

Organization Design Forum & Business Agility Institute

Make Magic: Org Design Meets Business Agility | July 14/15

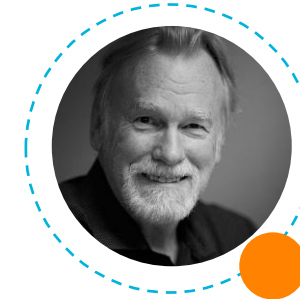
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Frank Eiselt
Enterprise Agile Architect & Catalyst ,
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Organization Design

Historical Overview

Presented by: Nuala Company

A complex network diagram with various sized nodes (black, blue, grey) and connecting lines, overlaid on a background of faint, larger-scale network patterns.

FOUNDATIONS OF ORGANIZATION DESIGN

Nuala Campany, PhD



FREDERICK WINSLOW TAYLOR
(1856 – 1915)



HENRI FAYOL
(1841 – 1925)



MAX WEBER
(1864 – 1920)

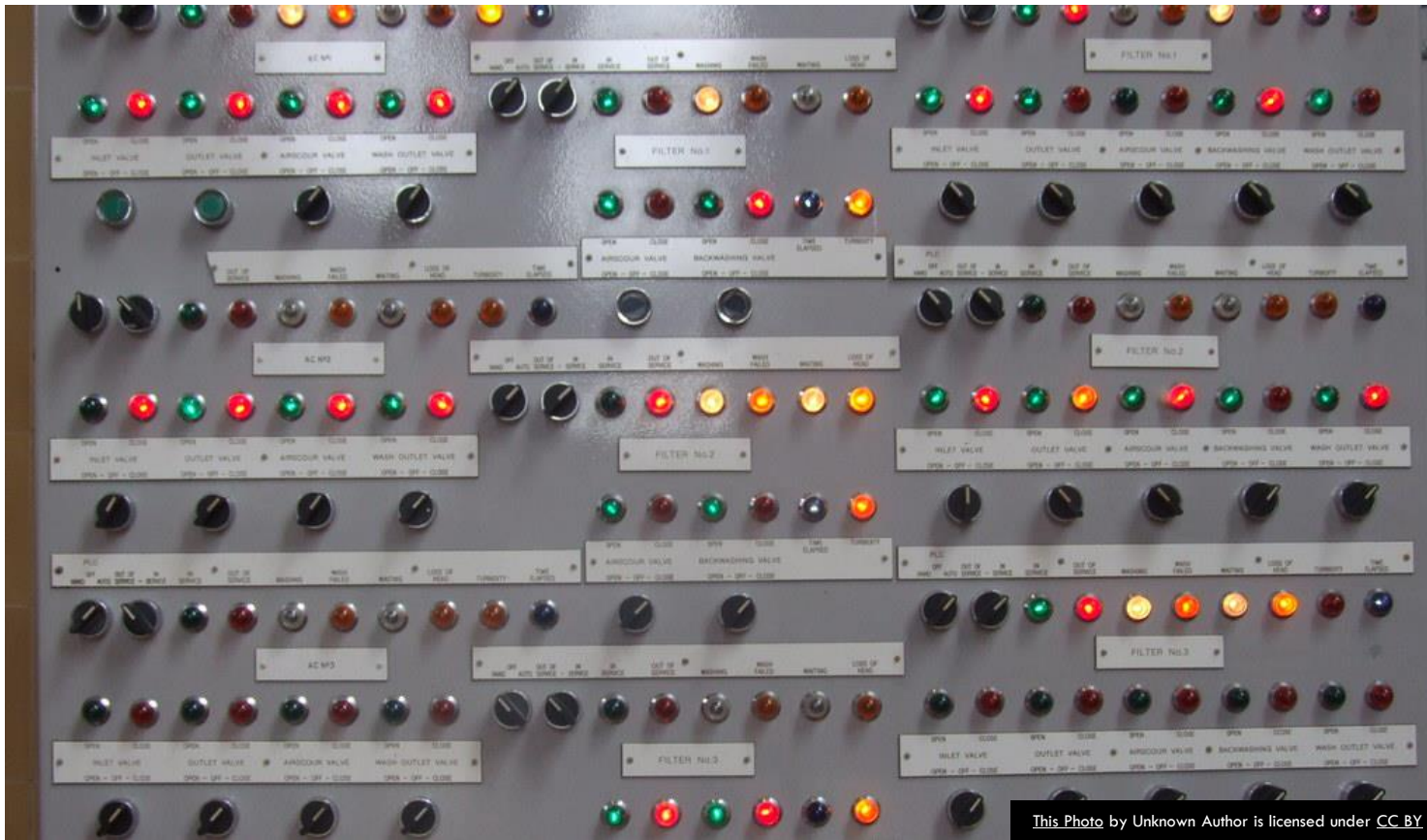
Early beginnings





- Mechanistic
- Focus on formal structures
- Control of employee behavior
- Managers are the designers
- Rational problem-solving
- Design and implementation separated

THE CLASSIC DESIGN APPROACH



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“In the case of organizational structure, design means turning those knobs that influence the division of labor and the coordinating mechanisms, thereby affecting how the organization functions-how materials, authority, information, and decision processes flow through it.”

Mintzberg, 1979

Limitations of the classical model

