

Org Design Forum Tech Talk

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Agenda



Org Design Project Example – using Orgvue technology
20 minutes



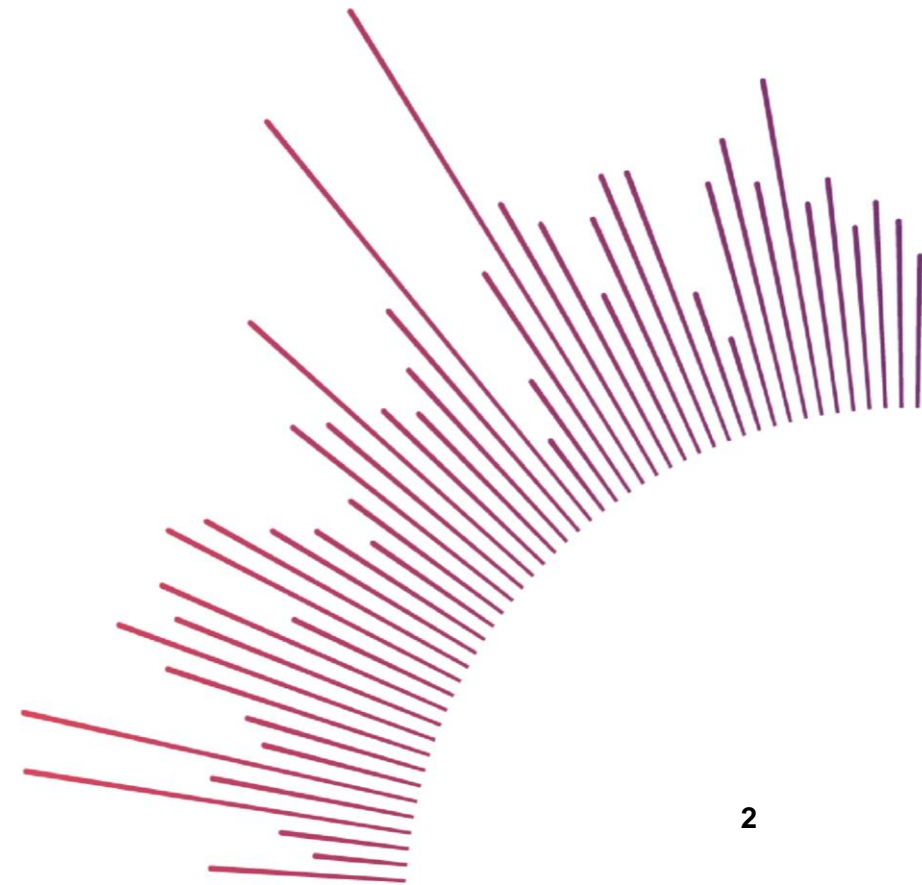
Building an Org Design Center of Expertise (CoE)
15 minutes



Developing a business case for developing a CoE
supported by technology
15 minutes



Q&A, Survey
10 minutes

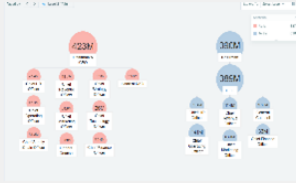




**How would I use
technology to
support an Org
Design project?**

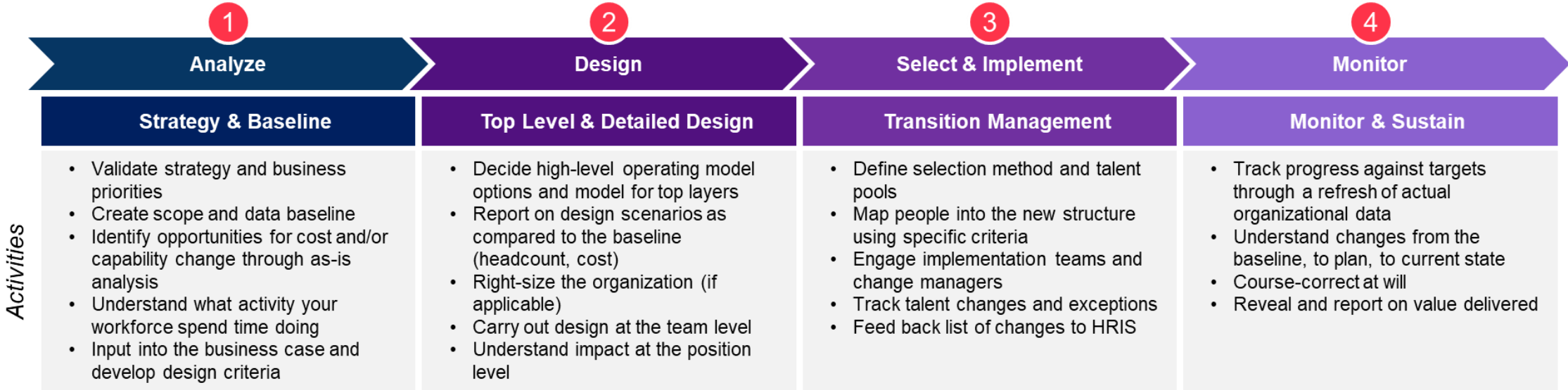
What types of transformations are examples of an “Org Design Project”?

Use Cases

Sample Functional Cases

<h3>Growth/cost Transformation</h3> 	<h3>Work/workforce Transformation</h3> 	<h3>Mergers & Acquisitions</h3> 	<h3>Workforce Benchmarking</h3> 	<h3>Continuous Org Design</h3> 	<h3>Workforce Planning</h3> 
<ul style="list-style-type: none"> • Current state structure & cost analysis • Scenario modelling • Impact analysis • Talent selection & impact reporting • Tracking against goals 	<ul style="list-style-type: none"> • Activity/work analysis & planning • Skills analysis & planning • Succession planning & role fit analysis • Compensation analysis & planning • AI impact on work 	<ul style="list-style-type: none"> • Data cleansing & integration • Mapping & levelling • Synergy analysis • Integration modelling • Talent selection & impact reporting • Synergy tracking 	<ul style="list-style-type: none"> • Measure labor efficiency, cost, spans & layers, shape • Compare against multiple dimensions: industry, revenue size, headcount size, function, AI readiness • M&A analysis and due diligence • Peer organisations 	<ul style="list-style-type: none"> • Analyse and assess org health and efficiency levers • Ongoing assessment of work & activities • Regular design & planning 	<ul style="list-style-type: none"> • Baseline current state • Demand planning • Supply forecast • Org modeling to close the gap • Tracking and monitoring against plan

Using technology in support of Org Design projects enables a 4-step data-driven approach

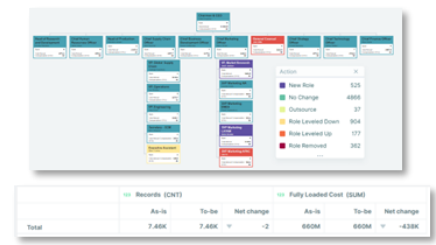


Enabling Solutions

Data Baseline & Org Analysis
Workforce + Work



Org Modelling
Design Scenarios and Position Structure



Talent Selection
Placement, Changes and Exceptions



Tracking & Monitoring
Org Health tracking against org design criteria and desired outcomes



Optimize your workforce now, while building long-term transformation capability

Business goals

- Transformation in the IT and Finance departments with a cost saving goal of \$60M across three regions and 4K employees, in response to decreasing profitability and supply chain challenges
- Standardize their business-wide transformation approach, affecting all 75K employees
- Regulate the approach taken by multiple external partners supporting transformations within the business
- Clearly capture value from the different transformations, and ensure designed cost savings are on track

Solution

- Brought together HR, Finance and IT to define an enterprise approach
- Harmonized data from different markets and functions, and conducted as-is analysis to answer questions such as: What's in scope? What are the cost implications?
- Trained external partners to work in Orgvue using the standard approach in terms of data, scope, process, cost, assumptions, etc.
- Modeled the future organization, starting with top layers all the way down to the detailed teams:
 - Created a live data modeling dataset, allowing changes to consistently be made, tracked and monitored monthly
 - Right-sized the org based on the strategy, and modeled changes to teams in the lower layers (headcount, cost, spans and layers)
 - For IT, decreased from 8 to 6 layers, increasing average span of control from 5.7 to 6.3
- Mapped talent to the new structure by creating talent pools, while tracking talent exchanges and exceptions

