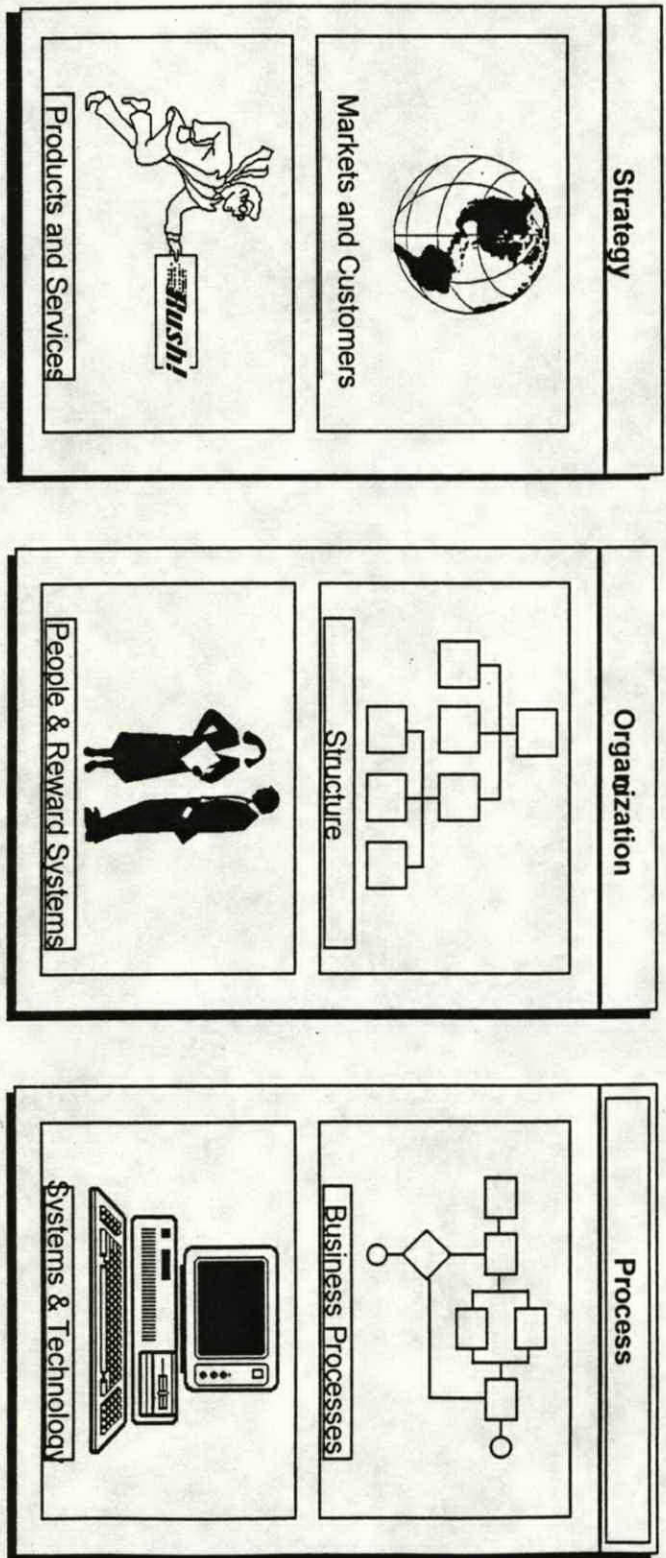


The recommendations from any strategy project (e.g. where to compete, how to compete) must be part of an integrated change program and must contemplate the existing environment across all six levers of change.