- Scope limitations – importance of informal structures and organizational culture (Peters and Waterman, 1982, Schein, 1985)
- Employees not seen as co-designers (Trist and Bamford, 1951)
- Too strict separation of design and implementation
- Problem-driven vs. solution driven – how to deal with “wicked problems” (Weick)
- Focus on rational problem-solving ignores non-logical processes and tacit knowledge
- Ignores socio-political processes – Design processes rarely take place in a political vacuum

WW2 & BEYOND DEVELOPMENTS

Business Environment

- Interest in application of mathematical models stemming from military designs
- Business growth driving need for new organization designs:
 - 1950 – 85% Fortune 500 functionally structured
 - 1970 – 90% Fortune 500 multi-divisional, multi-profit center structured
 - 1970's rise of multi-national corporations

Schools of Thought in Academia

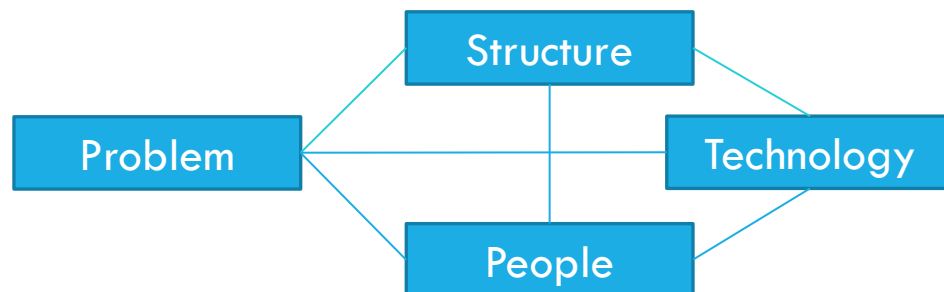
1. Management – focus on unit of command & centralization
2. Operations Research – focus on mathematical models, accounting, technology
3. Behavioral Sciences – participative management, & employee satisfaction

THE 1960'S

There is no one best way to organize

Leavitt – Chapter in *Handbook of Organizations* (1965)

- Structure, planning processes, information systems, and interpersonal relations all need to work together
- Organization design is integrative – org design must integrate knowledge around a leader's problems