Global healthcare company of 75K employees successfully navigate immediate transformation, while standardizing their approach for the future

“Once we saw our spans and layers, what we had to do next suddenly made sense – and Orgvue was there to help us not only achieve it, but also make sure we’re on track” – CHRO

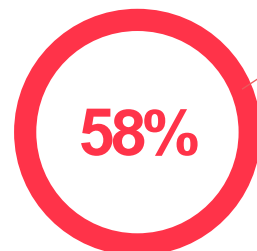
“From now on, no more reinventing the transformation wheel every time. We finally have the team and tech to continuously assess our workforce, and act fast when necessary” - CEO



Cost saving plan designed and approved in 2 months for IT

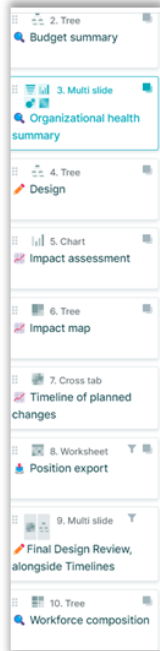


Reduced layers in the organization by 25%

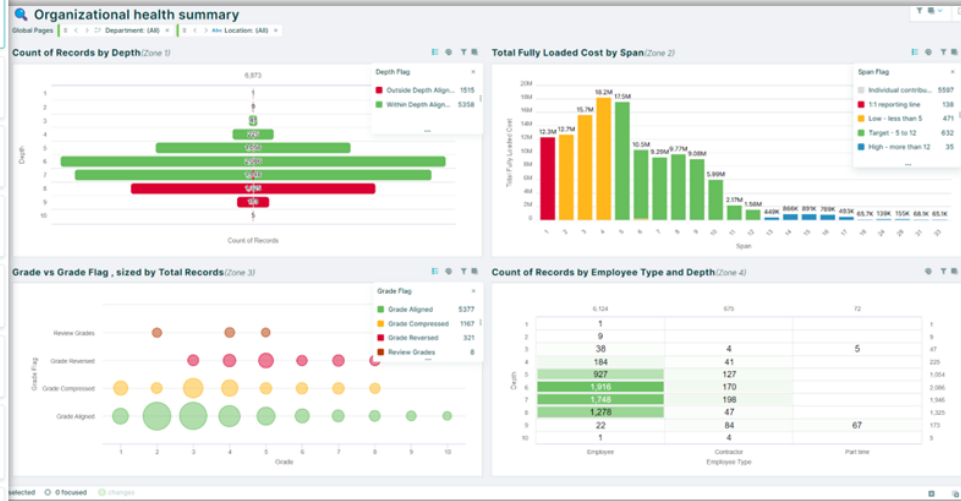


Achieved 58% savings target in 50% of the time

Step 1 – Strategy & Baseline



Viewing and analyzing spans and layers, grades and cost for the whole organization

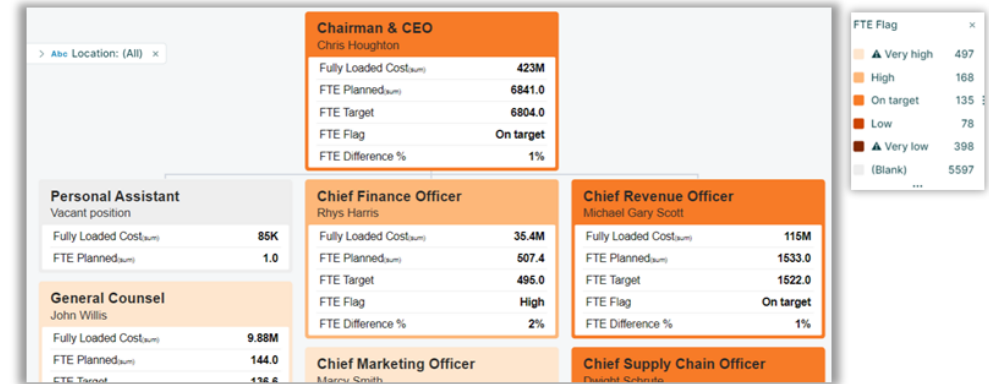


Instantly visualize things such as:

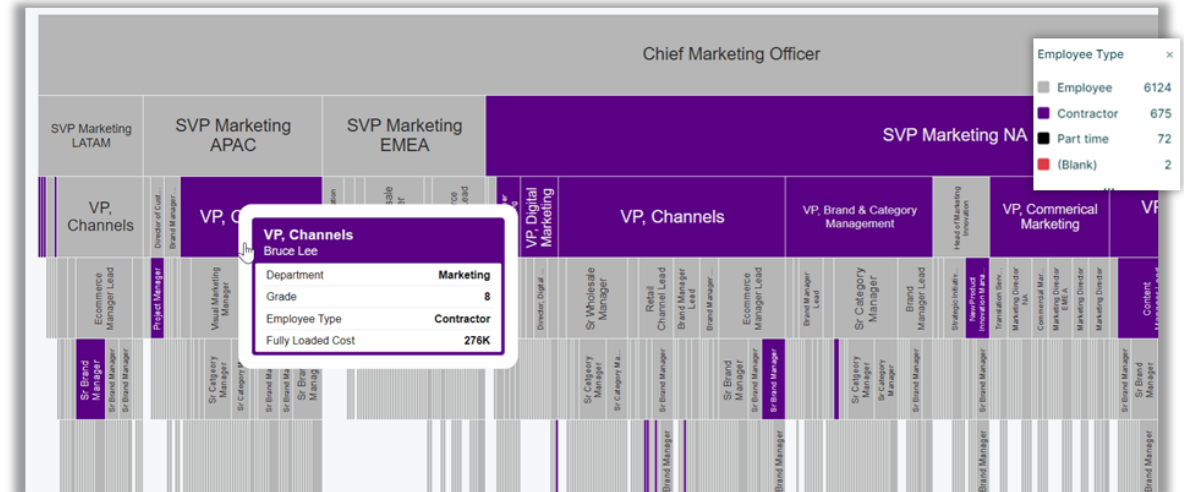
- Organizational effectiveness
- Diversity metrics
- Spans and layers
- Critical skill and roles
- Retirement risks

Identify opportunities, risks, and areas that need your attention

Visualizing the budget summary for each department, with full FTE visibility



Getting visibility on the workforce composition (employees, contractors and part-timers)



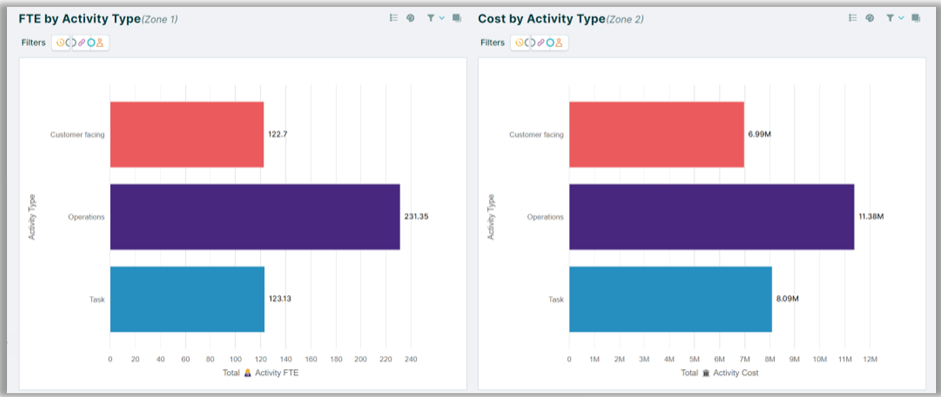
Step 2 – Design

Understand how activities are being done

Spot risk and areas that need your attention

- Extrapolate the cost of each activity.
- Look at activities and tasks and analyze their effectiveness
- Understand things such as:
 - Cost and full-time equivalent of specific activities
 - Job roles involved in different tasks
 - Split between operational and strategic tasks
 - Whether activities are fragmented, and the potential for consolidation

Understanding how the time and cost is split between customer facing time and tasks



Understanding activities fragmentation

Fragmentation Index Legend:

- 1% < 5%: 1
- 5% < 10%: 8
- 10% < 15%: 6
- 15% < 20%: 3
- 20% < 25%: 2
- (NA): 5

Activity	Total Activity FTE	Total Headcount	Fragmentation Index
General admin	603.36	864	
Meetings	41.7	264	
Product inventory and admin	600		
Attend weekly management calls	6.05	108	5.61%
Prepare manager			
Prepare all store cleaning tasks	19.89	228	8.73%
Complete all store cleaning tasks	11.46	72	15.92%
Review weekly inventory counts	16.34	228	7.17%

Drill down into the detail of each activity

Prioritise content pipeline

- Total Activity Cost: 35,246
- Total Activity FTE: 0.14
- Total Headcount: 4
- # Responsible Roles: 2
- # Approving Roles: 1
- # Delivering Roles: 1

Roles Involved

- Senior Marketing Manager
- President North America
- Director
- UX/UI Designer

Step 2 – Design

Model scenarios to create the future of work

See the financial impact of changes in real-time

The screenshot displays the Orgvue software interface for modeling scenarios. The main workspace is titled "Model scenarios to create the future of work - and see the impact in real time". It features a sidebar on the left with navigation options (1-9) and a main workspace with various activity cards. A "Lever" dropdown menu is open, showing options: No Action (9), Stop (3), Outsource (2), Consolidate (5), Offshore (4), Automate (13), and Invest (8). The activity cards show financial data such as Activity Cost, To Be Activity Cost, and Cost Change.

