Four Truths of Organization Design

The Four Truths

[1] The organization's core competency distinguishes how it delivers customer value. Know what it is and design with that in mind.

[2] An organization structure exists to facilitate the work.

[3] Any work that does not deliver customer value should go away.

[4] Stakeholders are key to a good design. They create shared value and momentum for the change.

HERE'S HOW TO PUT THE TRUTHS INTO ACTION

MEETING 1: Make Me Smart
- Ask your customers, "What do you value from this organization?"
- Identify what success looks like.
- Call out the givens.
- Explore the latest thinking in designing these types of organizations.
- Identify your core competency (why your customers choose you).
- Determine who needs to buy into the final structure.

MEETING 2: Identify the Work
- Map out the major work that delivers customer value.
- Separate projects from ongoing work.
- Identify work that might be grouped together.

MEETING 3: Create Potential Organization Charts

♦ Agree on three types of organization qualities (e.g., flattest, cheapest, best supports company values).

♦ Brainstorm the structure that delivers the work based on the first quality.

♦ Include pros and cons.

♦ Choose the best of the set.

♦ Repeat with the second and third qualities.

♦ Brainstorm a structure that incorporates the best of the set from the three sessions.

♦ Create a final structure with pros and cons.

♦ **HOMEWORK:** Socialize with those who must buy in, and collect their feedback.

MEETING 4: Refine the Chart

♦ Report the feedback.

♦ Refine the design.

♦ Describe what this moves you "From - To": the vision driving the chart, the difference between the current and the future structure.

♦ Present to sponsors for feedback and sign-off.

NEXT STEPS:
CREATE JOB ROLE DESCRIPTIONS (TITLE, OBJECTIVES, KEY RESPONSIBILITIES, MEASURES) FOR HUMAN RESOURCES TO ESTIMATE WORK VOLUME (FREQUENCY, TIME) TO DETERMINE HEADCOUNT.

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