

Beyond “Strategic” Organization Design... Working at the Operating Model Level

30th January 2020

Dialogue facilitated by:

Mark LaScola, OTM Managing Principal

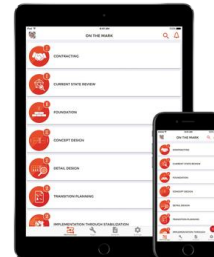


In collaboration with and support of the
Organization Design Forum



About Mark...

- First redesign experience in 1987; Started OTM in 1990; Offices in London and Phoenix
- Completed 450 collaborative organization redesigns in 35 countries, for every type of business function and enterprise-wide across most industries
- Trained/developed over 5,000 internal change agents applying the 10/20/70 development model
- Author of OTM's collaborative organization design solution, methodology and tools.
- Owner of OTM's Organization Design App for Android and IOS for tablets and handheld devices
- MS in Marriage & Family Therapy an interdisciplinary psych/social science focused on family systems and systems work.
- Past Founding Board Member/Trustee on the EODF/ODI, Current Board Member on the Organization Design Community



OTM's sweet spot is ensuring an operating model is fit for purpose with a keen focus modernizing and simplifying an operating model, aligning ways of working, culture & behavior change, fast.

We've left our MARK AT A GLANCE...

Aerospace
 Defence
 Energy
 Higher Education
 Financial Services
 FMCG
 Government
 Healthcare
 Bio-medical implants
 High technology
 Insurance
 IT Software & Services
 Logistics & Distribution
 Manufacturing
 Professional Services
 Retail
 Telecommunications
 B2B and B2C

Enterprise-wide
 Corporate
 Marketing/Sales
 Supply Chain
 Manufacturing
 Operations
 Finance
 IT
 Human Resources
 Legal
 Regulatory
 Engineering
 Outsourcing – BPO
 Skunk works
 Innovation
 Back office
 Customer support
 Start-up and spin-off





Dialogue 1

Only one question per team

- 1. How might you practically define the term “Operating Model (OM)?”**
- 2. What is the relationship between OM and business model? Same? Different?**
- 3. How is an OM the same or different than Organization Design?**

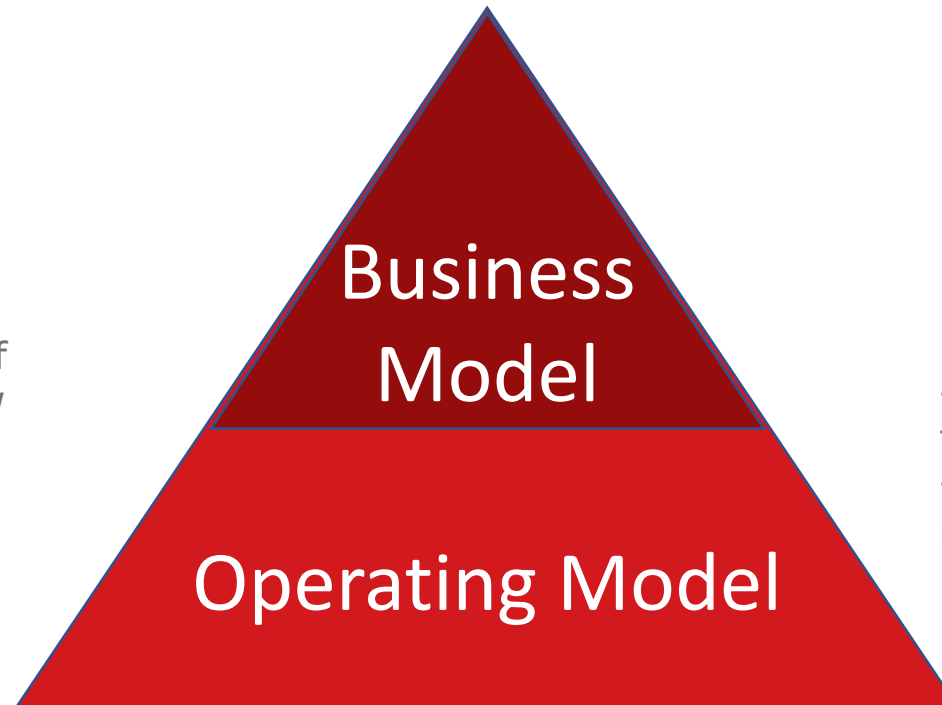
An Operating Model is...