Activity	Lever	Activity Cost	To Be Activity Cost	Cost Change
Prioritise content pipeline (Operational)	No Action	35,246	35.2K	0
	Automate	30,217	15.1K	-15.1K
	Invest	12,686	17.8K	5.07K
Design iterations (Operational)	Automate	22,245	11.1K	-11.1K
	Outsource	96,744	19.3K	-77.4K
	Invest	4,457	6.24K	1.78K
Build accreditation framework (Strategic)	Invest	31,343	43.9K	12.5K
	Automate	29,217	14.6K	-14.6K
	No Action	9,250	4.63K	-4.63K
Run accreditation learning programs (Operational)	Invest	3,134	4.39K	1.26K
	Automate	29,217	14.6K	-14.6K
	Outsource	96,744	19.3K	-77.4K
Create Eminence (Blank)	Invest	31,343	43.9K	12.5K
	Automate	29,217	14.6K	-14.6K
	No Action	9,250	4.63K	-4.63K

- Use Orgvue's drag-and-drop functionality to make changes to people and activities. This can be:
 - Consolidating or outsourcing activities
 - Investing in some while stopping others
 - Offshoring activities
 - Removing activities
 - Automating activities
- Instantly see the financial impact of your decisions
- Go back and forth as many times as needed before committing to a course of action.

Step 2 – Design

Organization Transformation

Build options and scenarios using Orgvue drag and drop simplicity

Design your org using drag & drop simplicity

'What if I outsourced the VP, Market research position?'

SVP, marketing NA	
Delta Team Cost	-\$947,558
To Be Team Cost	28.3M
Team Cost	29.2M
Delta Team Size	-9
To Be Team Size	432
Team Size	441
Action	
Changed Position	2
Closed Position	10
New Position	1
Out of Scope	1
To Be Reviewed	391
Unchanged Position	37

VP, channels	
Delta Team Cost	-\$192,850
To Be Team Cost	6.34M
Team Cost	6.54M
Delta Team Size	-1
To Be Team Size	107
Team Size	108
Action	
Closed Position	1
To Be Reviewed	107

VP, market research	
Delta Team Cost	\$22,900
To Be Team Cost	930K
Team Cost	959K
Delta Team Size	0
To Be Team Size	13
Team Size	13
Action	
Changed Position	1
To Be Reviewed	11
Unchanged Position	1

VP, brand and category m..	
Delta Team Cost	\$0
To Be Team Cost	2.99M
Team Cost	2.99M
Delta Team Size	0
To Be Team Size	46
Team Size	46
Action	
Changed Position	46
To Be Reviewed	46

VP, customer marketing	
Delta Team Cost	\$0
To Be Team Cost	1.29M
Team Cost	1.29M
Delta Team Size	0
To Be Team Size	23
Team Size	23
Action	
Out of Scope	1
To Be Reviewed	22

- Model scenarios and compare your current state ('as is') with future state ('to be')
- Add, remove and modify positions
- Respond fast to 'what if' questions, such as **'what if I outsourced the VP of Market Research position?'**
- Instantly calculate the implications at a micro-level, compare and remodel
- Automatically flag any issues with your new design (e.g. active position reporting into closed position, critical data missing)

Step 2 – Design

Model position-level changes

View data from:

- Positions
- 1 Node
- Select Properties (12 of 86)

Chief Financial Officer
To Be Reviewed

Position Reviewed?	No
Flag for Removal	(Blank)
Change Reason	(Blank)
To Be Function	ExCo
To Be Sub Function	ExCo
To Be Location	Philadelphia
To Be Grade Level	5
To Be Actual Salary	152K
To Be Span of Control	5
To Be Team Cost	1.29M
To Be Team Size	23

Abc Action
To Be Reviewed

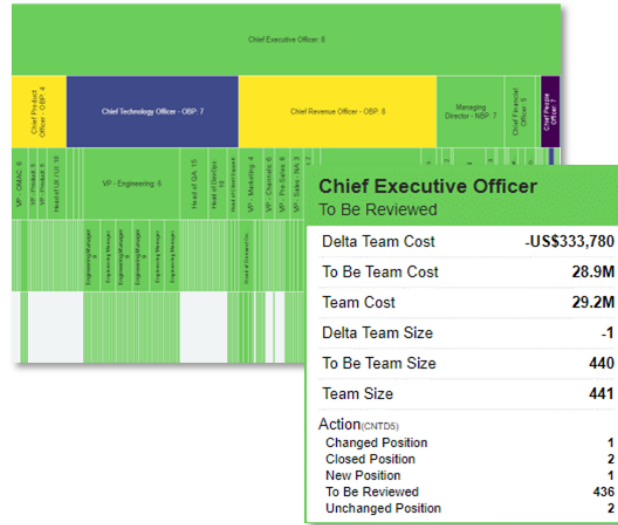
Abc Change Reason
(Blank)

0/1 Flag for Removal
 Yes

123 Future State Actual Salary
152K

Abc Future State Function

- Add, remove and modify positions
- Group actions into initiatives
- Assign actions to transformation waves
- Specify when changes will take effect

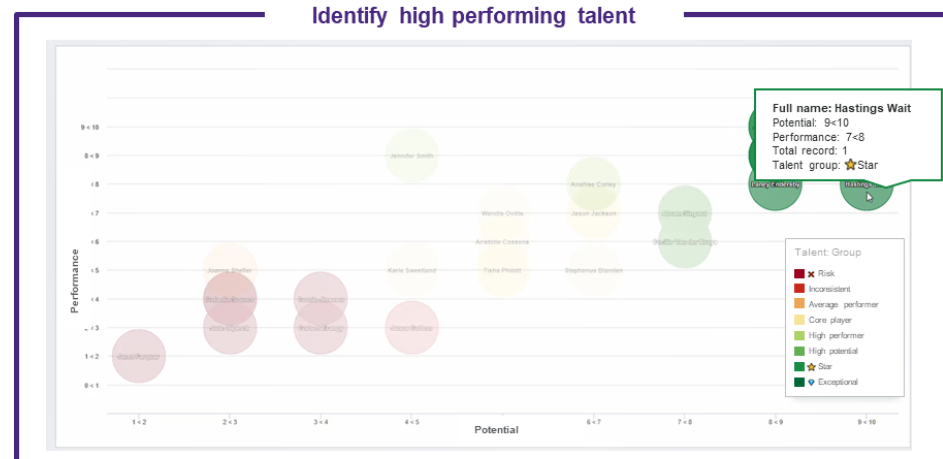
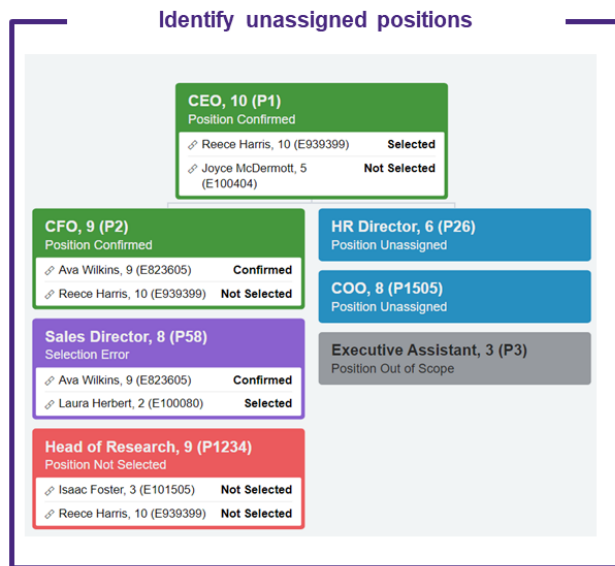