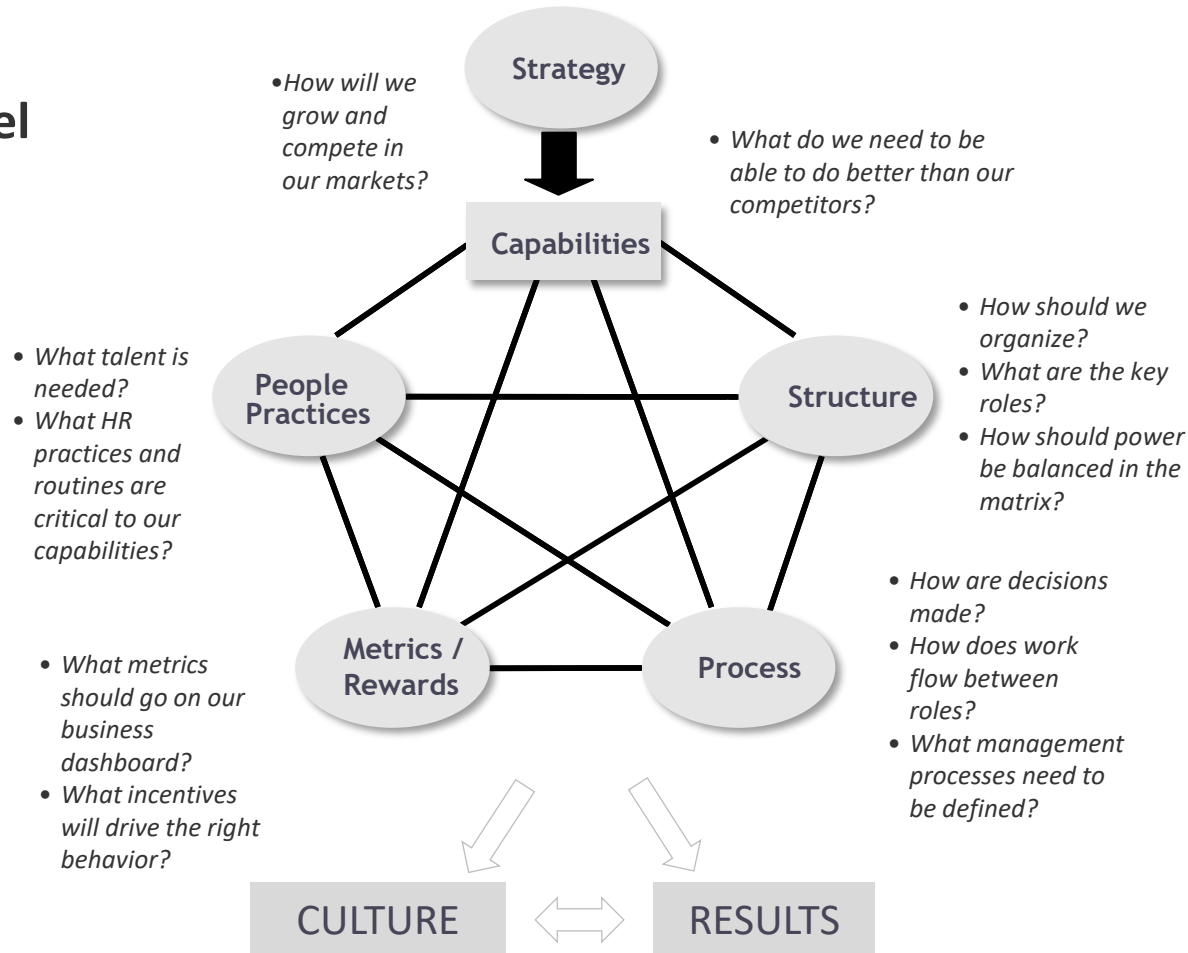


Lawrence and Lorsch, *Organization and Environment* (1967)

- Organizations as social systems – strategy, organization, and people need to fit together to achieve high performance
- Choice of organization and people depends on strategy
- Differentiation and integration of sub-systems

Different strategies require different organizations

The STAR Model



- Business Complexity translates to complexity of organizational design
- Functions
- Products
- Geographies
- Customer segments
- Channels
- Solutions
- Offerings
- Network partners
- Alliances
- Contingent workforce

Nuala Company, PHD

Nuala Company has 25+ years of global organization and talent development experience. Her experience includes leading change management to support organization transformation, mergers and acquisitions, team-based systems, Six Sigma, and lean manufacturing. She is an expert consultant in the areas of talent management, team effectiveness, and organization design and effectiveness.

