



Designing Organizations for Effectiveness & Efficiency

Webinar

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A client-focused firm specializing in...

Strategy and Marketplace Differentiation

Diagnosis and Assessment

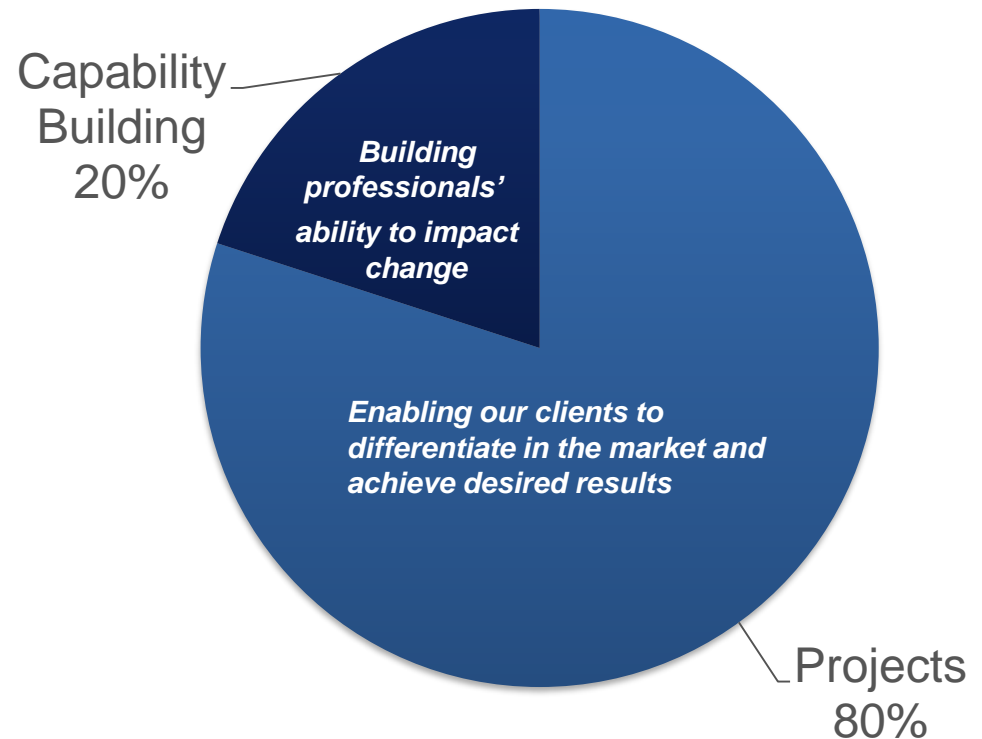
Organization Design

Change Leadership

Leadership Alignment

To drive differentiation through alignment