STRATEGY SCOPE

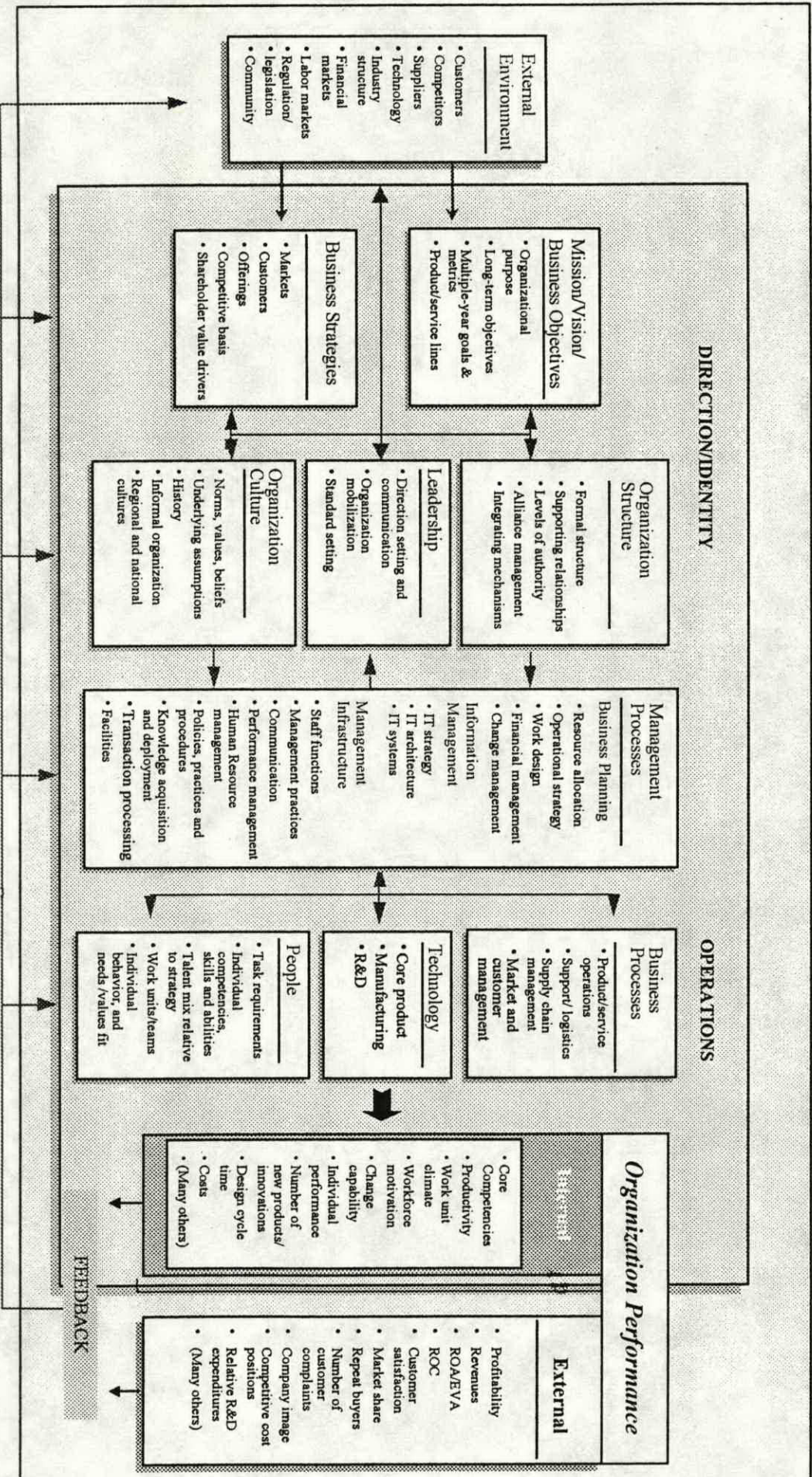
Levers Of Change

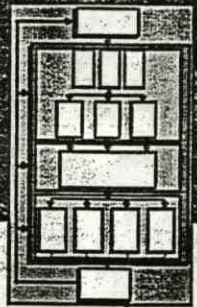


Scope of Strategy Formulation

- Markets: Where to compete
- Products and services: How to compete

Model of Organizational Performance

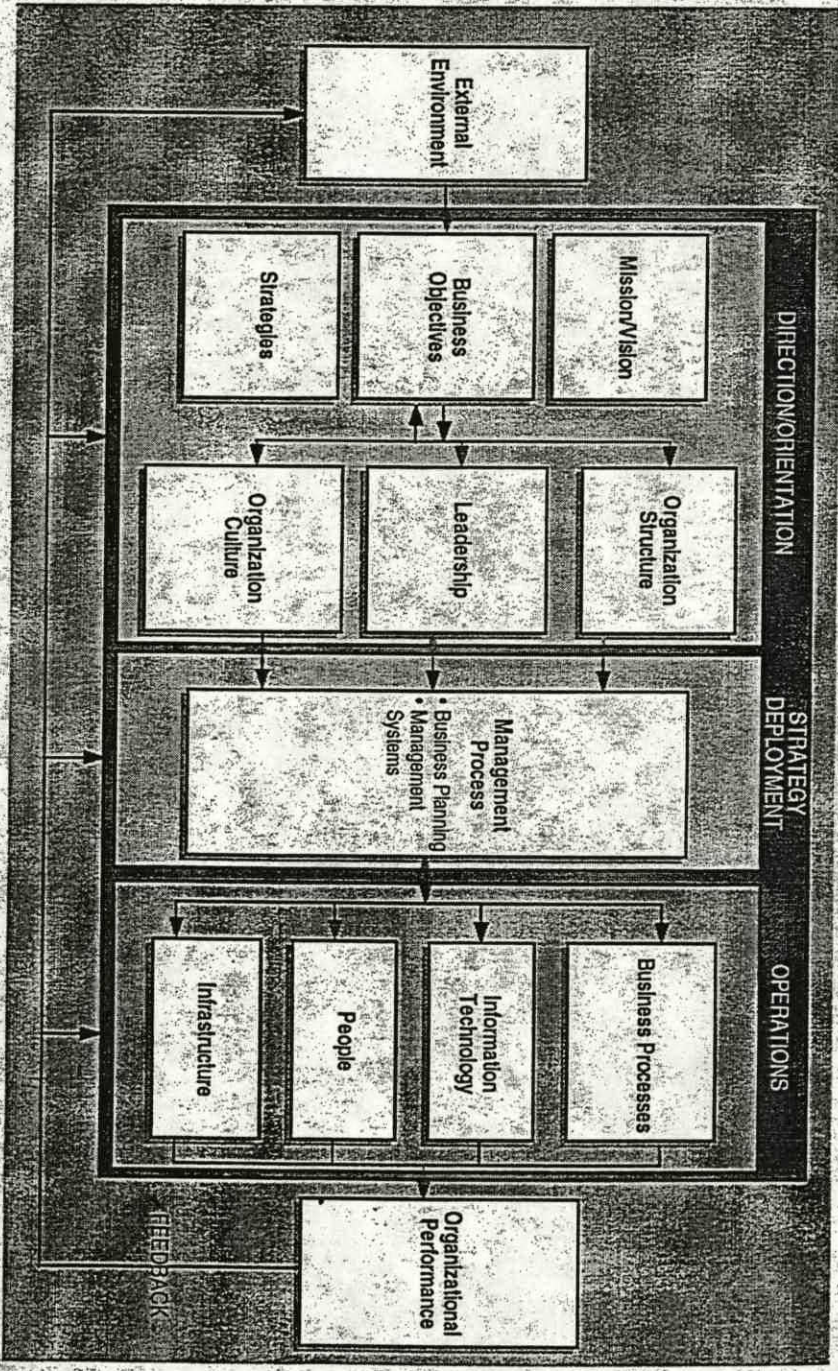


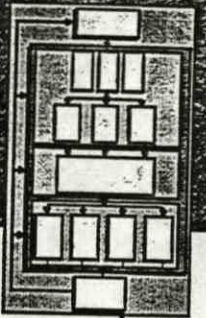


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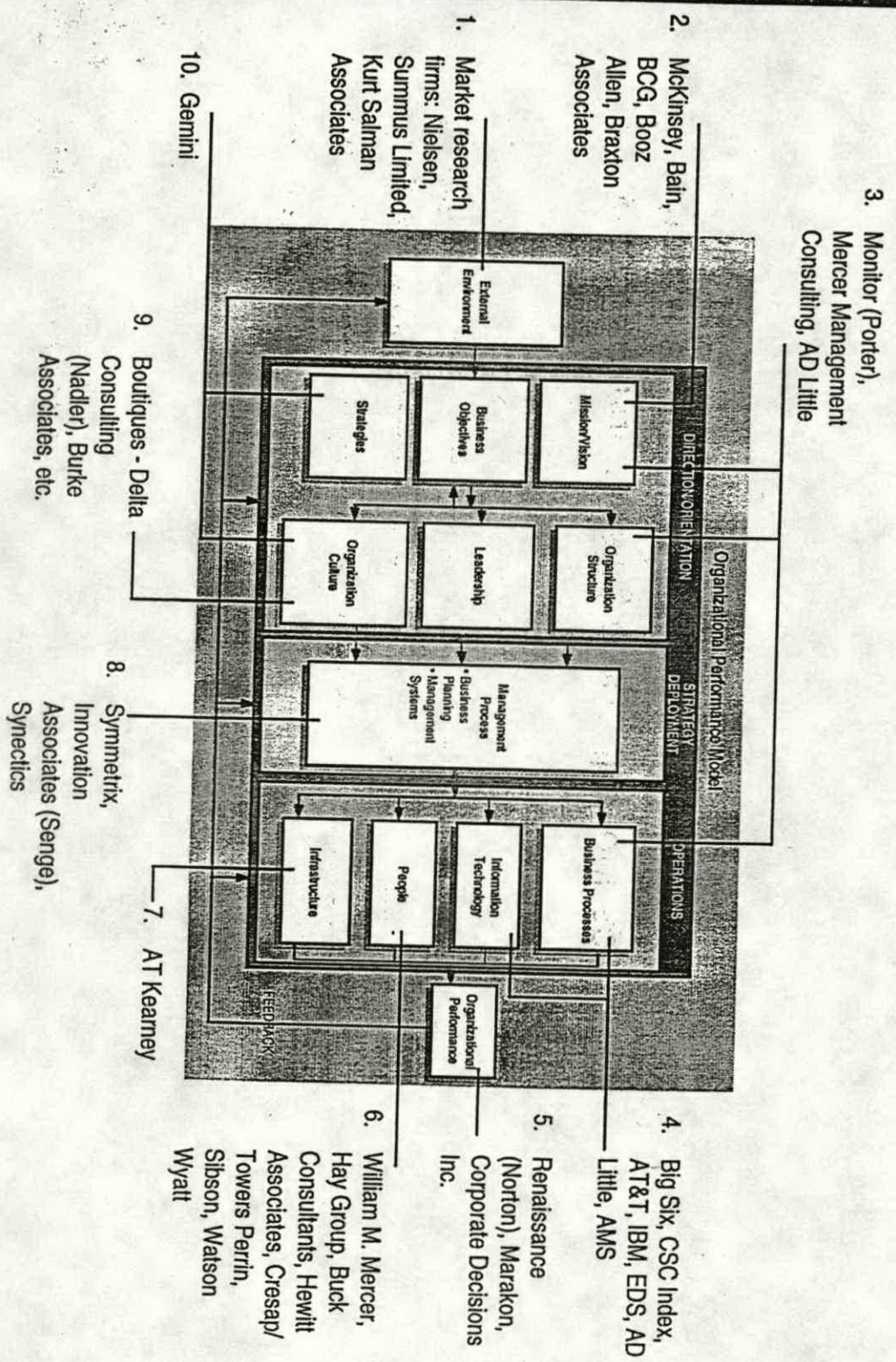
*The Organizational Performance Model Survey
 as a Tool for Capturing Organizational Information*