...both an abstract and visual representation of how an organization delivers value to its customers or beneficiaries as well as how an organization actually runs itself. [Wikipedia](#)

...an organization's operational blueprint of how it brings value to its customers. It is the rhythm and pace of the day-to-day business including what work gets done, how it gets done, how it configures itself and managed. OTM

Business Model:

The company's strategic choice of what it will deliver, to whom, how it will create commercial and real customer value in its competitive marketplace.



Operating Model:

How a company configures itself to realize the value targeted in the Business Model. This includes all of the practical elements that contribute to the operationalizing and execution of a company's strategic intents.



Dialogue 2

- 1. What is meant by “strategic organization design?”**
- 2. What are the practical organization design levers that must be addressed to impact an Operating Model?**

Strategic Organization Design – Part 1

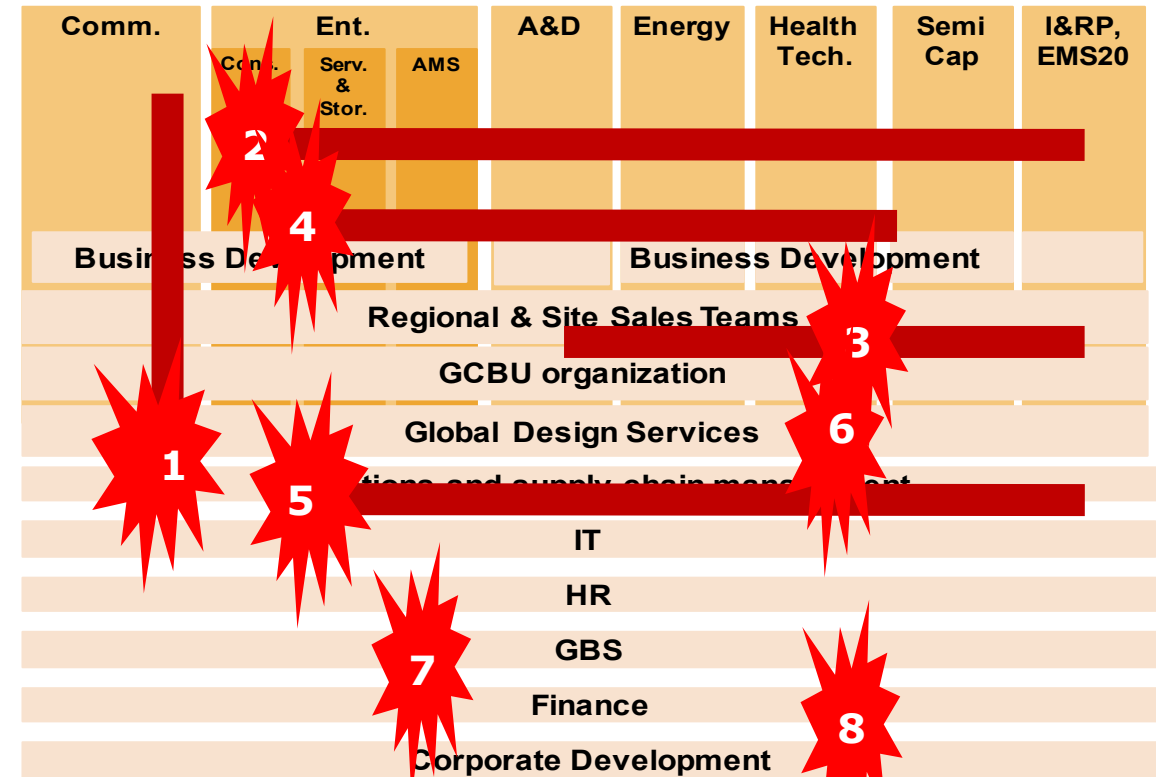
A global EMS company delivering end-to-end product lifecycle solutions with 25,000 employees across 20 locations in 11 countries in the Americas, Europe and Asia.