Understand the impact of changes for the organization overall, at the team level, and for individual positions

Step 3 – Select & Implement

Identify positions and candidates

Bring all your data together in one place from multiple sources and create one source of truth



Get visibility on candidates

Review current employee list, pulling in all relevant data for decisions

Pages: < > Abe In Scope?: In Scope x < > Abe Current Department: (All) x < > Abe Location: (All) x < > Abe Succession Stage: Employee: (All) x < > Abe Talent: Group: (All) >

Current Department - Location	Current Role	Succession Stage: Emplo...	Talent: Group	Tenure	Years To Retirement
Executive					
Philadelphia					
Chris Houghton	Chairman & CEO	No planned succession	Exceptional		5
Operations					
Philadelphia					
Christine Jensen	Chief Operating Officer	No planned succession	Risk		5
Jacob Khan	General Manager	Develop Short term	High potential		3
Maddison Bennett	Community Manager	No planned succession	High performer		2
Sheila Gill	Store Manager	Ready for succession	High potential		0.3
Ronald Jones	Assistant Store Manager	Ready for succession	Risk		5
Harry Craig	Community Manager	No planned succession	Star		6

- Identify unassigned positions, and view their status in terms of progress
- Identify talent by filtering it by department, grade or location, skills, availability, preference, or any other criteria
- Nominate applicants based on relevant attributes
- Assess talent availability, and where it currently is
- Highlight missing talent for recruitment purposes

Step 3 – Select & Implement

Map people to positions, build talent pools, and flag potential errors

Always roll up and iterate if needed

Selecting talent by department and grade to create talent pool

The screenshot shows a grid of position cards for various roles like 'Chief HR Officer, 9, Philadelphia' and 'VP, Compensation & Benefits, 8, Toronto'. Each card lists candidates and their status (e.g., 'Stated', 'Not selected'). A legend on the right indicates 'Talent: Stage' with categories like Confirmed, Selected, Stated, etc. A red box highlights the 'Dataset' filter set to 'People'.



Talent pool

Chief HR Officer, 9, Philadelphia
Talent slate created

Janet Jones	Stated
Kipp Mcivor	Not selected
Otes Cambling	Stated
Knox Yeliashev	Stated

Confirmed candidate for specific role

VP, Global HR Operations, 8, Chicago
Confirmed - offer accepted

Haildon Ail bury	Not selected
Giustino Russo	Not selected
Beniamino Ratt	Not selected
Meghan Benditt	Not selected
Kipp Mcivor	Confirmed

Flagged error

Joseph McCool, 2 (E238092)

Selection Error: Employee Assigned to Multiple Positions

HR Director (P15)	Selected
HRBP (P26)	Selected

- Use orgvue drag & drop simplicity to slate candidates for positions based on criteria such as skills, department, grade, etc.
- Create talent pools for different roles and confirm candidates when ready
- Automatically flag selection error and attend to it

Step 3 – Select & Implement

Review the impact of decisions on your organization

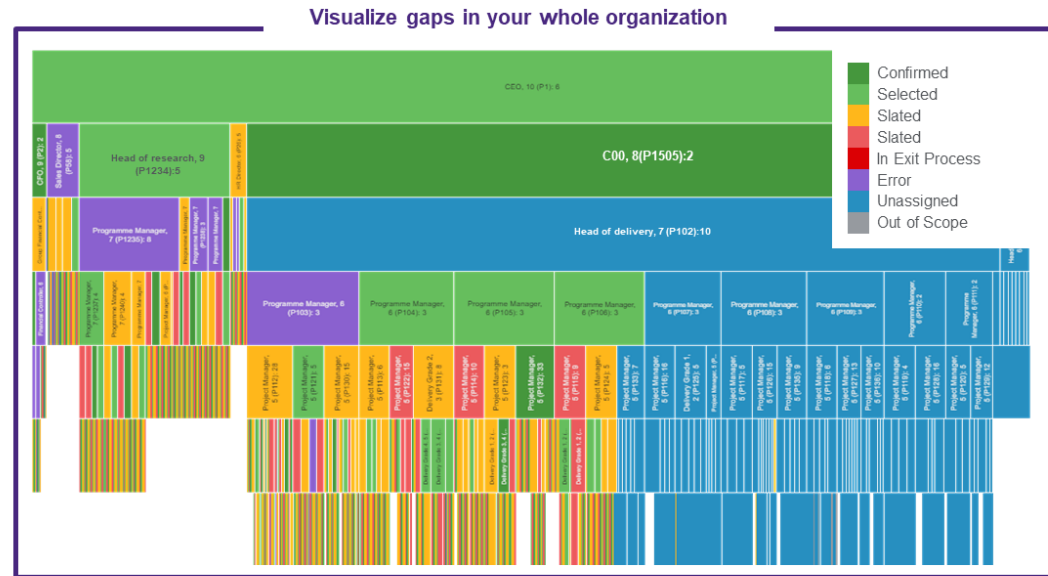
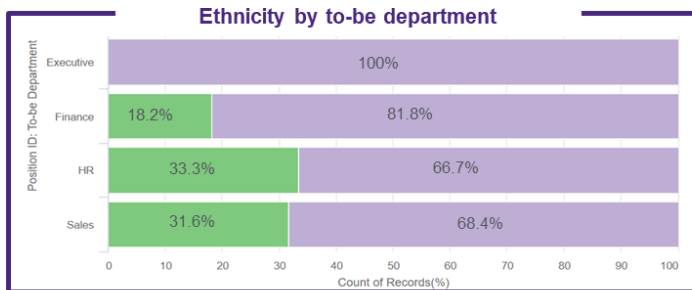
And manage exits if applicable

Manage exits

Country - Location	Exit Status	Exit Date
<input type="checkbox"/> UK		
<input type="checkbox"/> Head Office		
<input type="checkbox"/> Sebastian Coa...	Exited	Dec 31, 2020
<input type="checkbox"/> Mia Tomlinson...	Exit Proposed	
<input type="checkbox"/> Elise Morris, 2...	Exited	Dec 31, 2020
<input type="checkbox"/> Gracie Doyle, ...	Exited	

See the financial impact of decisions

Label (Role)	Action	Full Name ↑	Cost As Is	Cost To Be	Cost Chan...
<input type="checkbox"/> Brand Manager	Work from home	Abram Duchatel	\$84,740	\$67,792	-\$16,948
<input type="checkbox"/> Brand Manager	Position closed	Albert Pennino	\$75,933	\$0	-\$75,933
<input type="checkbox"/> Wholesale Channel Mana	Position closed	Aki Lee	\$175,344	\$0	-\$175,344
<input type="checkbox"/> Customer Marketing Anal	Redeploy	Albertina Knolle...	\$44,790	\$44,790	\$0
<input type="checkbox"/> Brand Manager	New position	Aldridge Steere	\$0	\$74,218	\$74,218
<input type="checkbox"/> Brand Manager	Grade decrease	Aleece Syphas	\$67,871	\$54,297	-\$13,574



- Assess your progress from an organizational perspective, and identify areas that still require focus
- See the financial implications of your decisions at a granular level
- Manage and track exits, exit dates, reasons and comments
- See the high-level impact of your decisions on diversity metric and make sure you're in line with your design principles (culture, business objectives, financial planning, diversity and equal opportunity)
- Engage and assign responsibility to the relevant implementation teams

Step 4 – Monitor

Track how you're doing in comparison to your plan

Orgvue can automatically aggregate actual headcount and cost to build trends



- Compare actuals against budgets automatically calculate deviations. This can help identify when and where leaders are off plan
- Use forecasted changes to understand the future state impact of upcoming plans
- Drill into the detailed breakdowns by month, quarter, or year, and get insight into why or where you are off plan

Answer questions such as:

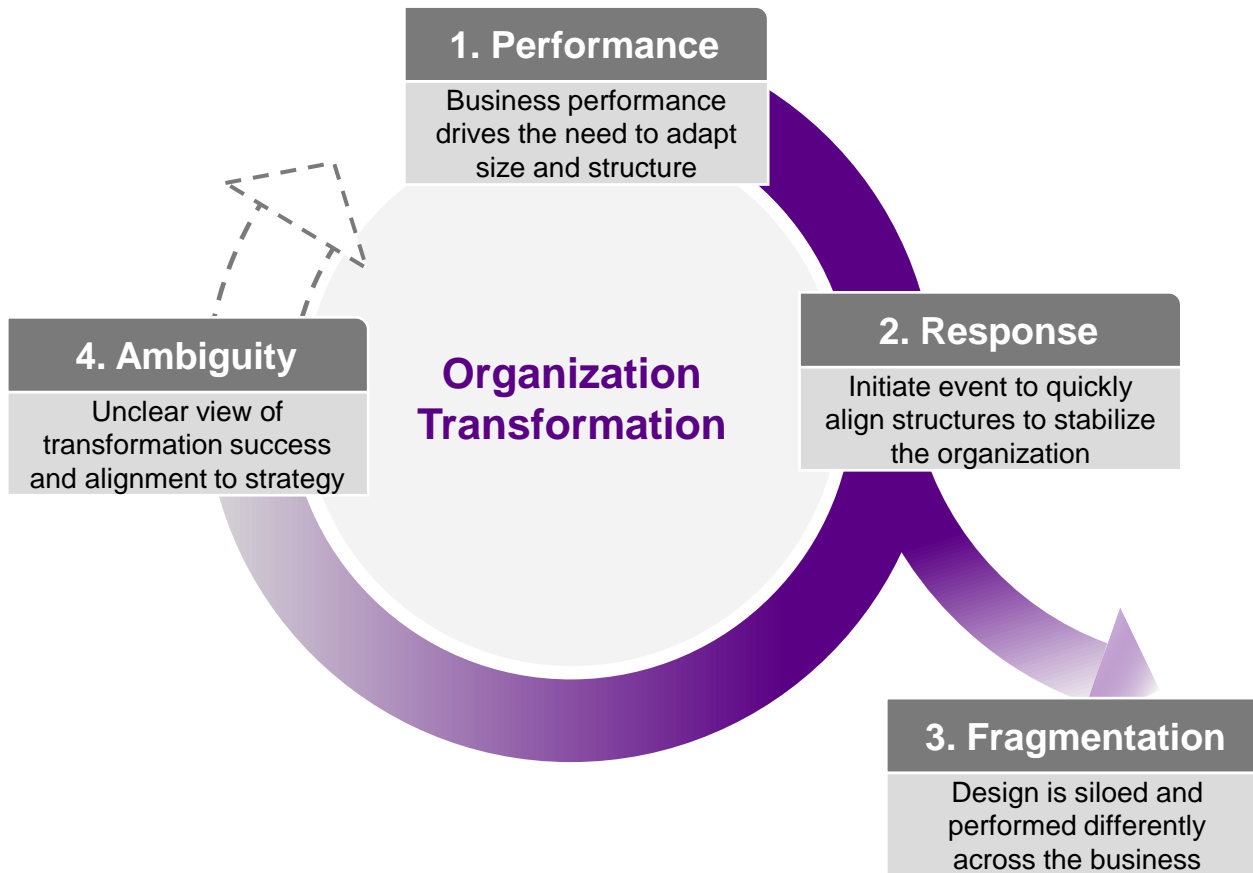
- How are we doing against budget, year to date?
- What about known upcoming projected changes?
- What does the monthly breakdown look like?
- How are we doing against budget, year to date?
- What about known upcoming projected changes?

See overall headcount and cost trends (blue line) in comparison to your target (dotted line)

How do I create an Org Design CoE?

Organizations are often trapped in cycles of reactive, performance-driven transformation initiatives

Reactive Transformation Cycle



Business Impacts

> Short-term gain vs. long-term Pain

These initiatives may address immediate issues, but often lack a long-term vision – leading to further, disruptive interventions and challenges breaking the cycle

> Misalignment

Changes may not be compatible with overall business goals and may need to be reverted (e.g. re-hires)

> Missed Opportunities

Focusing solely on immediate pressures can overlook long-term opportunities to design strategically for the future (e.g. Activities, Competencies)

> Employee Disengagement

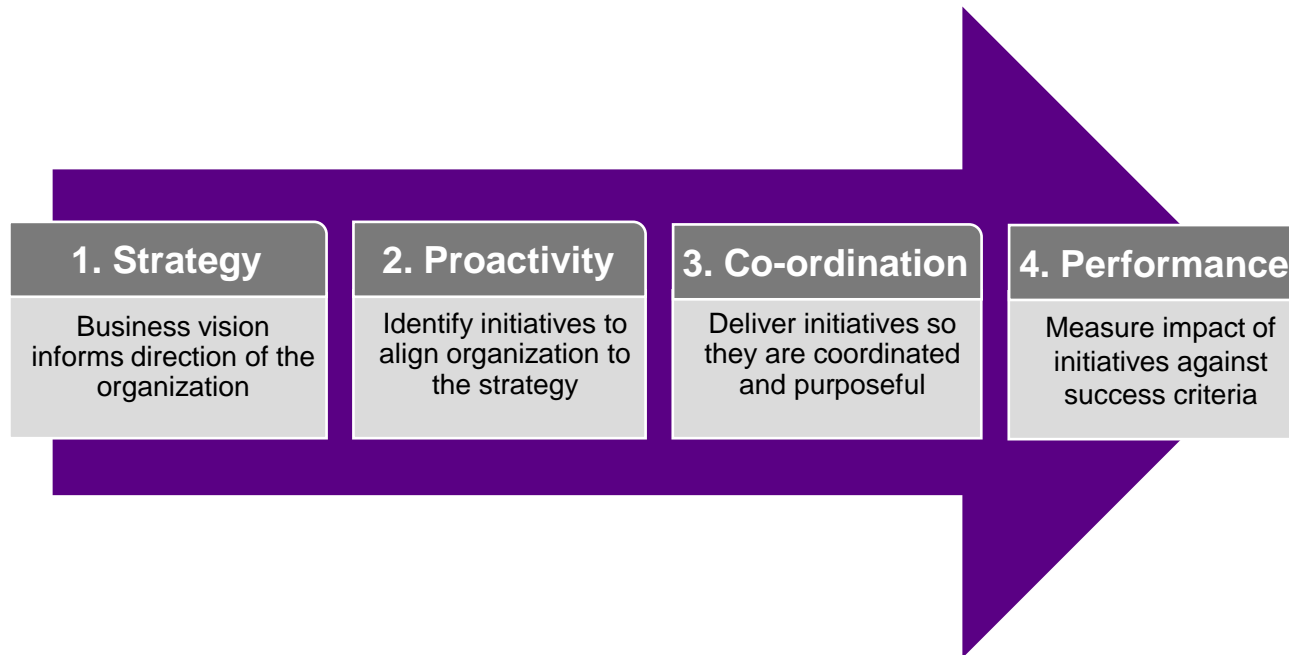
Frequent, reactive changes can be confusing and frustrating for employees and can lead to disengagement and regrettable leavers

> Reliance on Third-Parties

Large organizational overhauls require significant resources to deliver – often beyond the scope of internal capacity

Developing an “always on” org design capability is vital to break the cycle of reactive transformation

Proactive Design



Business Benefits

> Sustainable & Improved Decision-Making

Starting with a clear strategy provides a north star to evaluate transformation initiatives against to ensure they deliver against the overall vision

> Opportunity Identification

The business can anticipate future needs (e.g. Activities, Competencies) and proactively adapt the organization using targeted initiatives