Increasingly, consulting firms are claiming to offer capabilities across the spectrum of services.

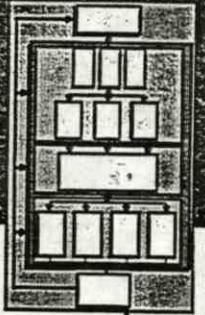
Who's Out There, and What Are They Offering?



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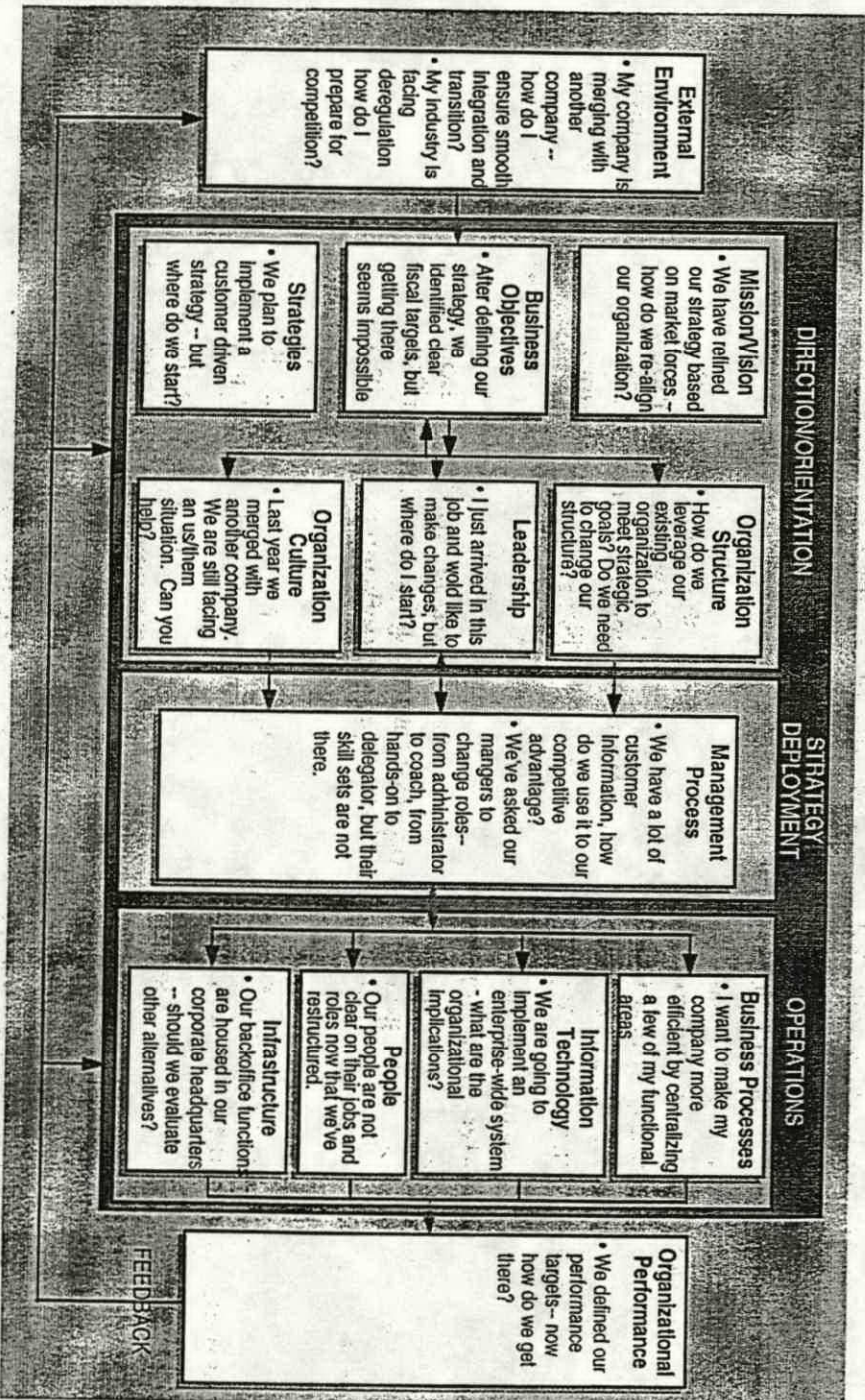
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Do your clients sound like this?

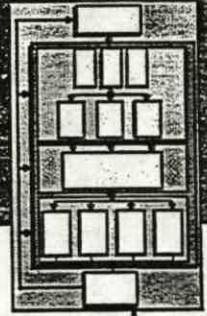
Organizational issues span all dimensions of the Model