Nuala's PhD is in Human and Organization Systems from Fielding Graduate University. She currently serves as an Adjunct Faculty member in the College of Business Administration at California State University San Marcos. She is the past Chair of the Organization Design Forum.



Business Agility

Historical Overview (no slides)

Presented by: Diana Larsen

Diana Larsen

Co-Founder & Chief Connector,
Agile Fluency® Project
agilefluency.org

Diana Larsen contributes to the foundations, and extensions, of Agile thought. Diana served for 9 years on the Agile Alliance board of directors, 5 in an officer role. She co-authored several influential books. Agile Retrospectives provides a framework for team learning and improvement. Liftoff 2nd ed. gives clear instructions for chartering and setting the tone for teamwork. In Five Rules for Accelerated Learning, find guidance for supporting more effective learning. Download a free eBook The Agile Fluency Model on the agilefluency.org website.

Diana co-founded Agile Fluency® Project* with James Shore in 2015. Through AFP's programs Diana shares wisdom gained over three decades of working with leaders, teams, and organizations. She holds the intriguing title of Chief Connector. Diana continues her career as facilitator, mentor, and consulting partner.

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Organization Design

Current Day Overview

Presented by: Jonathan Hornyak



Why companies reach out to us today for organization design?

<p>Execute a new business model or major shift in strategy</p>	<p>Global / local business Business unit alignment Omni-channel marketing/commerce</p>
<p>Design for customer-centric innovation</p>	<p>Integrated customer solutions Accountability and collaboration New business incubation</p>
<p>Digital everywhere – and other disruptive capabilities</p>	<p>Organizing for digital business Function capability and infrastructure Product management /agile ways of working</p>
<p>Organizational Agility</p>	<p>Business unit empowerment Speed to market Customer focus</p>
<p>Reduce unrewarded complexity and cost; scale for growth</p>	<p>Reshaping hardened, layered P&Ls Repurposing resources for growth Scaling for growth</p>



The core tension in all complex organizations

Scale

Global/Integration

- Fewer, bigger bets
- Consistency where necessary
- Shared services and central functions



- Focus on enterprise
- Cost and standardization efficiencies
- Harmonized, consolidated



- Bureaucratic
- Distance from customer
- Less accountability

Agility

Local/Differentiation

- Responsive to differences
- Market and customer focus
- Clear accountability for P&Ls



- Adapt to customer differences
- Business unit speed/responsive
- Leadership in market