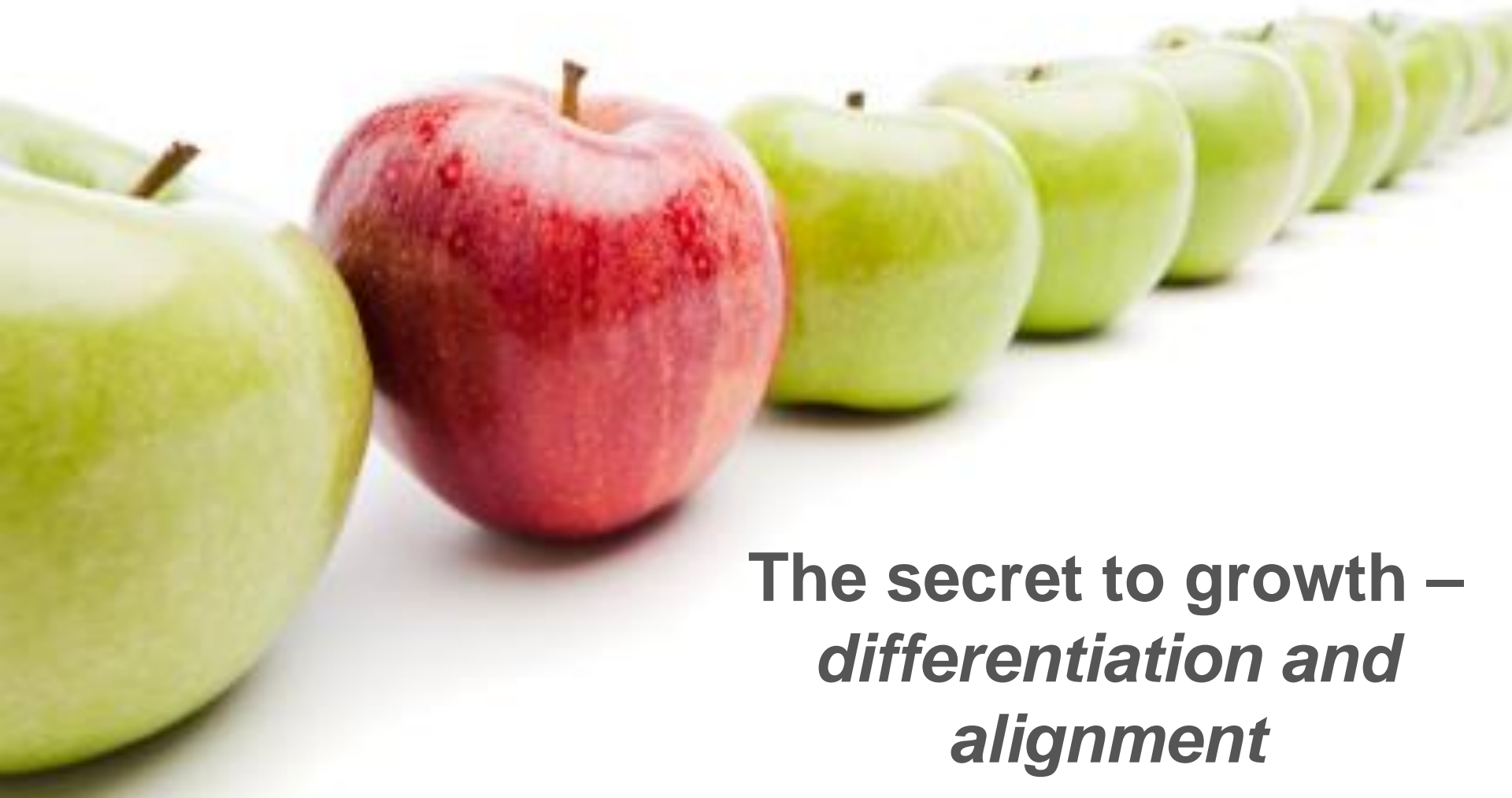
Work Breakdown



Keys to Designing for Effectiveness & Efficiency

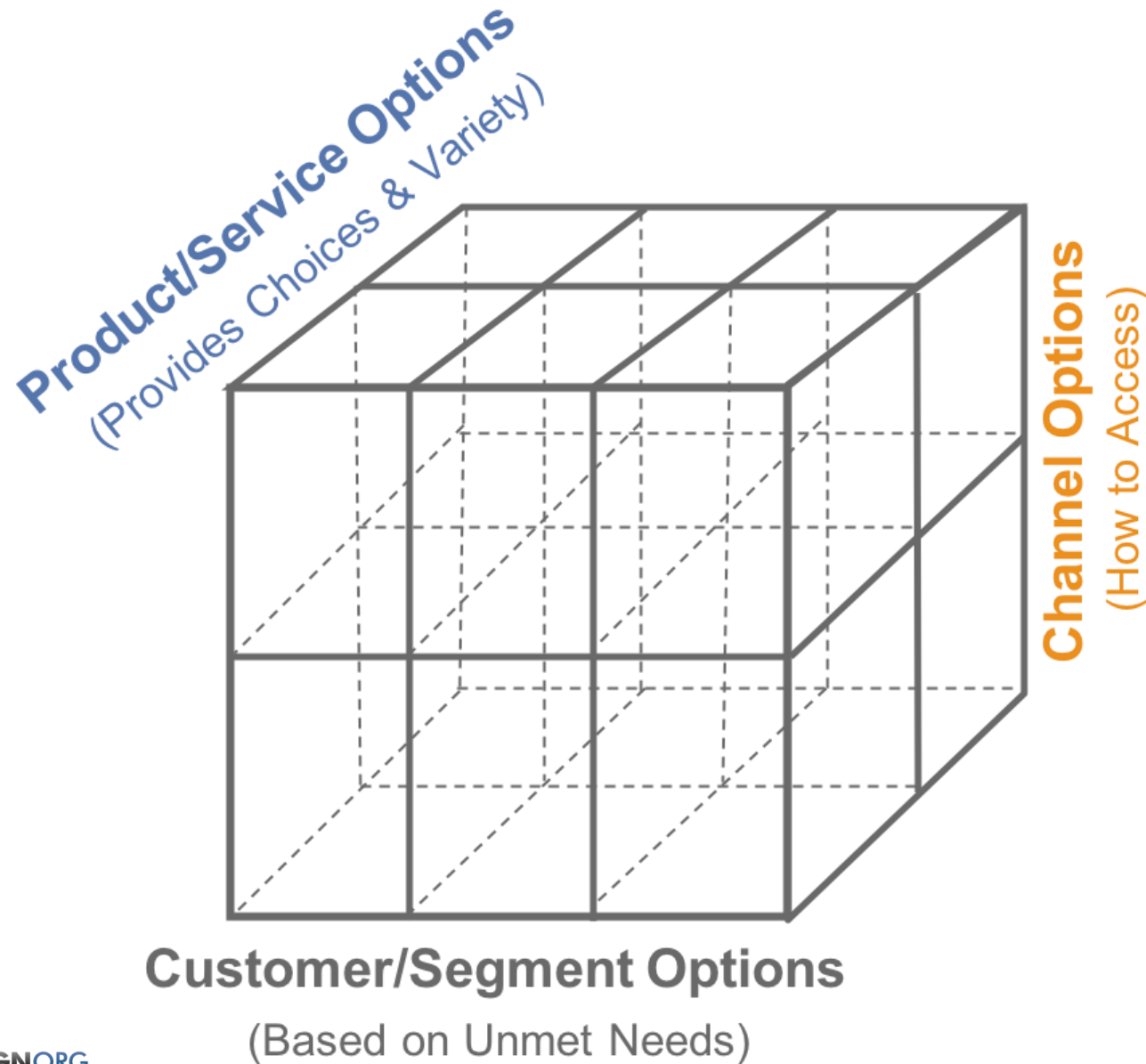
- The secret to growth – *differentiation and alignment*
- Overcoming the “organizational” growth challenge – *We’re good at the running game (not so much at the passing game)*
- When to take the road less traveled (*and when not to*)

