one thing I really appreciate about Interstates—and this transcends agile—is that we have a resilient group of leaders that acted quickly and played defense coming out of the gate in terms of strategies like preserving cash," says Post.

"Within a couple of weeks of the first outbreak in the U.S., we were already pivoting and trying to figure out how to best take advantage of this new situation, and how we could better help our clients," Post continues. "That's resulted in a number of 'strategic sprints,' or trying to serve

clients in the new normal as soon as possible. That's been fun to watch."

Change Management

As Interstates continues its transition over to becoming a fully agile company, the resultant change management continues to come to fruition across the organization. For example, the systems, tools, metrics, KPIs and forecasts were quickly ramped up when the COVID-19 situation came into play. "We're still in the middle of finishing our transition from a system and a metric perspective," says Van Egdom, "even in terms of what leaders are used to seeing, analyzing and using for making decisions."

This presented an interesting challenge for Interstates' leadership team, which needed those new information systems and tools mobilized quickly in response to COVID-19. Accurate forecasting, for example, suddenly became both mandatory and difficult at the same time. In the past, the company generated forecasts based on hierarchal organizational style by business unit, for example, and for the departments within those business units.

"We really needed to adapt our forecasting to our new Interstates agile organization structure," says Van Egdom, "to be able to make good decisions under the new structure. COVID really sped up the implementation of new systems and even mental mindsets that were in the process of changing."

To help that process along, CEO Scott Peterson centered his focus on the nerve center, which includes a mix of expertise and purviews within the organization. He also implemented a base



“adapt and respond plan,” with corresponding subteams that were put in place to help shepherd Interstates through this challenging time. “That in and of itself was critical,” says Danielle Crough, vice president of people and culture. “In the past, we probably would have just used the teams that were already in place, versus being purposeful in the creation of new ones.”

Interstates’ emergency response team, for example, includes the company’s safety director, an employee representative, a risk management professional and members of the asset management team—the latter of which have been called into play as the company’s offices were closing down or reopening. “Now that we’re adding team members back into the workplace,” says Crough, “our mission has shifted to: What’s the safest way to reopen and have people come back?”

As this return to normalcy continues, Peterson says the focus is now on preparing current and next-gen leaders for the next crisis. “Whether I’m here or not, hopefully the company and its leaders can keep doing a better job of dealing with the situation and not hunkering down.”

Be Prepared to Work

To companies looking to emulate Interstates’ successful agile management approach—and also hoping to weather the next storm gracefully—Peterson says his best advice is to “do it for the right reasons.” For Interstates, that reason was to better serve its clients while also supporting and empowering its people.

Also, remember that nothing easy is worth having and that any companywide initiative is going to take effort, grit and perseverance. “Be prepared for a heck of a lot of work and pushback because it’s not easy; it’s not a quick fix,” Peterson adds. “It’s a long-term deal that impacts almost every aspect of the company. Fortunately, our leaders here got behind it and really embraced it.”

Crumrine concurs, and is confident that Interstates’ agile status will more than help it weather the next storm. “The world is a very fluid place and becoming more so every day, and you simply need to have an organization that can match up with it,” he concludes. “Whether it’s out in the field, when working with customers, dealing with regulatory demands or navigating the weather, we all have to be more responsive and agile to be successful.”



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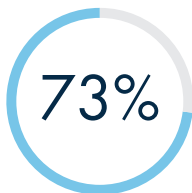
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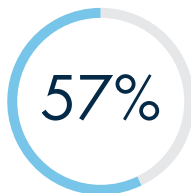
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