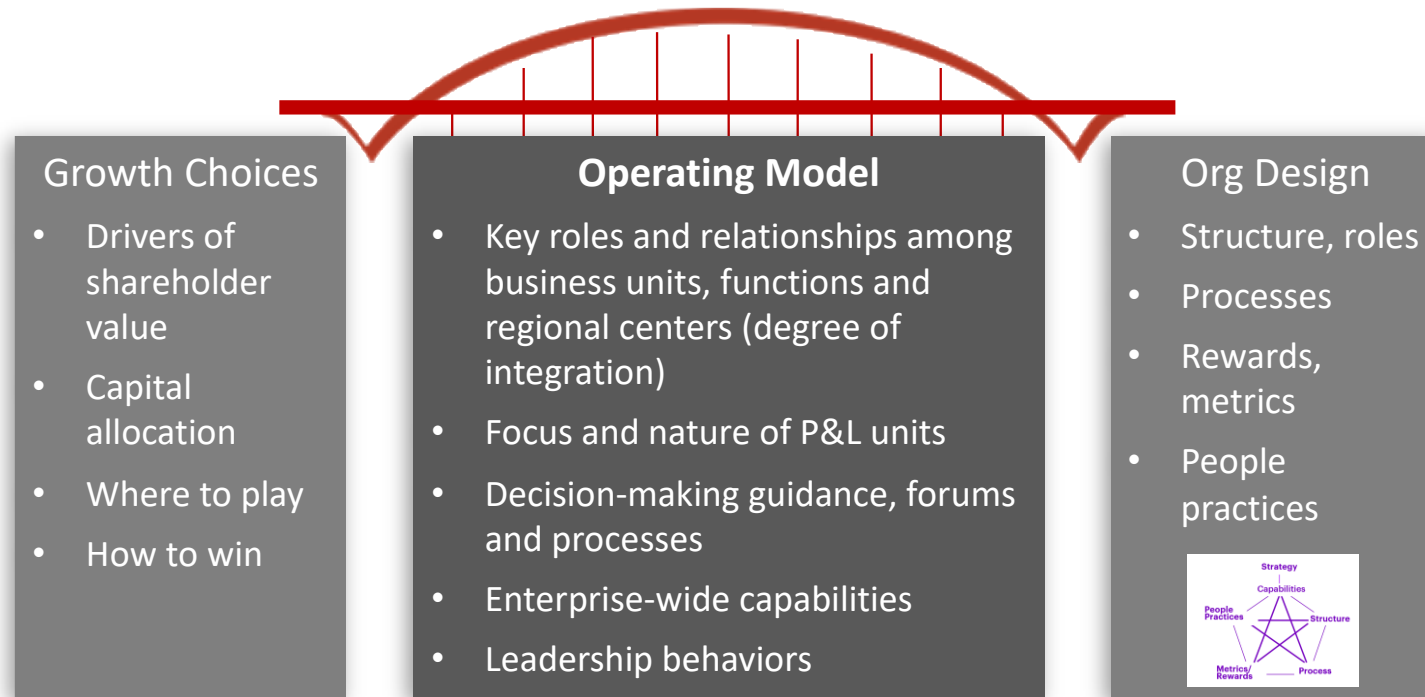


- Duplicate resources
- P&L complexity
- High cost, lower RoA

How do we design for both?



Operating models help manage the tension between agility and scale



Adapted from Bain & Co.

Operating models can be built for the enterprise and for the business within

Jonathan Hornyak

Sr. Manager, Organization Design,
Kates Kesler, now a part of Accenture
kateskesler.com

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Business Agility

Current Day Overview (no slides)

Presented by: Peter Lam

Peter Lam

Peter Lam

Principal / COE Lead, Ways of Working & Program Delivery, Claritas Consulting
claritas.com.au

I have helped some of Australia's largest corporations and government departments realise benefits from adopting digital, agile & 'new ways of working' as an Enterprise Agile Coach, program manager and as a people leader / Head of Projects.

I have practical experience in delivering & recovering mission critical digital and agile programs by scaling agile & ways of working (WOW) from 150 through to 1500 people and beyond. I have lead, coached and delivered both agile and digital transformations for organisations weighed down by legacy tech, culture and compliance needs. It is these experiences leading and coaching transformations that have given me a rich set of stories to draw on to share with clients.

Over the last few years I have spent most of my time

1. Partnering with organisations to design their future ways of working
2. Supporting leaders, managers and teams to grow capabilities and skills to thrive in the new world
3. Redesign the way programs, projects and organisations have been delivering to realise value from their investment in digital, agile and new ways of working

.... this is all backed by a track record in delivering complex, digital programs of work

This commitment and track record was recognised by being appointed the Oceania representative for Agile20Reflect festival - celebrating the 20th birthday of the Agile Manifesto.