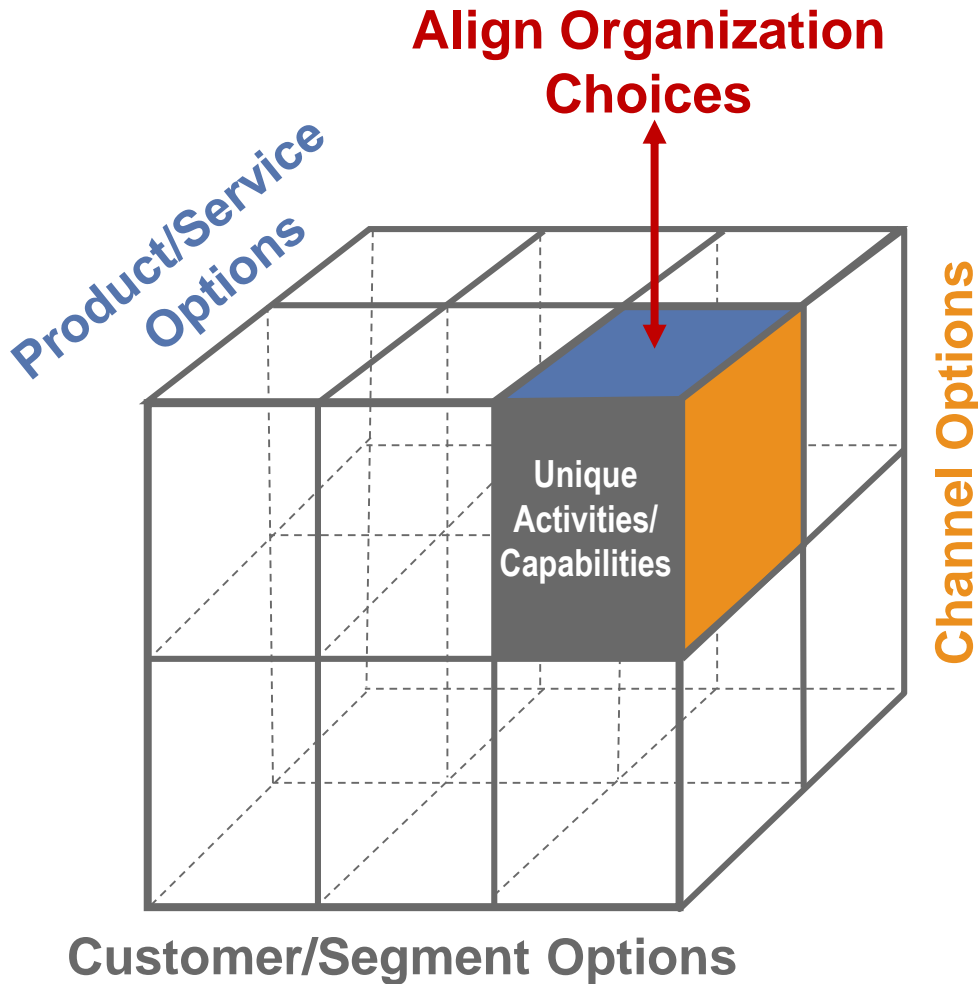




**The secret to growth –
*differentiation and
alignment***