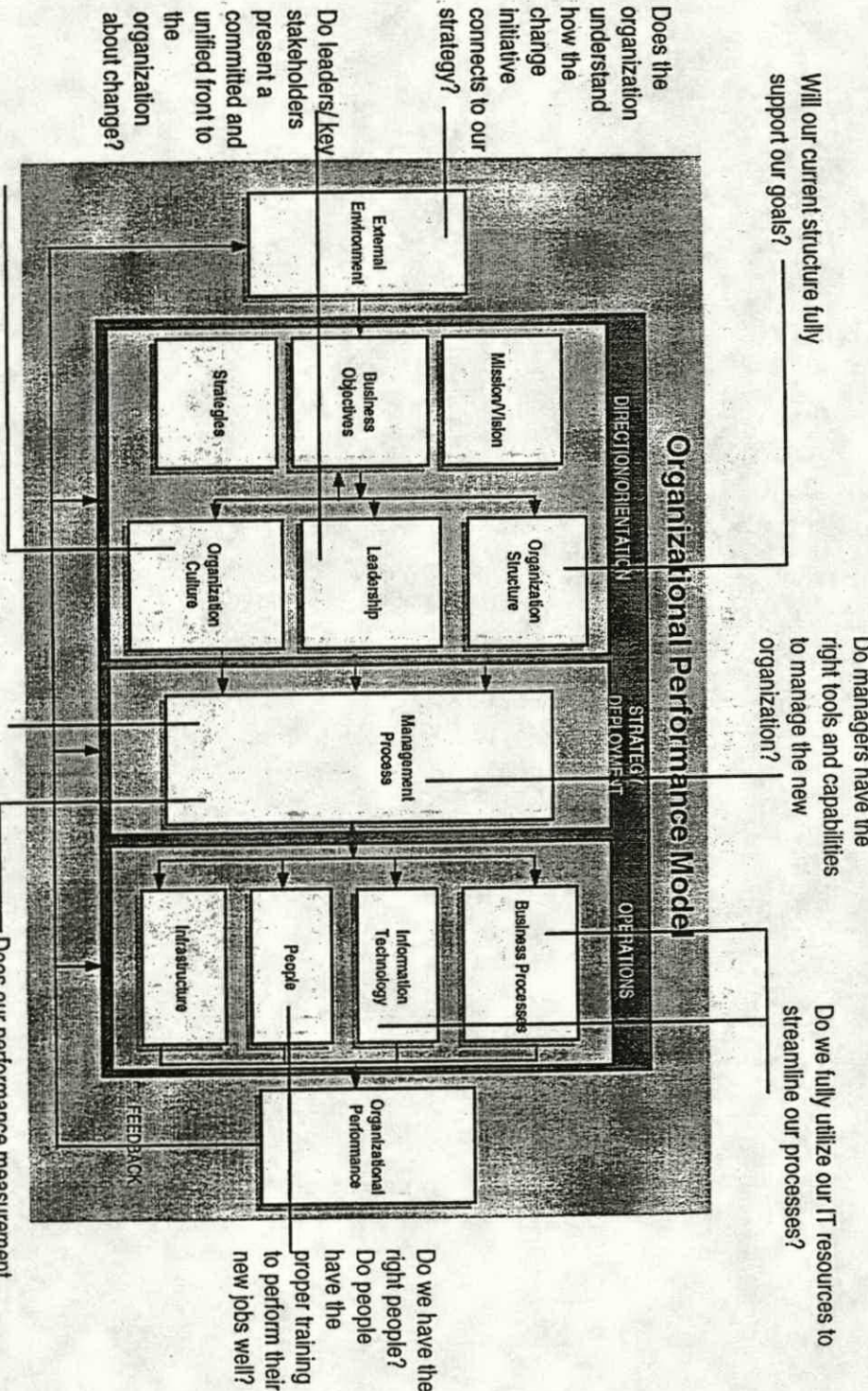
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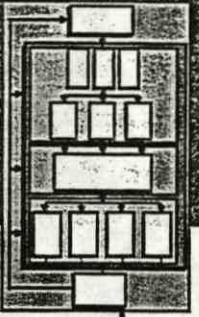
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**To ensure transformational success,
a number of key questions must be answered**



- ◆ Will our current structure fully support our goals? _____
- ◆ Do managers have the right tools and capabilities to manage the new organization? _____
- ◆ Do we fully utilize our IT resources to streamline our processes? _____
- ◆ Does the organization understand how the change initiative connects to our strategy? _____
- ◆ Do leaders/key stakeholders present a unified and committed front to the organization about change? _____
- ◆ Are we effectively allocating resources in the new environment? _____
- ◆ Does our performance measurement system align with the requirements of the new organization? _____
- ◆ Do we have the right people? Do people have the proper training to perform their new jobs well? _____
- ◆ Is our organization ready for change and does our culture support new ways of working? _____
- ◆ What are the key communication needs of the organization throughout the transition? _____
- ◆ What are the key stakeholder concerns? _____
- ◆ Does the organization possess the change integration literacy required to ensure project success? _____

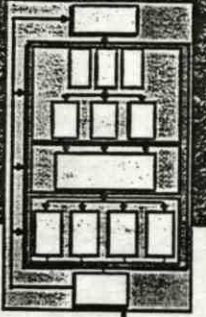


Systems thinking assumes that an organization is an open system and therefore is influenced by its environment

How does systems thinking influence successful performance?

- ◆ There are a variety of ways to drive successful performance
- ◆ Organization performance is enhanced when there are relatively high degrees of “fit” between the organizational subsystems
- ◆ Though “fit” between subsystems is desirable, organizations are frequently “out of sync” in the process of change
- ◆ There are feedback loops throughout the system, so that the components have mutual influence upon one another and the external environment

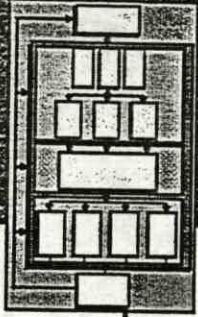
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Systems thinking is used to drive a holistic view of how a business creates value:

	Provides perspective on...	Answers questions ...
...for its employees	Employees gain a better understanding of how their work fits into the larger organizational context	How does my job fit in with the strategy? What changes are being made that affect me?
...for its customers, and	Customers experience better service because changes made to the strategy of the organization are being addressed at the operational level	How are you changing the way you deliver products or services based on my feedback? What are you doing to address my concerns?
...in the long run for its shareholders	Shareholders can see what additional value is being generated—and where their shareholder dollars are being directed	Are you spending money on things that don't fit with your long-term strategy? What are you doing to improve shareholder value?

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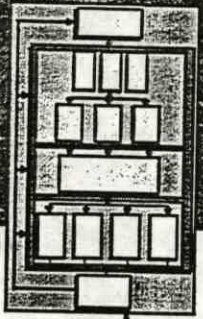
Measuring success of a change effort requires a balanced system of measuring performance

Critical Success Factors – Performance

Design performance measurement systems in alignment with new strategy and business processes

- ◆ Monitor performance frequently to assess the success of change efforts and adjust the change process as needed, especially during the early stages of change
- ◆ Define performance measures in both direct business terms and also in terms of organizational functioning that supports strategic direction
- ◆ Focus performance measures on business results, not on process measures

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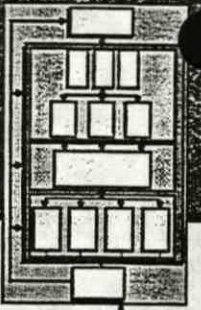


Monitor all relevant environmental factors such as social, demographic, political, economic, technological and regulatory trends

Critical Success Factors – External Environment

Evaluate the External Environment

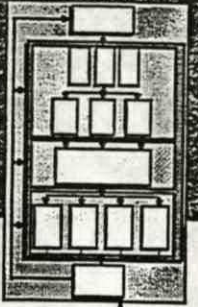
- ◆ Conduct a structured, thorough competitor analysis, including an evaluation of competitive advantages and future trends
- ◆ Develop continuous market sensing customer analysis capability to ensure customer focus, and to develop correct product capability and service bundles
- ◆ Constantly monitor overall market factors such as current and predicted size, growth rate, and profitability
- ◆ Develop in-depth knowledge of industry factors that might affect the business, such as threat from new entrants, bargaining power of buyers and suppliers, current and anticipated industry capacity



Organizational performance

Factors	Key Considerations	Tools
Financial	<ul style="list-style-type: none">◆ How is the enterprise performing relative to financial objectives?◆ How will success be measured?◆ What set of measurements will be used?◆ Do they incorporate the perspectives of all relevant stakeholders?	<ul style="list-style-type: none">◆ Financial statement analysis and projection◆ EVA/ROA/ROS etc. analysis◆ Employee satisfaction survey◆ Customer satisfaction survey
Strategic	<ul style="list-style-type: none">◆ How is the enterprise performing relative to strategic objectives?◆ What organizational performance measures help gauge success in achieving the vision?	
Behavioral	<ul style="list-style-type: none">◆ How are values, norms, behaviors or organization members supportive of the desired culture?	
Social	<ul style="list-style-type: none">◆ In what ways is the organization adding to the welfare of the community? Employees? Stockholders? Other stakeholders?	
Operational	<ul style="list-style-type: none">◆ How is the enterprise performing relative to operational objectives?	
Enterprise Linkage	<ul style="list-style-type: none">◆ What is the gap between stated business objectives and actual performance?	