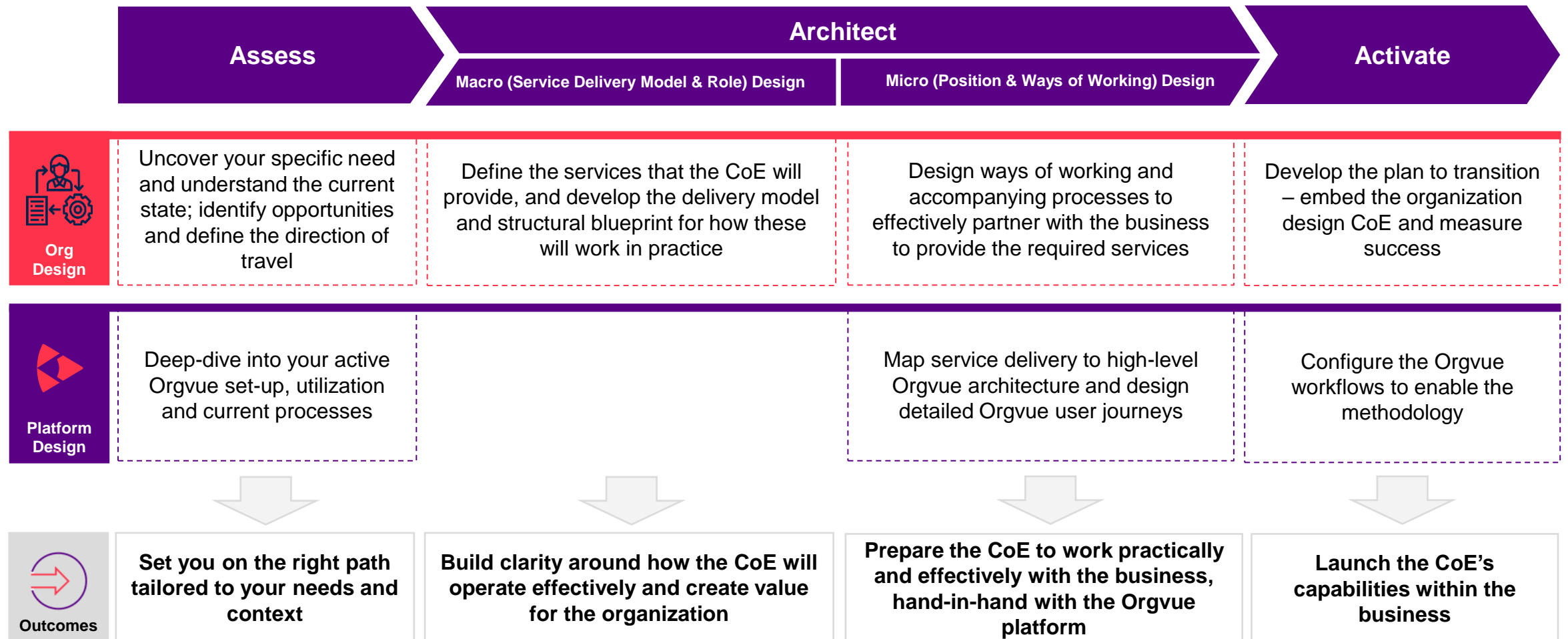
> Improved Employee Engagement

Employees understand and can connect the vision and strategy to the transformation




> Transformation Success

Delivering initiatives in a controlled and purposeful way ensures that work is completed with consistency and can be more easily measured for impact, sustainability and can be connected to organizational performance

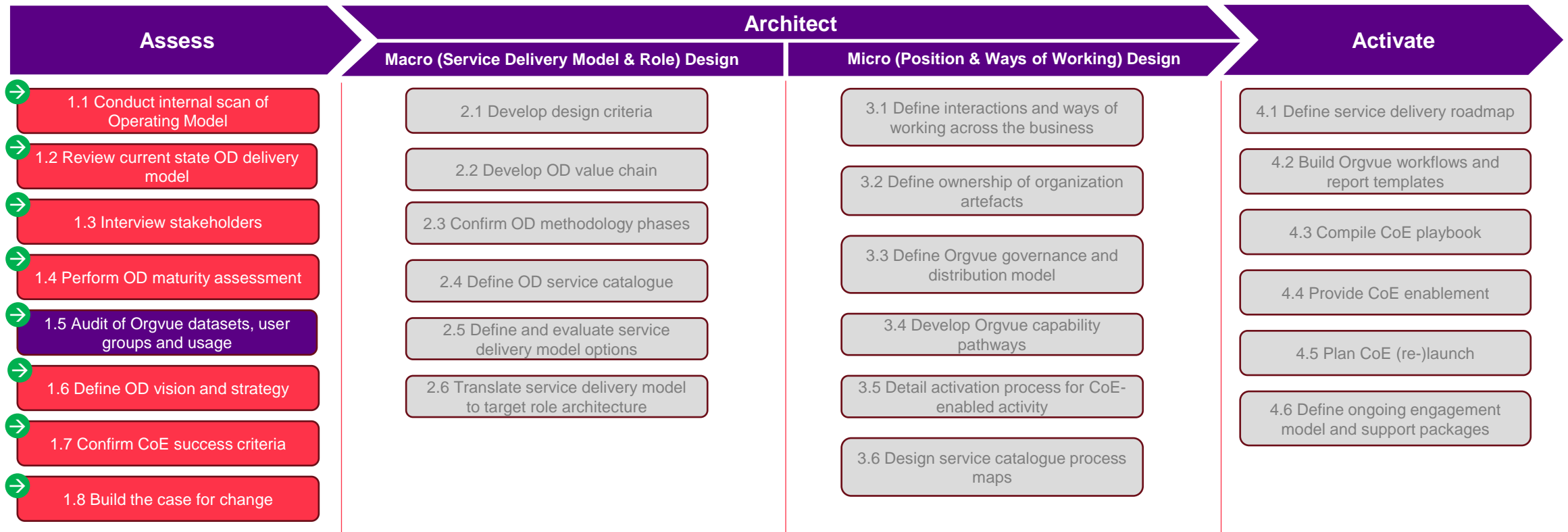
Building an effective org design CoE in three phases



Example suggested support for an Emerging Capability customer looking build the case for developing a CoE

-  Out of scope
-  Recommended in full
-  Recommended in part

“We need leadership buy-in to invest in building a dedicated OD CoE”

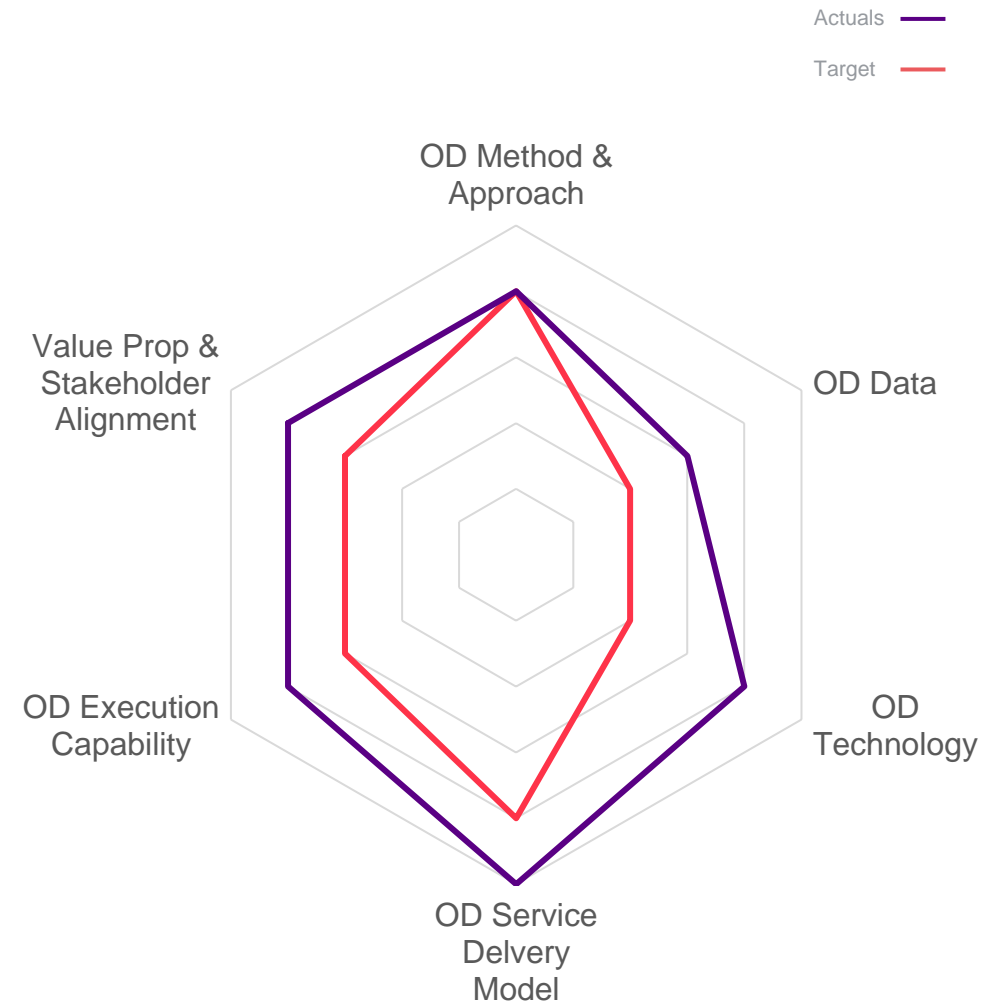


Where are we currently? Where do we want to be?