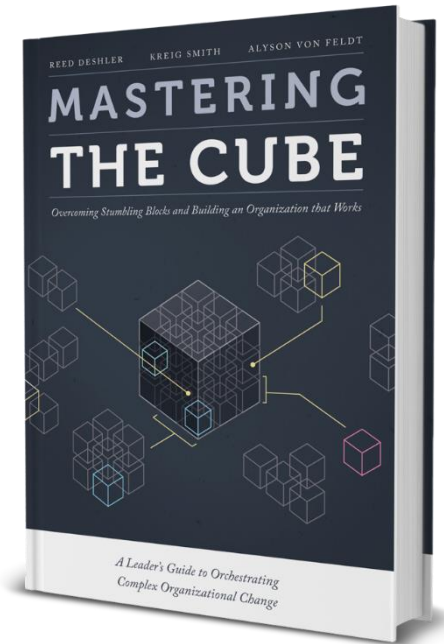
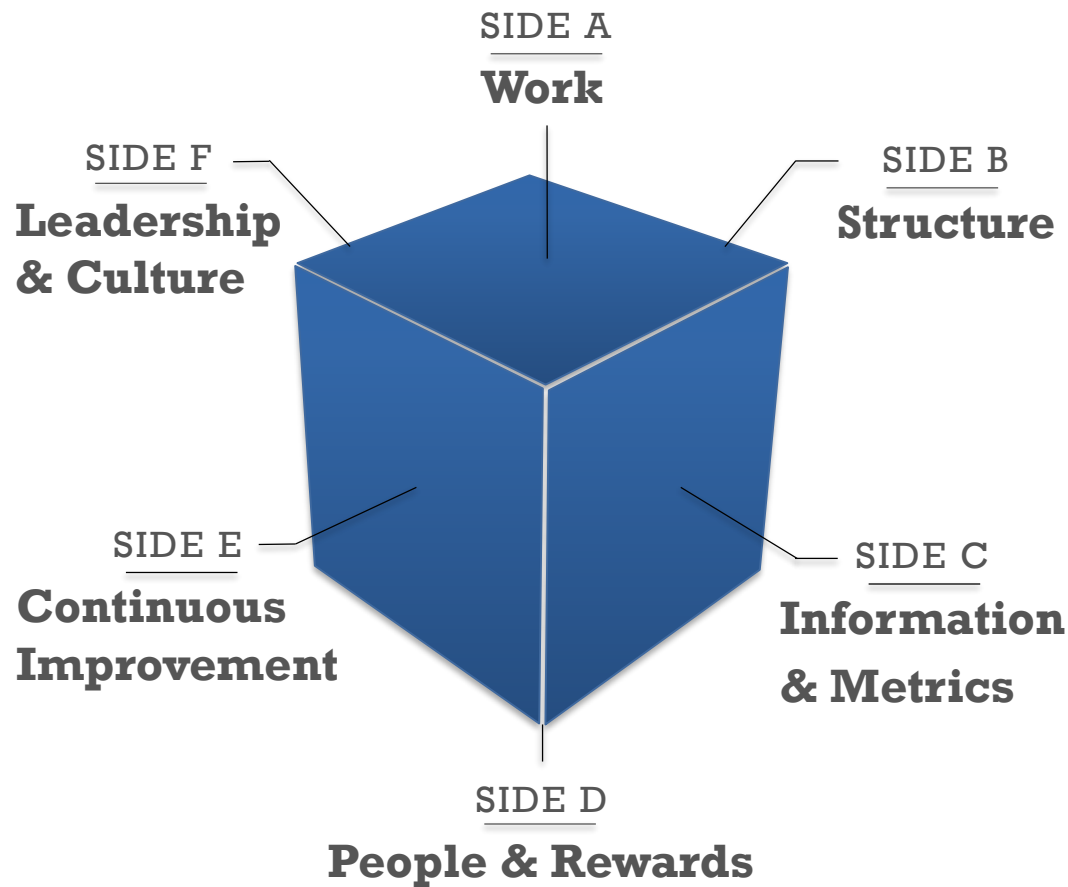
Marketplace Positioning