Organization Design

Future Overview

Presented by: Stu Winby

Organization Design and Business Agility

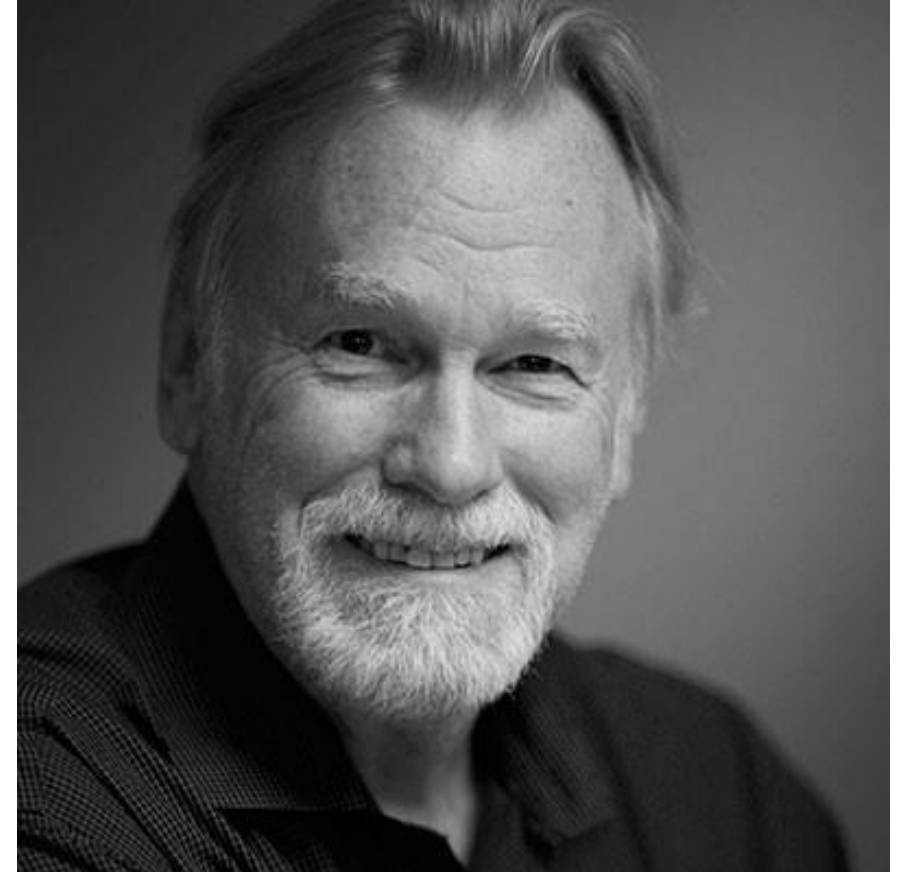
- Future Perspective

- Technology Lead – social system lag
- Org Design and Digital Technology
- Trends: Emerging Organizational Model

Stu Winby

Stu Winby
CEO, SPRING Network LLC
digitalorganizationdesign.com

Stu Winby is CEO of Spring Network, an organization strategy and innovation design firm headquartered in the Palo Alto in the Silicon Valley. He is an internationally recognized expert in organization design and innovation management, helps domestic and global corporations create capability for competing in today's turbulent environment. His work focuses on the areas of strategy and organization at the corporate, business unit, and international levels, mainly with the CEO and executive teams. He has authored numerous articles and book chapters. He has held executive roles in the tech sector. Stu Winby received degrees from San Jose State University in California, with additional graduate studies at Stanford University.



Business Agility

Future Overview

Presented by: Frank Eiselt

the future of agile – 3 key challenges



How could your organization can **become faster to respond on all levels** to external triggers & events such as crisis, exponential innovations etc. ?

How could you embarque on a **sustainable agile transformation journey** which replaces typical reorganisations happening all 5 years?