Assessing Org Design Maturity – task 1.4 within Assess step

Six key dimensions:

- **Method & Approach:** How robust is your organization design methodology to support data-driven organization strategy?
- **Service Delivery Model:** How well integrated is your OD Capability with the rest of the organization?
- **Data:** How available and reliable is your organization related data?
- **Technology:** How is technology being used to drive organization design initiatives?
- **Execution Capability:** How capable are you at executing the OD Methodology
- **Value Prop & Executive Alignment:** How clearly defined is your Value Proposition and are your business executives onboard?



We see that successful CoEs often exhibit the following 7 characteristics:

- ✓ **A clearly articulated direction of travel**
 - Enabled by a defined vision, strategy and success criteria, aligned to organizational goals
- ✓ **A strong identity within their organisation**
 - Enabled by a well-defined value proposition, accompanied by relevant service offerings to the business
- ✓ **A seat at the table during org design conversations**
 - Enabled by strong stakeholder engagement and a demonstrable understanding of their customer's needs and expectations
- ✓ **A high-performing and highly-focused capability**
 - Enabled by clear roles and responsibilities within the CoE and mechanisms for incorporating feedback for continuous improvement
- ✓ **Effective collaboration with key partners across the business**
 - Enabled by setting clear ways of working with defined cross-functional activities
- ✓ **An ability to scale their impact in the business without scaling their headcount at the same rate**
 - Enabled by a standardized processes / best practices underpinned by a robust methodology
- ✓ **Leveraging relevant data and technology**
 - Enabled by investment in the organization's data maturity and leveraging best-in-class technology and tools

**How do I create a
business case for Org
Design CoE and
supporting
technology?**

Organizations embark on transformation but many fail

Businesses need to be ready to act quickly, but wisely

93%

Of businesses have made quick decisions with cost cutting in mind due to external factors

Vanson Bourne research, Q4 2022

77%

Of organization redesigns either stall or fail

McKinsey: The state of organizations 2023

60%

Of business leaders regret having made the wrong 'cost cutting' decisions for the long term: 24% lost valuable talent and 21% experienced reduced operational efficiency.

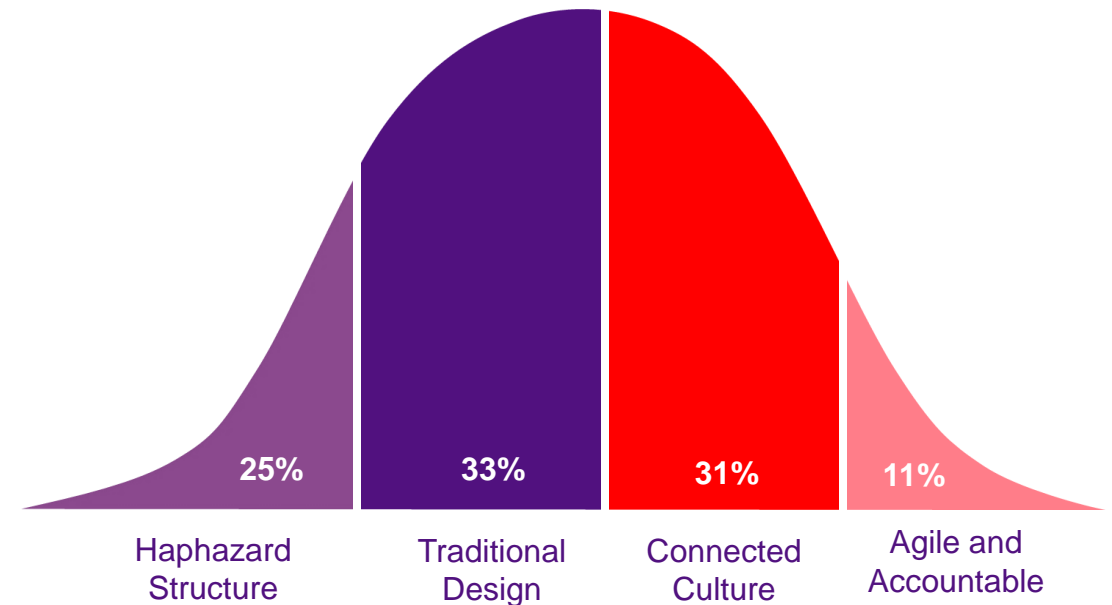
Vanson Bourne research, Q4 2022

60%

CFOs think that achieving success in transformation programs will be difficult or extremely difficult.

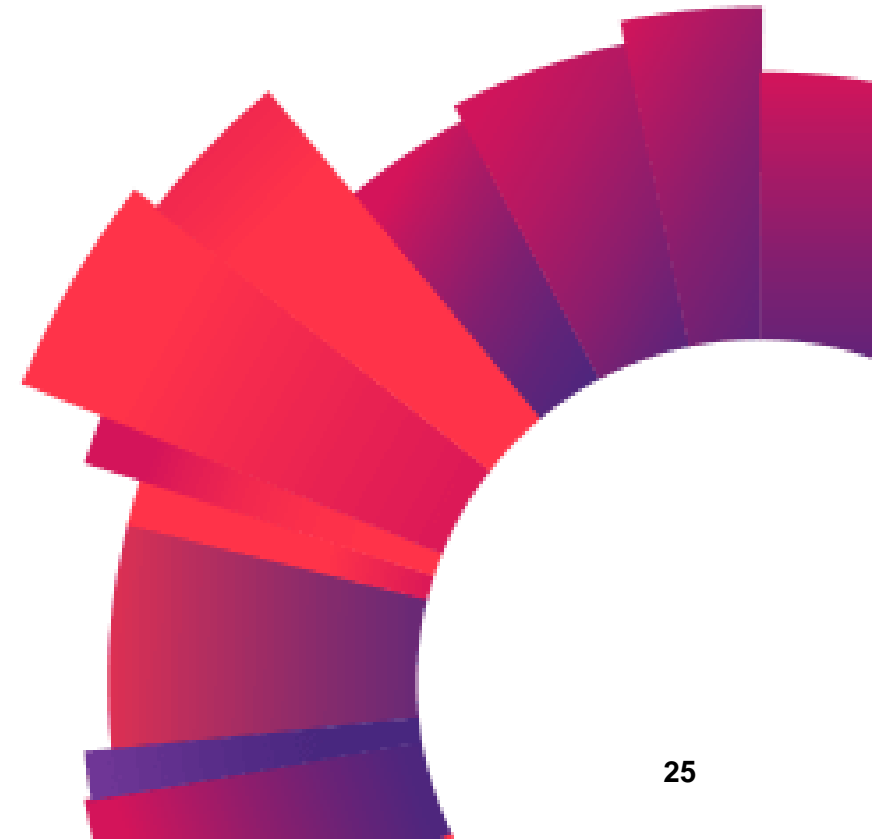
Gartner: CFO agenda 2023

Organization Design Maturity Model



... and it is hurting your people

- ✓ The average employee **experienced 10** planned enterprise changes in 2022, **up from two** in 2016
- ✓ **83%** of workers suffering from **change fatigue** say their employer has not provided enough tools or resources to help them adapt
- ✓ **Only 43%** of employees who experience above-average change fatigue **intend to stay** with their organization



As a result management teams still feel ill equipped to connect strategy to people and the work they do