1. Choose a position
2. Determine how you will differentiate in that position
3. Develop unique capabilities
4. Align work and organization choices

Mastering the “Organizational” Cube



Real Change Leaders ensure the *Cube* is aligned

Opportunities To Drive Growth

New products/services

HEALTHCARE

vs.

**HEALTHCARE
INFORMATICS**

New channels



New customers

amazon —————> **aws**

New ways of differentiating (new value)



Overcoming the “organizational” growth challenge



We're good at the running game
(Implication: We're not so much at the passing game)

***Strategy is about the future, but
capabilities and choices are aligned
to the past***

Mastering the Cube, Deshler, Smith, Von Feldt 2014

Connect Strategy to Organization Choices

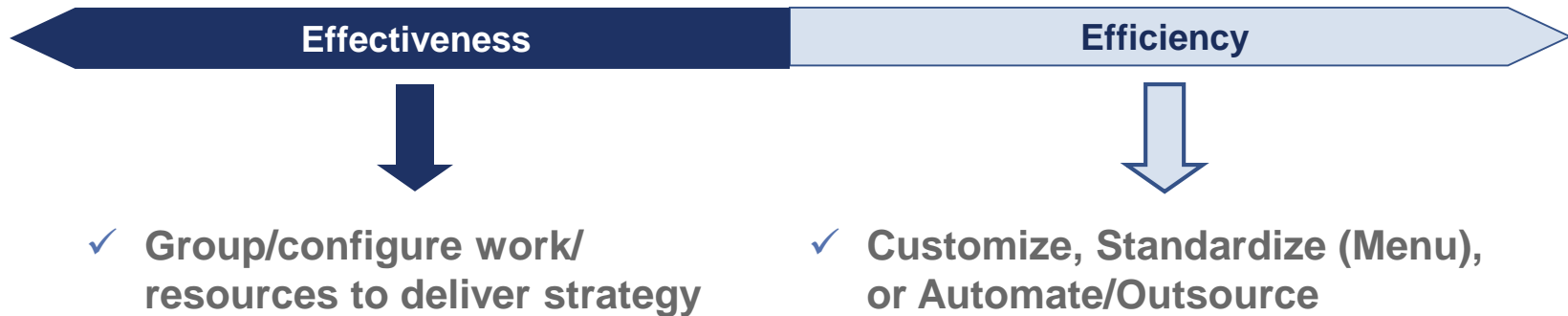