Current challenges

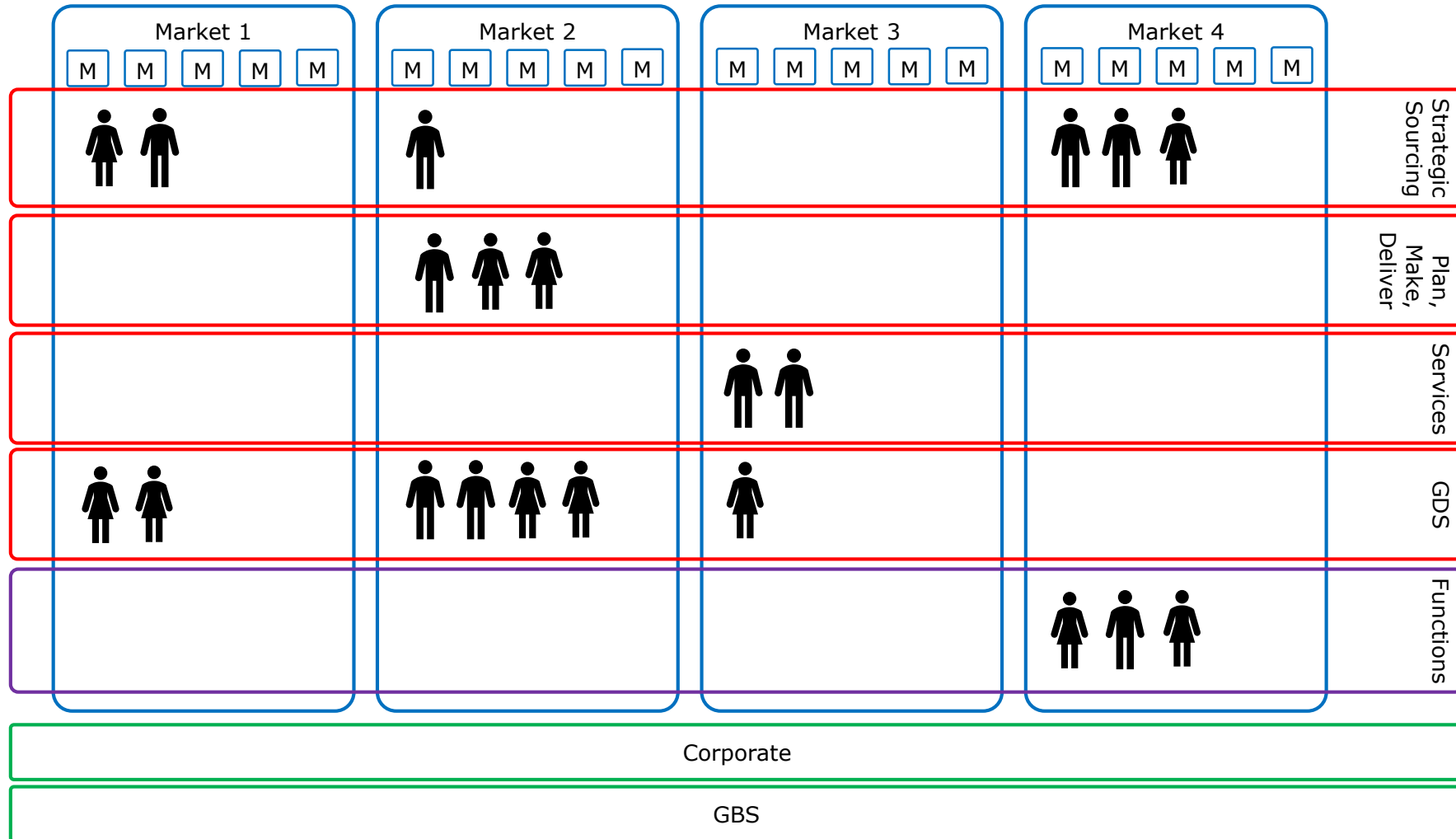
1. A very competitive market with market players being driven into commoditization where only price is important.
2. Significantly higher operational costs as compared to their competitors.
3. Delays and errors in getting product out-of-the-door.
4. Unclear decision making - Everyone can say "no" but no one can say "yes."

Eight "pain points"

1. 11 layers, hierarchical culture & dispersed P&Ls driving slow decision making.
2. Duplicate customer service groups.
3. Misaligned regional sales & GCBU on customer and geographies.
4. Limited and poorly utilized BD resources. Best BD resources heavily focused on internal management vs. selling & account growth.
5. Significant execution challenges.
6. Product roadmaps not transferrable to diversified EMS.
7. Poor accountability strategy setting, execution and governance.
8. Missing competence for corporate-level deals.



Strategic Organization Design – Part 2



Working at the Operating Model Level . . .

