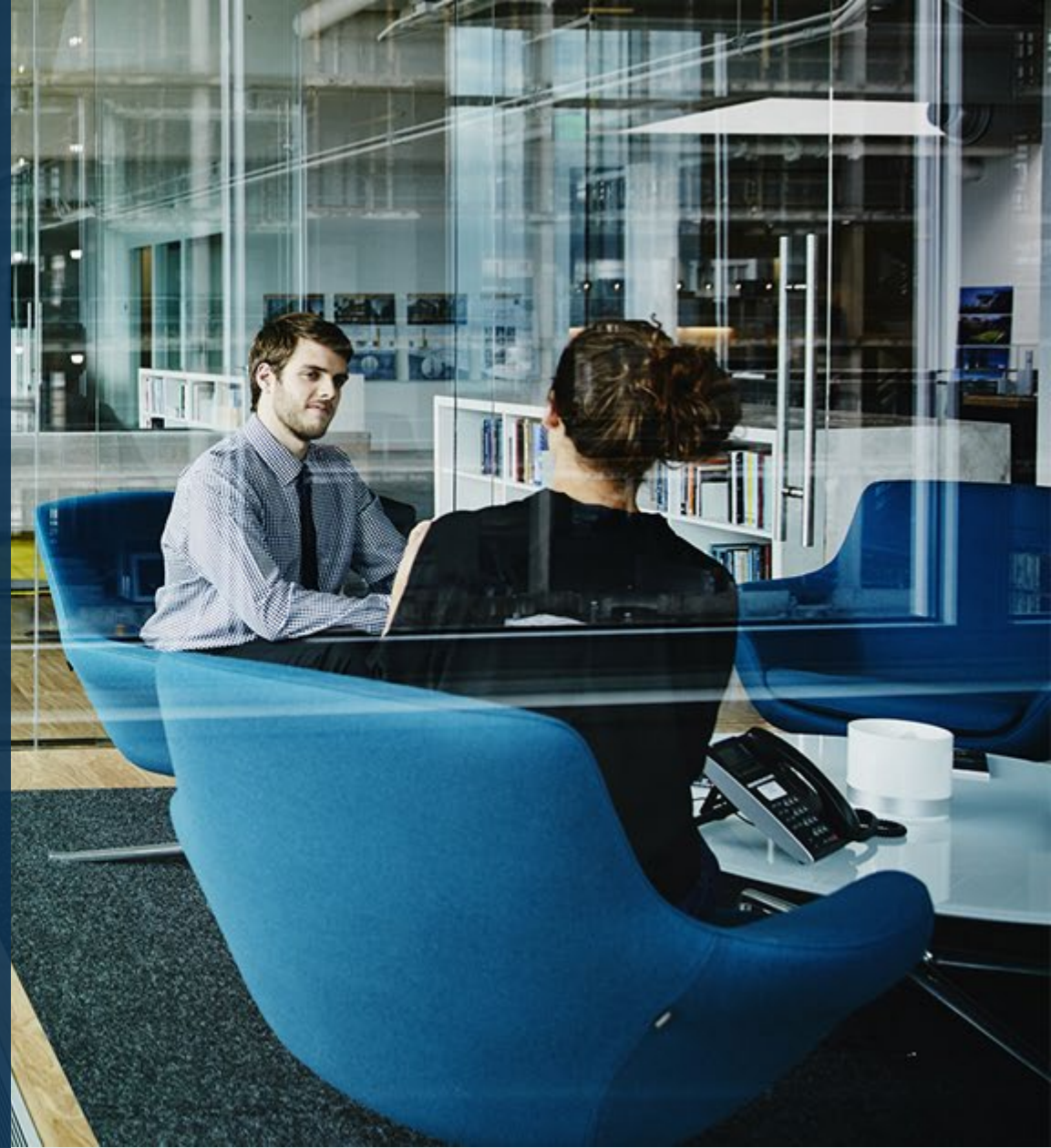




Laying the Foundation Navigating Early Stages of Organization Design

With Chris Davis

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Introductions



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What is your engagement with organization design?



Agenda

- 01** What is Organization Design?
- 02** When to Conduct Organization Design
- 03** Foundations of Effective Organization Design
- 04** Implementing the Organization Design and the Role of Change Management in Enabling Adoption

01

What is Organization Design?



It's not just about the org chart.