STRATEGY



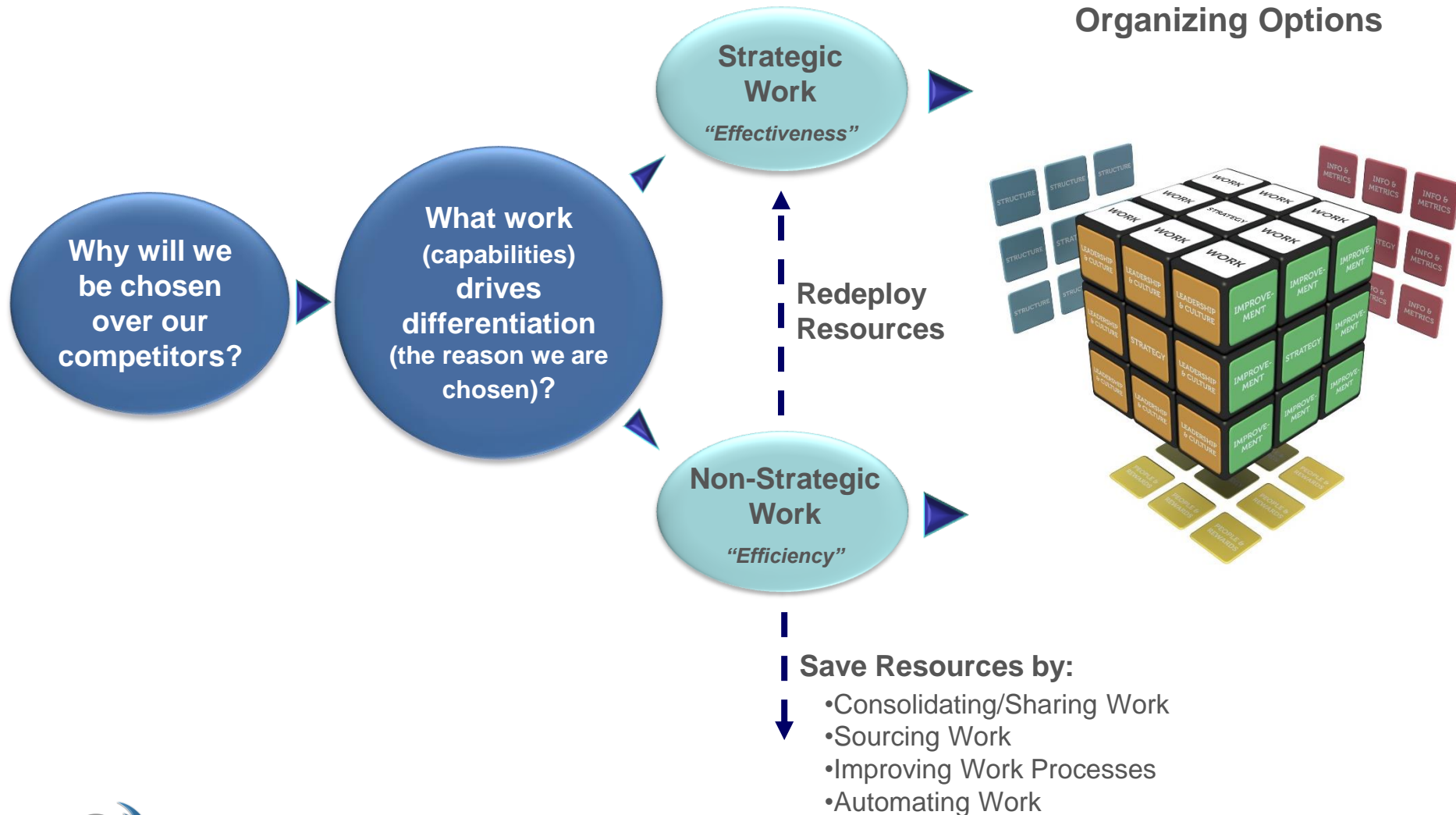
**ORGANIZATION
CHOICES &
RESOURCES**

Aligning Work to Strategy

Strategic Work Activities (Greatest Value)	Essential Work Activities (Important, but Non-Strategic Work)
<p>Work that:</p> <ul style="list-style-type: none">◉ Make your strategy happen◉ Bring value directly to your customers/constituents◉ Create sustainable, differentiation against competitors or substitutes	<p>Work that:</p> <ul style="list-style-type: none">◉ Are essential to your business, but not to your customers◉ Are only a disadvantage if not performed adequately◉ May be regulated or legislated



Designing from the Outside In



What is the best way to group work, allocate resources, and align accountabilities to deliver your strategy?