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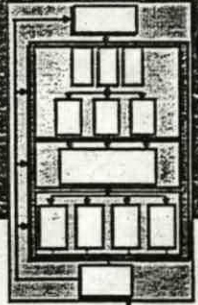


Scanning the external environment provides consultants with a baseline understanding of trends

Factors	Key Considerations	Tools
Environmental Factors	<ul style="list-style-type: none"> What are the impacts of social, demographic, political, economic, technological and regulatory trends on the business? What characteristics about the external environment is the organization able to influence? 	<ul style="list-style-type: none"> Synopsis of regulatory constraints Technology substitution mapping Trend mapping Primary and secondary research External/research trend spotting firms
Competitor Analysis	<ul style="list-style-type: none"> Who are current and potential customers? What competitive advantages do these competitors possess? What are the respective market shares? What are their current strategies and trends? 	<ul style="list-style-type: none"> Share Matrix Hirfendahl Index Historical actions of firms Supply/demand trends Resource similarity/market commonality analysis
Customer Analysis	<ul style="list-style-type: none"> Who are the organization's current customers? Why are they choosing the organization's products or services? Where and how are customers buying products and services? What segments represent the initiator, influencer, decider, purchaser, the end user? What segments have been identified as future or potential customers? Are demographics of customers changing? Is the organization experiencing a changing customer base? 	<ul style="list-style-type: none"> Customer requirements analysis Conjoint analysis of customer preferences Customer segmentation Customer/supplier map Customer retention analysis Kano Model Trend Analysis Primary research

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External environment diagnostic

Factors

Key Considerations

Tools

Market Factors

- ◆ What segments have been identified as future or potential customers?
- ◆ What is the current and predicted size, growth rate, and profitability of the market?
- ◆ What impact does seasonality and cyclicalities have on the market?

- ◆ Porter Five Forces Model
- ◆ Market Profitability Modeling
- ◆ Market Capacity Curve
- ◆ Product Life Cycle Analysis
- ◆ Analyst Reports

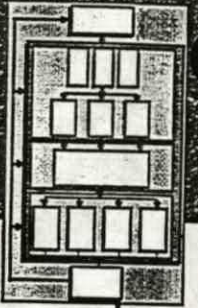
Industry Factors

- ◆ What type of threat exists from new entrants?
- ◆ What degree of bargaining power do buyers and suppliers possess?
- ◆ What is the current industry capacity and threat of substitutes?

- ◆ Five Forces Analysis
- ◆ Strategic Setting
- ◆ Force Field Analysis
- ◆ Product Life Cycle Analysis
- ◆ Supplier Revenue Analysis

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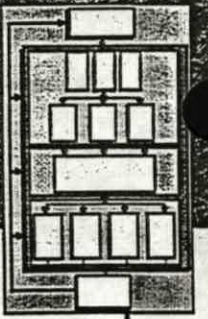
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Consultants must gain an understanding of an organization's mission and vision

Factors	Key Considerations	Tools
Clarity	<ul style="list-style-type: none"> ◆ To what extent is the mission/vision clear and understood at all levels of the organization? What evidence exists to support such an understanding? ◆ What are the explicit organizational assumptions about the future? ◆ Is the mission/vision static or constantly evolving? 	<ul style="list-style-type: none"> ◆ Core competency analysis ◆ Scale curve ◆ Mission/role analysis + ◆ In-depth interviews ◆ Focus groups ◆ ACT process ◆ Surveys ◆ Archived information (including mission statements, etc.) ◆ Product/consumer profitability analysis
Applicability	<ul style="list-style-type: none"> ◆ To what degree can the mission/vision be translated into specific objectives and strategies? ◆ In what ways does the mission/vision provide a guideline for decision making throughout organization? ◆ Is the mission/vision drilled down to operational and cascaded? ◆ How is the mission/vision communicated and cascaded? 	
Communication	<ul style="list-style-type: none"> ◆ How is its importance conveyed to organizational members? ◆ To what extent are major decisions communicated in relation to the mission/vision? ◆ What is the process for mission/vision development? 	
Commitment	<ul style="list-style-type: none"> ◆ How does the senior management team demonstrate ownership and buy-in? ◆ To what extent is the mission/vision embraced by the organization? 	
Enterprise Linkage	<ul style="list-style-type: none"> ◆ What environmental and organizational inputs drive the mission/vision? ◆ How is the mission/vision used in formulating business objectives and strategies? ◆ Is there congruency across organizational units? 	

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Develop a clear mission/vision that is unambiguous and understandable at all levels of the organization

Critical Success Factors – Mission/Vision

Develop a Mission and Vision

- ◆ Articulate a clear market-driven mission and vision to ensure overall focus for transformational goals
- ◆ Provide inspiration as well as business direction to the organization through the mission/vision
- ◆ Logically translate mission/vision to specific organizational business objectives
- ◆ Cascade the mission/vision throughout the organization using clear and consistent communication messages and media

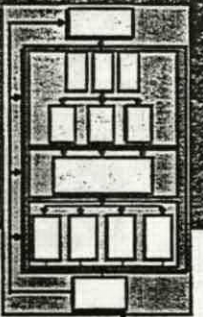
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Business objectives

Factors	Key Considerations	Tools
Results Oriented	<ul style="list-style-type: none"> ◆ In what way do business objectives outline tangible and actionable business outcomes? ◆ How are business objectives translated into specific departmental steps? ◆ Are business objectives aligned with the vision and mission? 	<ul style="list-style-type: none"> ◆ In-depth interviews ◆ Focus groups ◆ ACT process ◆ Surveys ◆ Mission/role analysis ◆ Product/consumer profitability analysis
Measurement	<ul style="list-style-type: none"> ◆ How are business objectives tracked? ◆ To what extent do they translate to clear metrics (e.g., revenue, market share, ROA)? 	
Achievable	<ul style="list-style-type: none"> ◆ What makes the objectives achievable? ◆ How are the objectives realistic? ◆ How are the objectives supported by quantifiable data? ◆ What critical success factors and environmental assumptions have been identified and articulate? ◆ What needs to be accomplished over the short-term to make progress toward the vision? 	
Communication	<ul style="list-style-type: none"> ◆ How have the business objectives been articulated and linked throughout the organization? ◆ How do individuals perceive their role in achieving business objectives? 	
Enterprise Linkage	<ul style="list-style-type: none"> ◆ How do business objectives help to operationalize the original mission and vision? ◆ How are performance measures linked to business objectives? 	