Critical Levers

1. Business Direction

- ✓ Has our business direction changed?
- ✓ Competitive Advantage?
- ✓ Customer Experience?
- ✓ Product/service offering?
- ✓ Culture/behaviors?

2. Value Creating Work

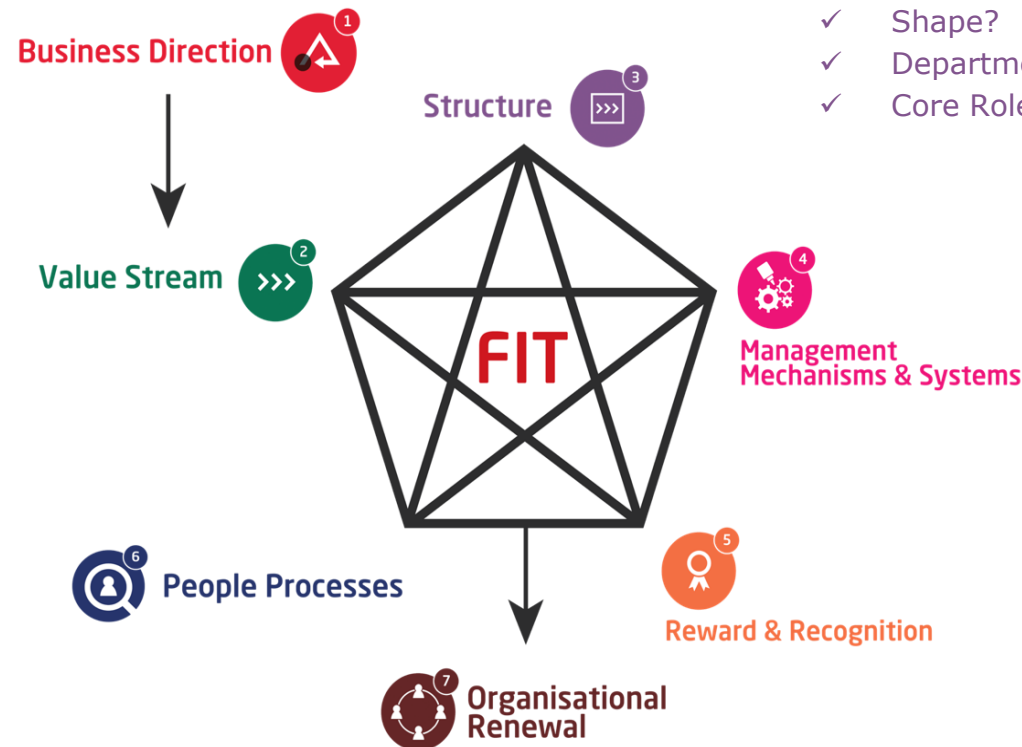
- ✓ Same, changed, new?
- ✓ Inputs, Work, Outputs?
- ✓ Work & Decisions
- ✓ Bounded work