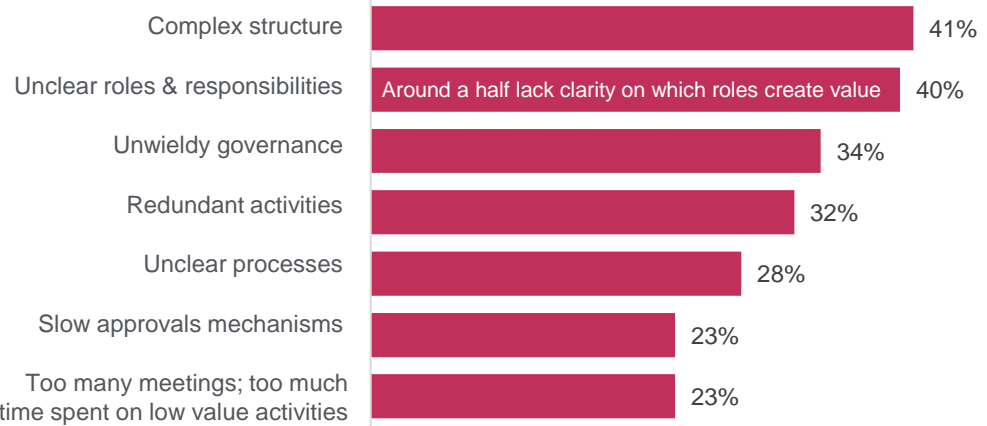
Organizations are not prepared to react to future shocks or disruptions



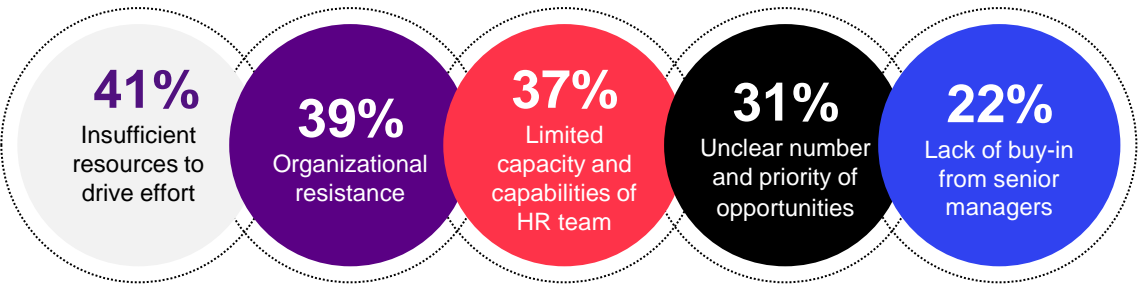
Clarity about roles most critical in organizational value creation



Seven root causes of organizational inefficiency



Challenges to increasing efficiency in organizations



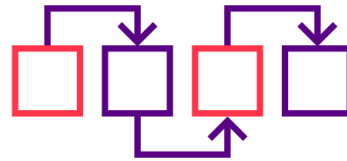
Example

Customer 1 – *modified for anonymity*



Cost

- ✓ Cost for OD technology investment shared across the HR, tech and business functions
- ✓ Many use cases are cross-organizational or for the “good of the whole”, therefore cost is shared



Use

- ✓ Use cases vary across the organization
- ✓ Use case/events can be cross-organizational in nature



Time

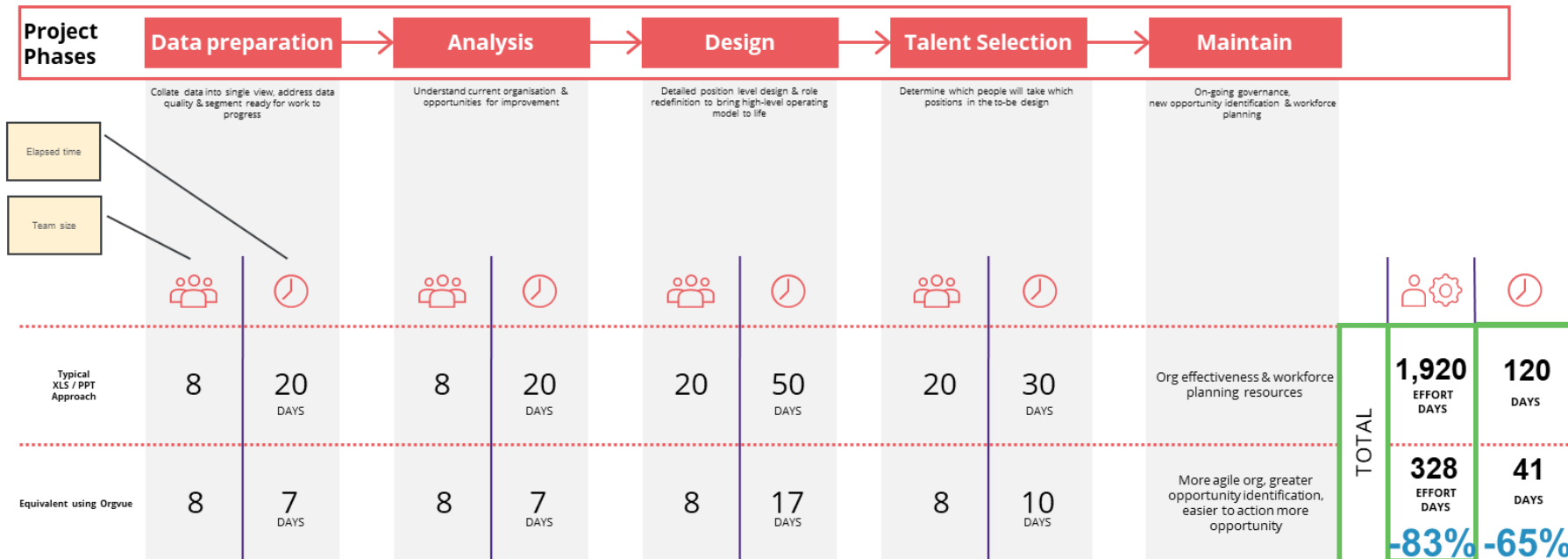
- ✓ Technology allows users to focus work during transformation to higher value-add qualitative tasks vs. tactical tasks
- ✓ Saving time: 15-20 hours on 5 projects / processes a year over 3 years – saved ~66-88k hours on manual efforts; equating to ~\$6.4-8.6m dollars. On an investment of tech at \$2.7m over 3-years, that is a 135-213% ROI.

Example

Customer 2 – modified for anonymity

Using internal Org Design capability, supported by technology, accelerates (50%) & reduces costs (70%) in program delivery.

“Under normal circumstances we would expect a 20-strong team to take 6 months to do this, but with Orgvue a team of 8 did it in 2 months.” – Chief Transformation Officer, Global Bank



Example

Customer 3 – *modified for anonymity*

Benefit Area	Benefit Type	Incremental Benefit	Potential Value
Data loading, cleansing, and analysis	Cost saving	Smaller project team, 2x faster, reduced manual data manipulation and aggregation, much easier and faster regular analysis production. 2 analyst saving = \$120k	\$120,000
Speed to value	Cost saving	Each month of transformation/planning is valuable and costly. Benefit of transformation = reduced implementation costs, quicker access to benefits. E.g. \$30M productivity gain, annual value of delivering on budget, 3 months earlier = \$7.5M	\$7,500,000
Achieving best business model	Service improvement	Ability to change work done across 2,000 FTE to focus on higher value service enhancing activities. Testing multiple scenarios including business outcomes. Business benefit upside estimate of 1% work refocus at 50% effectiveness = \$600K new priority work can be delivered with no actual cost increase/additional cost can be removed vs standard approach.	\$600,000
Transition talent retention	Cost saving	Keeping required people: risk impact if 500 leavers include 50 critical skill/high potential people who leave, but who could have been identified and kept. 50 valuable people to replace @ \$3K = \$150K recruitment costs plus lost productivity/getting back up to speed 50 people x 2 months = \$500K, totaling \$650K	\$650,000
Realising benefits	Maintaining plan	Track progress in realizing the agreed design and then enable headcount governance vs plan so that positions/contractors don't creep back into the organization without approval. Prevent slippage over time on 100 FTE = \$6M	\$6,000,000
Reduced risk	Intangible	Orgvue allows sharing across teams, eliminates insecure emailing, data duplication and laptop storage, provides a robust audit trail of design and selection decisions.	xxx,xxx

Total Value: \$14,870,000

Total Investment (Building CoE and Tech): \$2,260,000

Total ROI: 658%

What criteria to most business case for OD CoE, supported by technology focus in on?

- 1 SPEED**
- 2 SCALABILITY**
- 3 SUSTAINABILITY**

Questions??

Let us help

Providing the data to support your approach, Orgvue enables you to:

- Speak in the language of finance on resources, costs and investments
- Build stakeholder engagement between your HRBPs and the rest of the business
- Respond immediately to questions on your current and future workforce
- Accelerate decision making on matters of your organization and workforce
- Drive your organization forward with actionable insight

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