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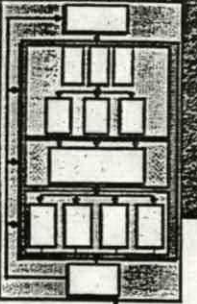
Mission and vision are expressed in well-defined business objectives

Critical Success Factors – Business Objectives

Match business objectives with mission and vision

- ◆ Articulate desired results in terms of tangible, actionable business outcomes
- ◆ Define realistic, achievable and quantifiable objectives
- ◆ Define objectives in terms of specific market, product and service aspirations
- ◆ Develop systems to measure and track performance against business objectives
- ◆ Link business objectives to all components of the organization's functioning

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Strategies

Factors

Key Considerations

Tools

Definition and Direction

- ◆ How do strategies address "what, where, and how" the organization will operate and compete?
- ◆ How long term are the strategies?
- ◆ What evidence exists that the strategy is understood at all levels of the organization?
- ◆ Do strategies support the vision?

Buy-in

- ◆ What degree of consensus exists among the senior team around strategy?
- ◆ What degree of consensus exists throughout the organization about strategic definition and direction?
- ◆ What should happen to further the achievement of the vision in day to day practices?
- ◆ Do individuals understand the relationship between the business objectives and the strategies to achieve them?

- ◆ In-depth interviews
- ◆ Five Forces Analysis
- ◆ Focus groups
- ◆ ACT process
- ◆ Surveys
- ◆ Product/customer profitability analysis

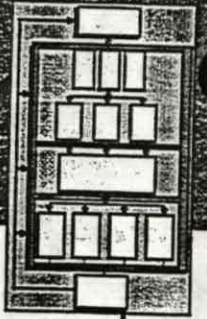
Strategy Formulation

- ◆ How is strategic planning executed?
- ◆ What structures are in place for ongoing review and evaluation?
- ◆ How do strategies help the organization realize business objectives and mission?

Enterprise Linkage

- ◆ What is the relationship between stated strategies and available resources?

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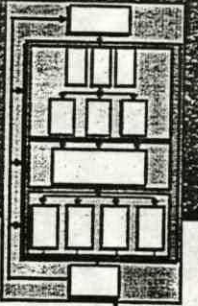
Strategies integrate decisions regarding marketplace opportunities with deep knowledge of organizational capability

Critical Success Factors – Strategies

Align strategies with mission/vision

- ◆ Conduct strategy formulation by interviewing the executives who are responsible for its execution
- ◆ Require commitment to strategies by all senior executives
- ◆ Integrate current and anticipated market, customer, and competitive realities into strategic direction
- ◆ Clearly define strategies but leave room for adjustment in response to marketplace experience
- ◆ Address execution, review and evaluation of the strategic planning process
- ◆ Define strategies down to the workplan and resource allocation level - the “what, where and how” of organization activity

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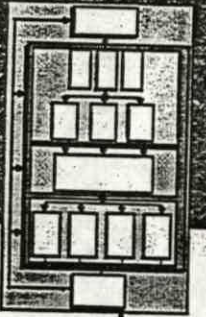


Leadership

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Factors	Key Considerations	Tools
Communication	<ul style="list-style-type: none">◆ In what ways do leaders communicate a sense of direction throughout the organization?◆ In what ways do they stimulate buy-in for corporate objectives?	<ul style="list-style-type: none">◆ In-depth interviews◆ Focus groups◆ ACT process◆ Surveys◆ Competency modelling◆ Competency assessment
Organization Perceptions	<ul style="list-style-type: none">◆ From the employee perspective:<ul style="list-style-type: none">● What do leaders pay attention to, measure and control on a regular basis?● What are the observed criteria by which leaders recruit, select, promote, retire, and release organizational members?● How does leadership work together?● What do other members of the organization see as leadership's role?	
Integrity & Consistency	<ul style="list-style-type: none">◆ In what ways do leaders provide a stabilizing presence throughout the organization?◆ What evidence suggests that leaders "walk and talk"?	
Business Acumen	<ul style="list-style-type: none">◆ What activities do leaders engage in to keep up-to-date with developments in the marketplace?◆ To what extent is the organization driven by the business or industry expertise of its leaders?	
Enterprise Linkage	<ul style="list-style-type: none">◆ How do leaders focus on establishing objectives and allocate resources so objectives will be accomplished?◆ To what extent is there shared ambition on the leadership team?◆ Are leaders aligned around the vision and related strategies?	



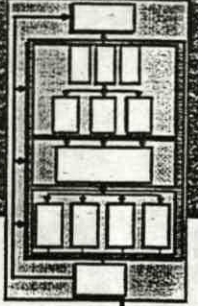
Senior leadership plays an especially critical role in organizational transformation

Critical Success Factors – Leadership

Encourage leadership to provide a sense of direction and purpose to counterbalance the uncertainty inherent in large scale change.

- ◆ Create and maintain a sense of urgency about the change
- ◆ Communicate frequently through multiple channels to every segment of the organization
- ◆ Focus on creating a strong coalition within the organization to drive the change process
- ◆ Provide a stabilizing presence by consistently “walking the talk”
- ◆ Remove impediments to change that are artifacts of the “old” organization
- ◆ Actively involve themselves in people issues such as recruitment, selection, and promotion

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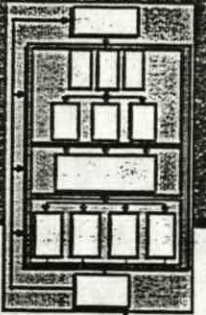


Information technology

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Factors	Key Considerations	Tools
Flexibility	<ul style="list-style-type: none"> ◆ How does technology improve or inhibit the organization's flexibility relative to the external environment (product variety, customization, customer responsiveness)? 	<ul style="list-style-type: none"> ◆ PW SMM methodology ◆ PW SISP methodology
Quality	<ul style="list-style-type: none"> ◆ How does technology improve or hinder the quality, innovation, or process control of a product or service? 	<ul style="list-style-type: none"> ◆ Business process mapping and redesign ◆ PW BetterTech toolkit
Speed of Delivery	<ul style="list-style-type: none"> ◆ How does technology improve or inhibit the speed of delivery of a product or service? 	
Cost	<ul style="list-style-type: none"> ◆ How does technology decrease or increase the cost of the defined product or service? 	
Enterprise Linkage	<ul style="list-style-type: none"> ◆ How does technology support or hinder the organization's mission, business objectives and strategy? ◆ Is the corporation leading or following customers, suppliers, and competition in key technology upgrades? ◆ What role does information technology play in achieving the mission/vision? ◆ How does it support business processes? ◆ Does IT provide a competitive advantage? ◆ How does IT affect decisions? Is IT used to make real time decisions or are decisions made through reporting? 	