- Organize and allocate resources first around Strategic Work
- Organize and manage Essential Work for efficiency (lowest cost and standardization)
- Dedicate work that delivers strategy; share work for efficiency
- Avoid diluting Strategic Work by grouping it with Essential Work
- Leverage digital technologies and options to neutralize trade-offs caused by limited resources

When to Take the Road Less Traveled

(And When Not To)



It might be ok to seek and apply a benchmark or best-in-class organizational practice if you:

- ✓ Want to understand the industry standard or benchmark
- ✓ Can apply the best practices from one organization or industry to other problems or marketplace challenges
- ✓ ***Are trying to design essential, but non-strategic activities***

Avoid benchmarks or best-in-class organizational practices when:

- *You are striving to be different than competitors or the industry*
- The organizational choice or practice is incongruent with your organization's culture and design
- Implementing a best practice or benchmark unnecessarily adds cost or complexity



Counter-Intuitive Design Choices



Highest ratio of
operations
managers per
gates of all major
airlines



Kept IT development
in-house when
dominant competitor
outsourced

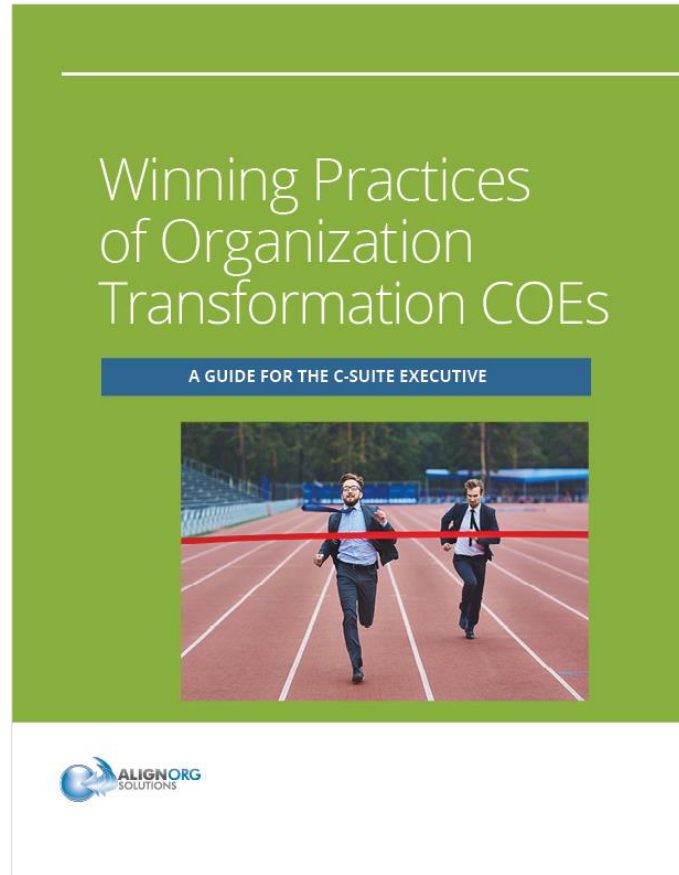


Maintain independent
operating companies
even though scale
would suggest
integration and
shared services to
create leverage

1. Reflect on how your organization is seeking to grow:
 - Assess how well the organization has defined what will differentiate it from others
 - Assess how well the organization has realigned its organization choices to deliver strategy
2. How can you help your organization identify the strategic work and realign choices and resources to deliver in a differentiated way?



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.

Organization Design Lab: Mapping and Managing Organization Design Implementation – Hands on Tools and Application

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Today's Presenter



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.”

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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.

Connect with Reed

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