Strategic Organization Design Trends: What is the Right Organization Design Model

Webinar
A client-focused firm specializing in...

**Strategy and Marketplace Differentiation**

**Diagnosis and Assessment**

**Organization Design**

**Change Leadership**

**Leadership Alignment**

To drive differentiation through alignment

**Work Breakdown**

- **Projects** 80%
- **Capability Building** 20%

Enabling our clients to differentiate in the market and achieve desired results.

Building professionals’ ability to impact change.
Keys to Factors Shaping Future Organization Designs

- How will Agile ways of working continue to transform how organizations innovate and deliver value?

- What does digital transformation mean for competitive strategy and the design of traditional organizational capabilities and functions?

- How are virtual, connected organizations enabling new business models and innovative resource allocation?
Agile Ways of Working
Keys to Working in a More Agile Way

• Small bursts of innovation, creativity and work accelerate the pace of progress

• Co-creation leads to the best thinking and insights

• Organization design is iterative and ongoing
Doing Organization Transformation in an Agile Way

- Diagnosis & Assessment
- Macro Planning
- Strategy & Macro Design
- Micro Planning
- Micro Design
- Change & Implementation Planning
- Realization & Sustainability

Iterative Process:
- Iteration 0
- Iteration 1
- Repeat as needed
- Iteration n
Scrums and Design Sessions

**Product Owner**

Vision + Features

**Sponsor**

Strategy + Design Criteria

**Scrum Master**

**Facilitator**

**Design Session**

**Sprint**
Management/Governance Systems

Is it clear how each management/governance system is designed and led?

Strategic System:
- Set & communicate direction
- Develop competitive capabilities
- Make trade-offs/allocate resources
- Monitor competitors & industry
- Develop understanding & use of the operating philosophy
- Manage risk & ensure business continuity
- Translate strategy to tactics
- Develop and mature the operating system
- Enable the operating system through information, tools & competencies
- Implement strategic programs/projects
- Serve as technical expert/consultant

Coordinating System:
- Deliver products and services to customers
- Execute the strategy of the organization
- Regulate the delivery system
- Manage work group tasks
- Participate in running the business
- Address business issues & problems
- Ensure quality and continuous improvement

Operating System:

...Misaligned or missing management/governance systems lead to suboptimal performance
Digital Transformation

World Record = ???

World Record = ???
Digital Transformation

- Start with customer needs and strategy, not technology and solutions
- Transform business models and experiences, don’t just streamline work
- Redefine the role of people/talent, don’t just eliminate jobs/headcount
Remember: Work is a System

- Work Processes
- Equipment
- Tools
- Technologies
- Facilities
- Etc.

SIDE A
Work

SIDE B
Structure

SIDE C
Information & Metrics

SIDE D
People & Rewards

SIDE E
Continuous Improvement

SIDE F
Leadership & Culture

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Remember: Work is a System

These moments of truth are why Uber transformed the industry – the experience is different...

- Hail a car from indoors
- Set fare ahead of time
- Payment is automatic
Virtual, Networked Organizations (Platforms of Value Creation)
Interaction Types

One Directional

- Train/Sell/Distribute
- Exchange/Consult
- Learn/Receive/Source

Multi-Directional

- Coordinate/Integrate/Govern
- Collaborate/Partner
Design Considerations

How do you flex staffing?
How do you leverage your followers (communities)?
What models or analytics will shape decision making?
How can we make operations infinitely scalable?
How do we attract resources, attention, and positive energy?

How do we enable efficient interfaces?
How is information available to inform decisions and drive behaviors?
How is entrepreneurialism encouraged/rewarded?
How are teams encouraged to form JIT?
How can technology be used to enable work and interactions?

How do we design organizations to reduce friction and rigidity?

Adapted from Exponential Organizations, Ismail Salim, 2014.
Remember, the alignment of many choices has a greater impact on performance than a few best-in-class, but misaligned choices.
Different Levels of Organization Design

Environment

Strategy

Capabilities

Choices

Results

SIDE A
Work

SIDE B
Structure

SIDE C
Information & Metrics

SIDE D
People & Rewards

SIDE E
Continuous Improvement

SIDE F
Leadership & Culture

Strategy Clarification

Macro Alignment

Micro Alignment
Depending on your organization’s strategy & desired culture, consider…

How should processes be aligned to deliver value?
What tools/technologies will enable performance?

What culture will enable successful performance?

How can continued value be returned to the business?

What structure and linkages will enable delivery?

How can we measure for both quality, delivery and efficiency?

What talent is needed?
How do we incent performance?
Building Block #8

Design Fluidly
Changing Strategy, Capabilities, and Choices Means Design is Ongoing
Personal Reflection

1. What the trends impacting your industry and organization?

2. What organization design challenges/opportunities are these trends presenting to you?

3. How are you mobilizing to rethink your organization, how it works, and how it delivers value?
Thank you! Questions?

Our newest executive guide:

Winning Practices of Organization Transformation COEs
A Guide for the C-Suite Executive

Watch your email for the link to this practical guide that can help you build or enhance the effectiveness of your organization transformation capabilities.
Reed Deshler, is an organization catalyst. He works with executive teams and human resources teams to define winning strategies, align organization and business models for success and mobilize employees and stakeholders in the desired direction. A change leader, organization design expert and principal of the management consultancy AlignOrg Solutions, Reed brings multi-dimensional business models to life for Fortune 500 companies, middle-market businesses and non-profits so they can align strategy with operational reality.

Reed is coauthor of Mastering the Cube: Overcoming Stumbling Blocks and Building an Organization that Works, a guidebook that Clayton M. Christensen, professor at the Harvard Business School calls, “a great step-by-step manual on defining and changing the design of your company.”

Reed has guided numerous Fortune 500 companies — including Tyco, 3M, Abbott Laboratories, Hertz, Cummins, Cisco, and USAA — through change successfully. When companies are looking to propel growth through organizational transformation they call on Reed and his team.

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