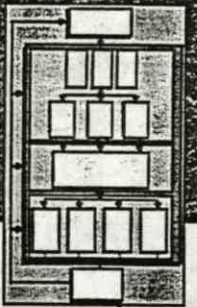


***Information systems are designed
to clearly link to new strategic objectives***

Critical Success Factors – Information Technology

View information technology as a significant component and enabler of the achievement of strategic objectives

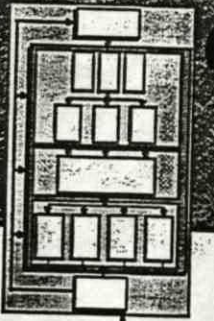
- ◆ Require a strong business case for technology expenditures
- ◆ Use information technology to move authority and action potential down to customer-facing staff
- ◆ Design information technology to be “user friendly” and deployable through every level of the organization
- ◆ Implement enterprise-wide information systems to allow cross-functional decision support and communication



Infrastructure

Factors	Key Considerations	Tools
Location	<ul style="list-style-type: none"> ◆ How does location support business objectives? ◆ Does it perpetuate a culture required to achieve the vision? ◆ What degree is physical plant location consistent with optimal information and process flows? ◆ Does selected site provide cost advantages? 	<ul style="list-style-type: none"> ◆ Factor-rating systems ◆ Linear programming ◆ Center of gravity method ◆ Analytic delphi model ◆ Regression analysis ◆ Work flow analysis ◆ Usage ratios ◆ Benchmarking ◆ Resource similarity/market commonality matrix ◆ Porter Five Forces Model
Design	<ul style="list-style-type: none"> ◆ How does the external site infrastructure support defined needs? ◆ How does design (physical layout) support the target culture and communication flows? 	
Capacity	<ul style="list-style-type: none"> ◆ What is the utilization of current facilities? ◆ What is the degree of flexibility? 	
Core Capability	<ul style="list-style-type: none"> ◆ To what extent is capacity consistent with firm business objectives and strategy? 	
Enterprise Linkage	<ul style="list-style-type: none"> ◆ What aspects of infrastructure, if any, are considered a source of core competitive advantages? ◆ How does the current infrastructure support mission, business objectives and strategies? 	

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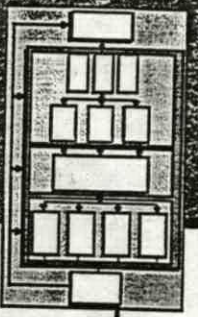
The infrastructure supports the mission, business objectives and strategies

Critical Success Factors – Infrastructure

Provide employees with access to the right tools and facilities to get their jobs done

- ◆ Configure internal transaction management and administration to meet the needs of the business
- ◆ Develop processes to evaluate capacity issues and equipment constraints
- ◆ Design facilities to support the target culture and to ensure communication flows properly
- ◆ Develop an internal operations support services group to provide infrastructure assistance

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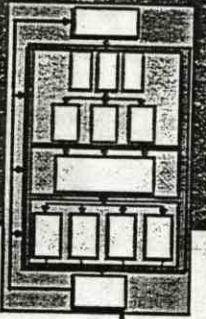


Management process

Factors	Key Considerations	Tools
Communication Media	<ul style="list-style-type: none"> ◆ How is information formally communicated throughout the organization? ◆ What standards have been developed? ◆ What is the frequency and quality of internal and external feedback? 	<ul style="list-style-type: none"> ◆ Archival Information ◆ Information flow analysis ◆ HR department interviews
Performance Measurement & Rewards	<ul style="list-style-type: none"> ◆ What are the current performance measures and do they support defined strategic objectives? ◆ To what extent are performance measurement and reward systems clearly stated and understood? 	<ul style="list-style-type: none"> ◆ Line Management Interviews ◆ Staff focus groups
HR Systems	<ul style="list-style-type: none"> ◆ How are employees recruited, retained, developed? ◆ What criteria, policies, and procedures are used to manage the organization? ◆ To what degree are policies and procedures considered to be uniform, arbitrary, fair and consistently applied? 	
Managerial Decision Making	<ul style="list-style-type: none"> ◆ What degree of flexibility is build into management processes? ◆ How do the practices of managers make the strategy actionable on a day-to-day basis? ◆ How are management processes aligned with organization direction? ◆ At what level is the organization able to respond to the customer? ◆ In what ways is external information coordinated with internal processes? 	

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The practices of managers make the strategy actionable on a day-to-day basis

Critical Success Factors – Management Process

Treat change as a “full-time job” and create dedicated transition mechanisms to implement the change agenda

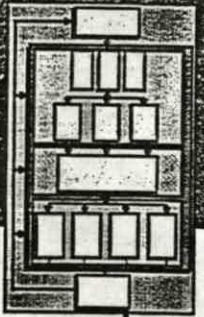
- ◆ Revise business planning process and annual business goals to reflect new strategic direction
- ◆ Regard mid-level managers as a critical component of the strategy deployment process who are directed and empowered
- ◆ Review current management processes for alignment with new business direction:
 - Resource allocation, work design, operational decision-making, staff functions, management practices, and financial management are revised as needed
 - Performance management, human resource management, communication, policies, practices and procedures are redesigned by accountable staff groups with line input

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Business process

Factors	Key Considerations	Tools
Orientation	<ul style="list-style-type: none"> ◆ To what extent are business processes organized around outcomes or tasks? ◆ How do outcomes add value in the eyes of the customer? 	<ul style="list-style-type: none"> ◆ Inductive thinking ◆ Flow charting ◆ Process benchmarking
Location	<ul style="list-style-type: none"> ◆ What is the relation between the end user of the process output and those that perform the process? ◆ How much time or effort is spent relocating or transporting unfinished products or outcomes? ◆ How near to the work process are decisions made? ◆ Is work performed where it makes most sense? ◆ Are steps performed in natural order? 	<ul style="list-style-type: none"> ◆ Process mapping ◆ PW Change Pro ◆ Information flow analysis ◆ Envisioning workshops ◆ Process reengineering
Internal Linkage	<ul style="list-style-type: none"> ◆ How often are parallel activities linked and coordinated during the process? ◆ How often are there disruptions in the flow of work throughout the organization? What drives these disruptions? ◆ Do tasks seamlessly cross organizational borders? ◆ Are integration parts between process and technology clearly understood and fully utilized? 	
Information	<ul style="list-style-type: none"> ◆ To what extent is information captured at the source and utilized by the people who gather it? 	
Enterprise Linkage	<ul style="list-style-type: none"> ◆ How does business process design support mission, business objectives and strategy? ◆ How are external customer requirements addressed in business process issues? ◆ How do cycle times, costs and quality compare to industry benchmarks? ◆ How does the infrastructure support the business process? 	