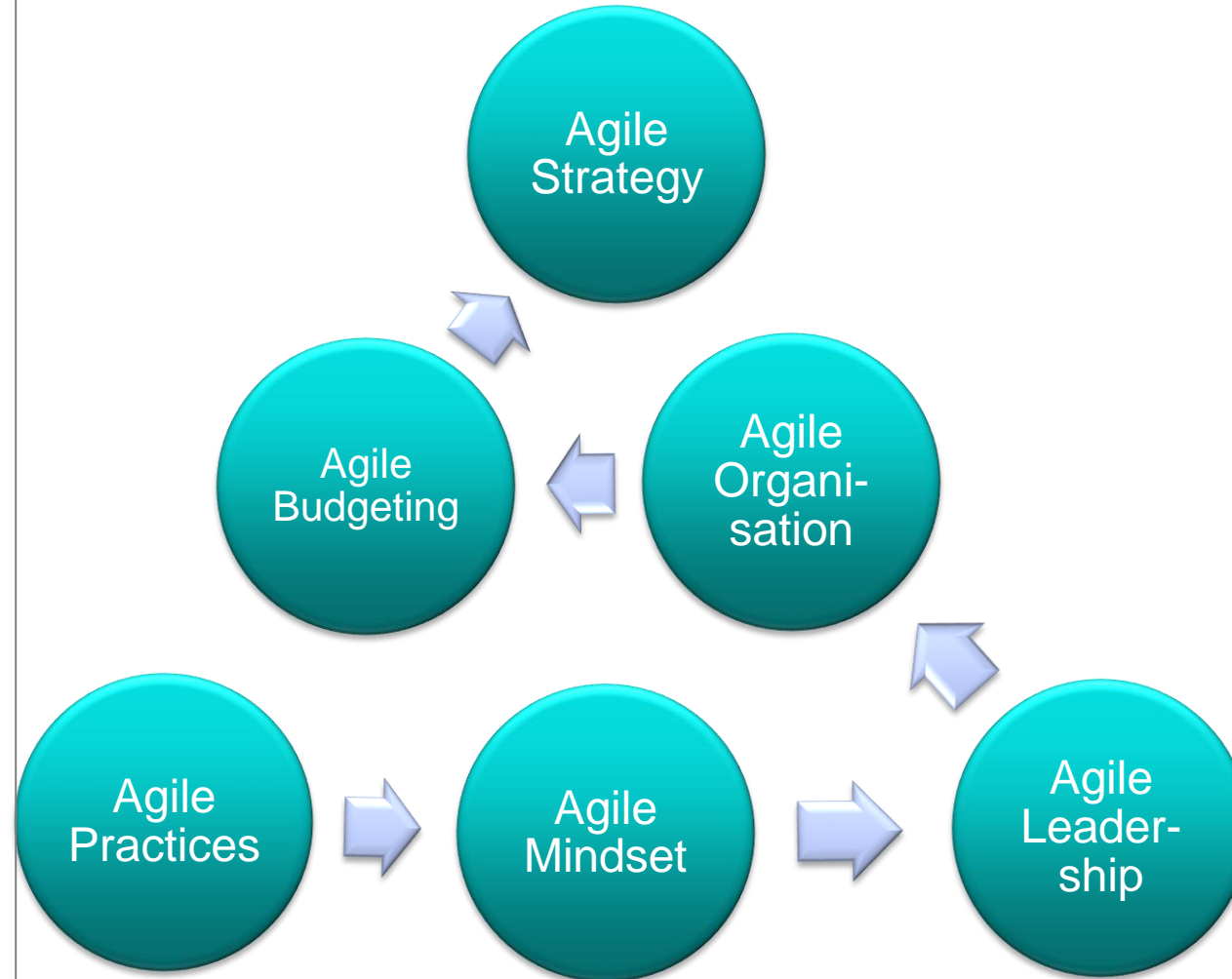
How could your organization and its people become **more resilient** and **have more fun together** when facing all internal change while continuously stepping out of their comfort zone?