3. Structure

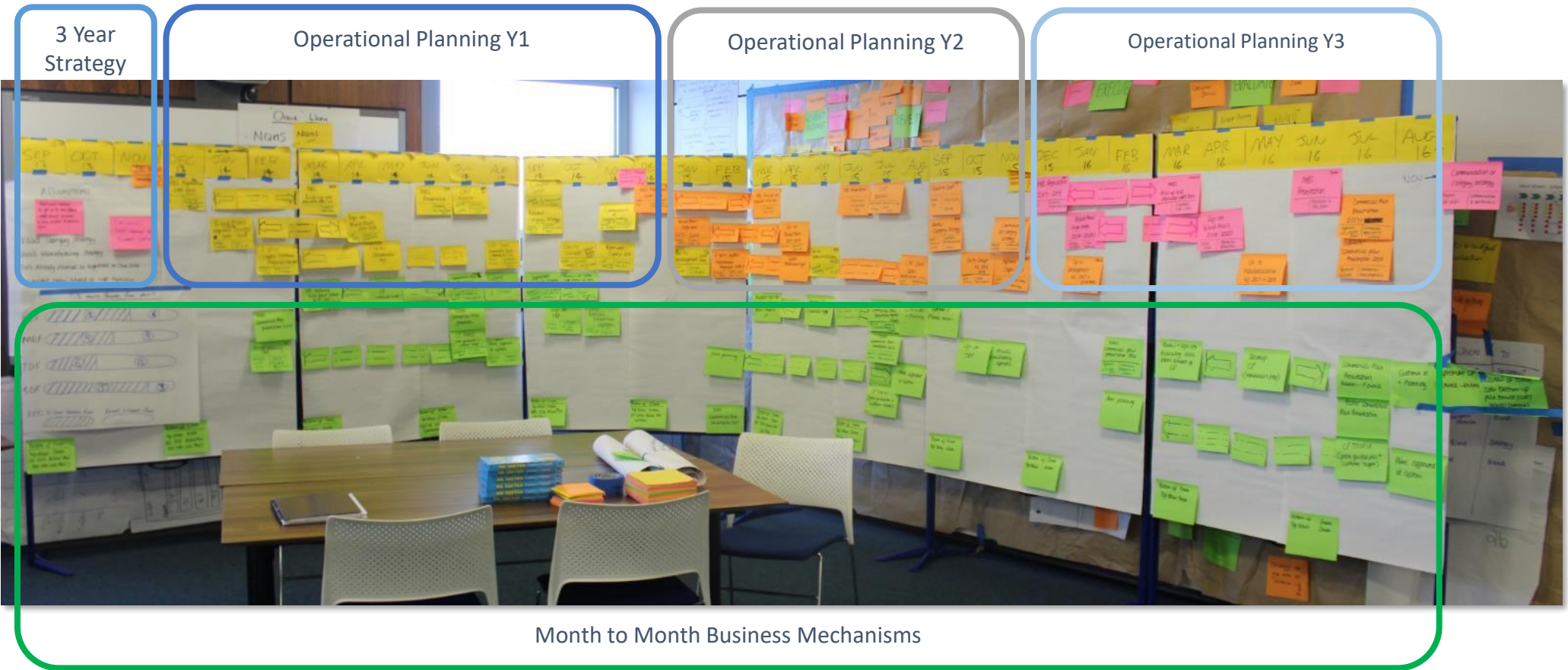
- ✓ Boundary location?
- ✓ Power? Decision Making, etc
- ✓ Specialisation?
- ✓ Shape?
- ✓ Departmentalization?
- ✓ Core Roles/Jobs/Units