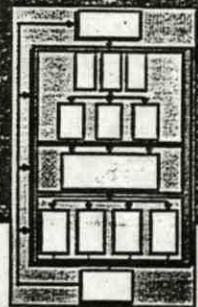
Core business processes are redesigned to meet new strategic objectives

Critical Success Factors – Business Process

Clearly define essential business processes and assign end-to-end accountability for design and management

- ◆ Redesign business processes with “customer facing” focus
- ◆ Eliminate non value-added activities within processes
- ◆ Examine support systems and redesign to fit the new configuration of core business processes
- ◆ Regard supply chain management as a potential source of competitive advantage

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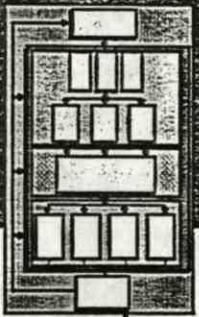


Organization structure

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MCS/Org Perf, Fieldguide, ch2a

Factors	Key Considerations	Tools
Orientation	<ul style="list-style-type: none"> ◆ How is the organization structured: by market, by geography, by function, by product? ◆ How does the structural orientation support the stated mission, business objectives, and strategies? 	<ul style="list-style-type: none"> ◆ Focus groups ◆ In-depth interviewing ◆ Mission/role analysis ◆ Decision/responsibility matrix
Reporting Relationship	<ul style="list-style-type: none"> ◆ What are the direct and indirect reporting lines for the enterprise, organizational units and work groups? ◆ How do reporting relationships facilitate information flows? 	<ul style="list-style-type: none"> ◆ Conjoint analysis ◆ Climate surveys ◆ Integrating mechanisms framework
Roles and Responsibilities	<ul style="list-style-type: none"> ◆ How are roles and responsibilities defined and communicated? ◆ Where do overlaps or conflicts exist in responsibilities between departments, individuals, etc.? ◆ How do departments, functions, etc. interact? ◆ How are accountabilities defined and reinforced? ◆ How is decision-making authority aligned to meet business objectives? 	<ul style="list-style-type: none"> ◆ Organization maps ◆ Work driver analysis ◆ Comparative cost analysis ◆ Overhead value analysis
Work Unit Design	<ul style="list-style-type: none"> ◆ To what extent are teams/work groups utilized as vehicles for performing work or linking organizational entities? ◆ How does internal structure focus on implementing strategies and achieving business objectives? 	<ul style="list-style-type: none"> ◆ Span and level analysis ◆ Work force profiling ◆ Internal customer satisfaction measure
Enterprise Linkage	<ul style="list-style-type: none"> ◆ How does the structure align the organization to its business processes, IT systems, etc.? ◆ How does organizational structure support communication channels and efficient information flow in all directions? 	



Organizational structure is designed around strategic objectives

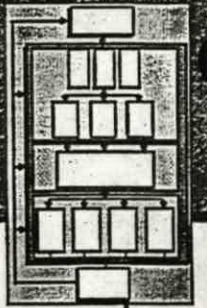
Critical Success Factors – Organizational Structure

Formulate and design a structure to support the organizational “design criteria”* derived from strategic intent

- ◆ Existing structure is not allowed to overly limit the design options for the transformed organization
- ◆ Logically connect spans of control and reporting relationships to business processes and, ultimately, customer requirements
- ◆ Develop integrating mechanisms between departments, functions, and business units to support strategic goals into the new structure
- ◆ Link formal systems to disparate organizational entities to support their alignment around common objective

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*Guiding principles by which the organizational structure is designed



People

Factors

Key Considerations

Skills & Competencies

- ◆ What skill sets exist within, and are sought by, the organization?
- ◆ Are people optimally utilized?
- ◆ How do inventoried skill sets and competencies compare with short and long-term requirements?

Training

- ◆ How are training and development needs of the organizations' members met by the organization?
- ◆ What programs are in place to provide continuous development of individual skills and education?
- ◆ Is there a need for retaining, redeployment or hiring of new people?
- ◆ Are people adequately trained to do their jobs?
- ◆ Are people's skills compatible with the processes for which they are responsible?

Behavior

- ◆ What does observable behavior imply about the organization members and their tasks? (Turnover, absenteeism, individual job performance)

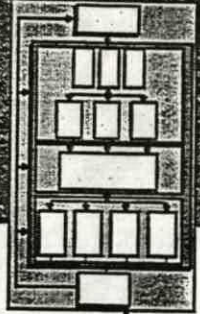
Enterprise Linkage

- ◆ Are the skills and competencies of organizational members congruent with stated mission, business objectives, and strategies?

Tools

- ◆ Archived information (job descriptions, skills, inventories, etc.)
- ◆ Competency modeling
- ◆ Competency assessment

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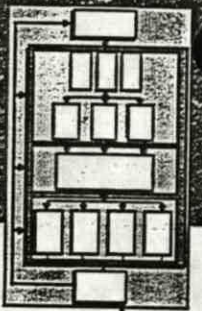


Staff selection and development criteria are adjusted to reflect new required skills and experiences

Critical Success Factors – People

Inventory skills and competencies that reflect short and long-term business requirements

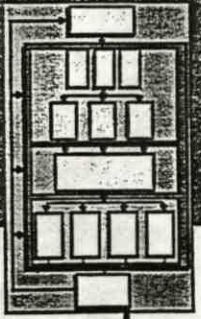
- ◆ Drive policies regarding people recruitment and retention by a long-term view of organization requirements and existing organization culture
- ◆ Implement teams to provide integration and collective competency where their value is greater than “assembly cost”
- ◆ Define training and development needs according to market needs and ensure that they are flexible enough to adapt according to changes driven by the strategy



Organization culture

Factors	Key Considerations	Tools
Symbols & Norms	<ul style="list-style-type: none"> ◆ What are the visible, hearable, feelable manifestations that define the organization (examples might include behavior patterns, rituals, physical environment, dress codes, stories, myths, products, etc.)? ◆ How does the organization characterize itself? 	<ul style="list-style-type: none"> ◆ Focus groups ◆ Repertory grid ◆ Structured interviews ◆ Change readiness workshops
Values	<ul style="list-style-type: none"> ◆ What are the espoused reasons for why things should be as they are (examples include charters, goal statements, norms, codes of ethics, company value statements, etc.)? ◆ How does the organization reinforce the desired culture? ◆ Are subcultures advantageous or detrimental to the organization? 	<ul style="list-style-type: none"> ◆ Competency modeling ◆ Inferential data ◆ Critical Incident analysis ACT ◆ Harrison & Stokes ◆ Kilman-Saxton ◆ OCI ◆ PW culture change methodology
Beliefs	<ul style="list-style-type: none"> ◆ What are the underlying reasons why group members perceive, think, and feel the way they do about operating in the marketplace and managing the business issues? 	
Climate	<ul style="list-style-type: none"> ◆ How would the working environment and morale be classified? ◆ To what extent are individual employees proactive in resolving issues and developing new opportunities? ◆ Does information flow freely throughout the organization, or is it guarded as a means of preserving power? ◆ How does organization culture support the articulated mission, business objectives, and strategies? ◆ How do informal goals, rewards, and structures support the formal organization? ◆ Does culture support the vision and mission? ◆ In what ways would you change the way things are done? ◆ How well is the culture positioned to support short term organizational objectives? Long-term? 	

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Organizational culture is enlisted as a critical variable to support the change agenda

Critical Success Factors – Culture

Develop a clear understanding of the cultural values that best support new business strategy

- ◆ Focus on defining the desired culture in terms of required norms, values, and beliefs
- ◆ Explicitly define and retain what is adaptive from the existing culture
- ◆ Regard culture as a prime contributor to an effective working environment in terms of staff morale, issue resolution and informal information flow