Emancipation of Agile

Ecosystem / Market

Company Level

Team Level

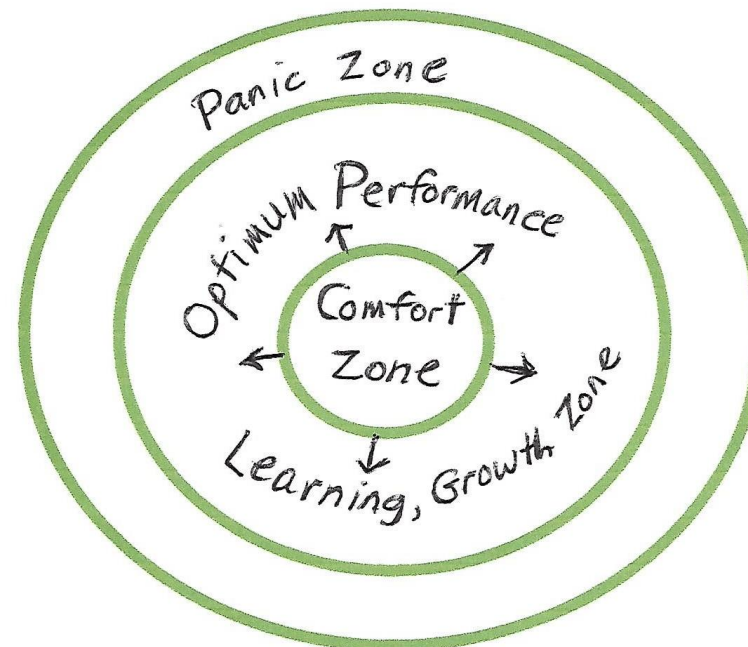


High resilience in a work-live out of my comfort zone



Leading by example as a role-model for lighthearted growth 

- get honest feedback to push yourself out of the comfort zone by giving up formal power
- show vulnerability to create a safe space and thus “prevent” panic



sustainable agile transformation instead re-orgs all 5y

From Hierarchy to Self-Mgt / Self-Org / Self-Direction



Working in the system + Working on the system
(continuous update of role definition & role assignment)



faster to respond to external triggers



Agile
Strategy

Continuous strategy "process"

Active participation & decision making from/on all layers

Connect with purpose to truly align the passion as well



Agile
Budgeting

CEO and Leader of 60k ppl talking about new ways of
Budgeting:

https://www.youtube.com/watch?v=_5o2qrm4kzc

Frank in a nutshell

Me = always curious & experimental
as a consultant, catalyst,
senior manager and
entrepreneur

[linkedin.com/in/frank-eiselt-99a7371/](https://www.linkedin.com/in/frank-eiselt-99a7371/)

2001

co-founded
LIVesciences
aka a Teal-based company
without bosses and self-set
salaries

www.livesciences.com

2015

co-founded
TEAL AROUND THE WORLD
a global community of 1000+
pioneers
in regards of the #futureofwork

www.tealaroundtheworld.com

2020

PRACTIONIONER & OPPORTUNITY ACTIVIST

working for more than a dozen large corporates during the past 20years

 **NOVARTIS**

 **Bayer HealthCare**

SIEMENS

CLARIANT

 **Celgene**

Johnson & Johnson

 **Roche**

 **Abbott**
A Promise for Life

MERCK

 **Takeda**

 **acino**

 **BASF**
We create chemistry

sonova
HEAR THE WORLD

Frank Eiselt

Enterprise Agile Architect & Catalyst ,
LIVESciences AG / Teal Around The World
livesciences.com & tealaroundtheworld.com

New Work, Self-Organized Culture, Authentic Teal Paradigm, Agile Mindset, New ways of working, Safe Spaces, Lightheartness, Human with (not as) Ressources, Mental Freedom

Leadership, Change- Organisational and Innovation Management. Coach, Moderator, Facilitator, Mentor, Catalyst,

No books written yet, but gained my first-hand experience while serving these companies as an external consultant/catalyst:

- Medical Devices: Synthes J&J, Sonova, Straumann, Siemens, Karl-Storz, Ypsomed, Aesculap, Advanced Bionics, Tecan, Asetronics, Qmedics, Lymphatica
- Pharma / Biotech: Novartis, Roche, Bayer, Abbott, Takeda, Vifor, Pentapharm, Acino, Siegfried, BBraun, Daichii-Sankyo, Celgene, Idorsia
- Chemical: BASF, Clariant, Brenntag
- Hospitals: Inselspital Bern, Solothurner Spitäler

Framework Skills

- Teal Self-Org (Laloux)
- Organisational Change Management (PCI & Prosci)
- Leadership and People Development (Grundl)
- Agile Architecture Management
- PMP Project Management Professional (PMI)
- Six Sigma / Lean Toolset / ITIL / CobiT

My constitution for working <https://livesciences.com/liveline/>