4. Management Mechanisms

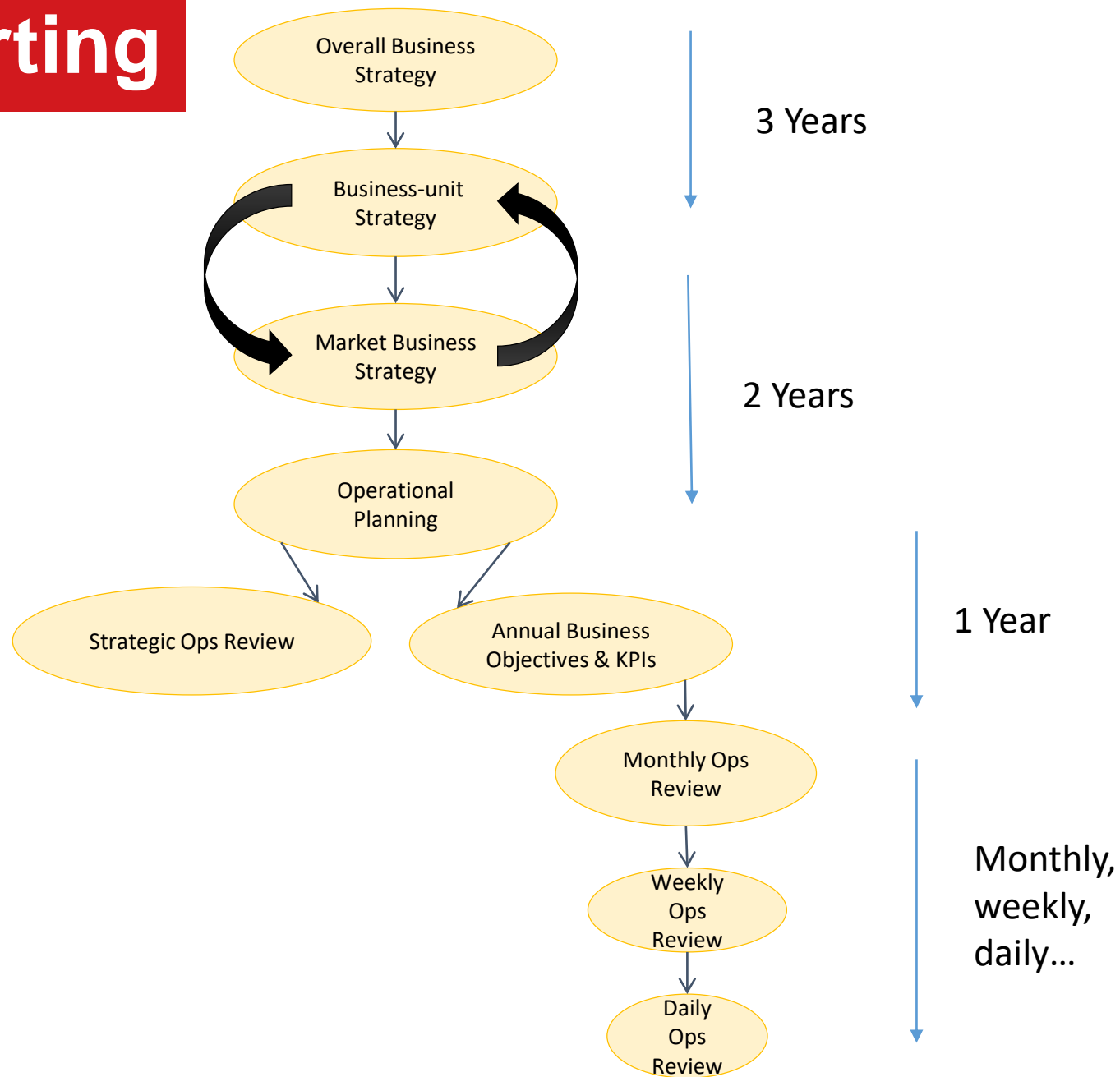
- ✓ V & H Glue?
- ✓ Reporting and Metrics?
- ✓ Decisions & Information flow?
- ✓ Compliance?
- ✓ Risk and/or Governance?
- ✓ Management Roles?
- ✓ Organisation Charts?
- ✓ Digitalization/AI/Digitization/Tech?



Critical Lever: Management and Reporting



Critical Lever: Management & Reporting





? For All

What is/are a few
wisdoms for guiding your
work at the OM Level?

OTM Wisdoms

- Always work outside-in.
- Always start with value creating work.
- Follow the value creating work... always.
- Over-fragmentation of work leads to complication...
- Always lean towards whole work (Thank you Cherns).
- Roles are not jobs. Core jobs come first.
- Rarely use same job titles for new jobs (that have changed).
- Management of a business must occur regardless of having management roles/jobs/titles.
- Design the pace and rhythm of business based on its *natural* complexity.
- Nothing changes until behavior changes

ON THE MARK Contacts

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Upcoming Webinars

Feb 19

OTM Ask Me Anything

Live Session via Zoom

March 24

Organization Design Primer – What Is It?

ODNetwork Webinar



Upcoming Events

March 2-6, 2020

OTM Organization Design Masterclass

Phoenix, AZ

Attendees of this event receive 20% off when you sign up within the next week.

FOCUS: Participants will gain skills, methods, tools and wisdoms ideal for modernizing an operating model to address post acquisition and merger integration, the realignment of a part of a business, putting the customer at the center of a business, digitalization transformation, moving from local, site-based to global, moving to ecosystems and/or platforms.

EXPECT: Five-days of action packed, hands-on learning. Learning will occur through real-world practice and application using case studies and/or real projects. The time spent will be highly interactive with at least 50% of the time spent in hands-on learning. Participants and teams are encouraged to bring real projects to the masterclass.

[More Info](#)



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Upcoming Events

April 21-23, 2020

[ODF Annual Conference](#)

“Experimenting with Organization Design: New Ways
Of Creating & Evolving Work”
Nashville, TN

Big Thanks
to the



Upcoming Events

EODF



Feb 6

[The Pensions Regulator Future](#)

London Event

ODC



August 9, 2020

ODC Annual Meeting on
“Teams and Organization Design”
Vancouver, BC

STS



Sep 8-11

[Annual Roundtable](#)

Trondheim, Norway

Other Resources



[Journal of Organization Design](#)

[CODP Certification](#)

ON THE MARK
COLLABORATIVE ORGANIZATION DESIGN