A high-performing organization is a **balancing act**.



02

When to Conduct Organization Design





What are signs that an org design may be needed?

When considering org design makes sense



Performance Failures

- Decisions are slow; can't react to market changes.
- Resources are allocated to the wrong places.
- Teams compete instead of collaborating to satisfy customers.
- Infrastructure budget drains.



Change in Strategy

- Changes in the business model (vertical integration, a different set of economics, move to retail vs. wholesale, etc.).
- Entering emerging markets or new customer segments.
- A substantial acquisition, merger, or divestiture.



Limiting Structure

- Legacy business units or functions overwhelm start-up units.
- Innovators lack the power to make things happen.
- Current structure isn't scalable for growth.
- The wrong roles are asked to generate a new strategy.

03

Foundations of Effective Organization Design



The Three-Phase Approach to Org Design



Strategic Alignment

We're clear on the problem that needs to be solved.

1



Operating Model & Structure

We've made a basic structure choice that supports the strategy.



Workgroup Design

We've tied the pieces together, identifying links across boundaries.



Talent & Leadership

We've staffed the critical roles to carry out the work and build talent for the future.



Metrics & Rewards

We're prepared to measure, learn, and adjust.



Implementation

We set the implementation plan and navigate the transition while achieving short-term wins.

3

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Strategy and Capabilities: The Foundations of Org Design



Strategy and organizational capabilities set the direction.





What role has strategy played in your previous org design efforts?



Organizational Capabilities:

The link between strategy and design that sets the criteria for how you design your organization.



In order to achieve our business strategy, we need to be able to ____ better than the competition.

04

Implementing the Organization Design



With Effective Change Management

Companies don't transform, **people do.**

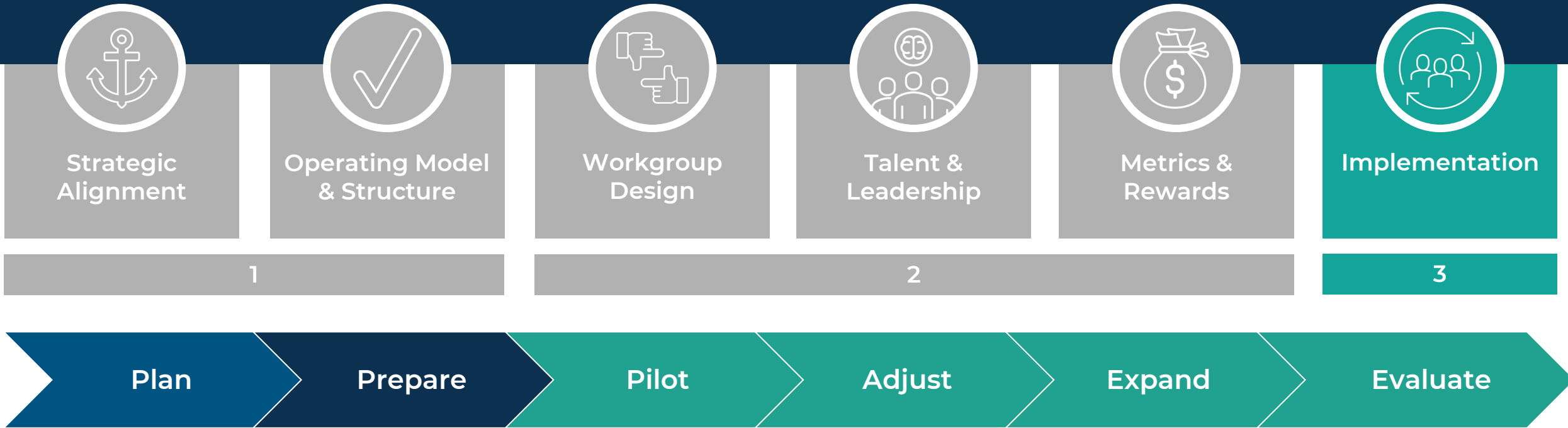


Quality
Solution

Quality
Adoption

Realization
of Business
Results

Implementation



If you remember nothing else...

1

Org design should **always be driven by strategy** first, capabilities second, and nothing else.

2

Org design requires **holistic systems thinking** to be successful.

3

Design for the future, not the present—and certainly not the past.

4

Org design is the foundation of a business. **Don't shortcut it.**



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