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# Establishing an Internal Org Design & Effectiveness Capability

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2025

# TODAY'S DISCUSSION...

Fit-for-Purpose,  
Sustainable  
Design

Understand how to build a scalable and agile  
OD/E COE that endures the test of time

Common Pitfalls

Spot common derailers & learn how to avoid  
them

*COE Activation*

Learn an approach to accelerate getting your  
COE to full- performance



## TO JOIN TODAY'S DISCUSSION...

### USE YOUR LAPTOP OR PHONE TO JOIN THE MENTI POLLS

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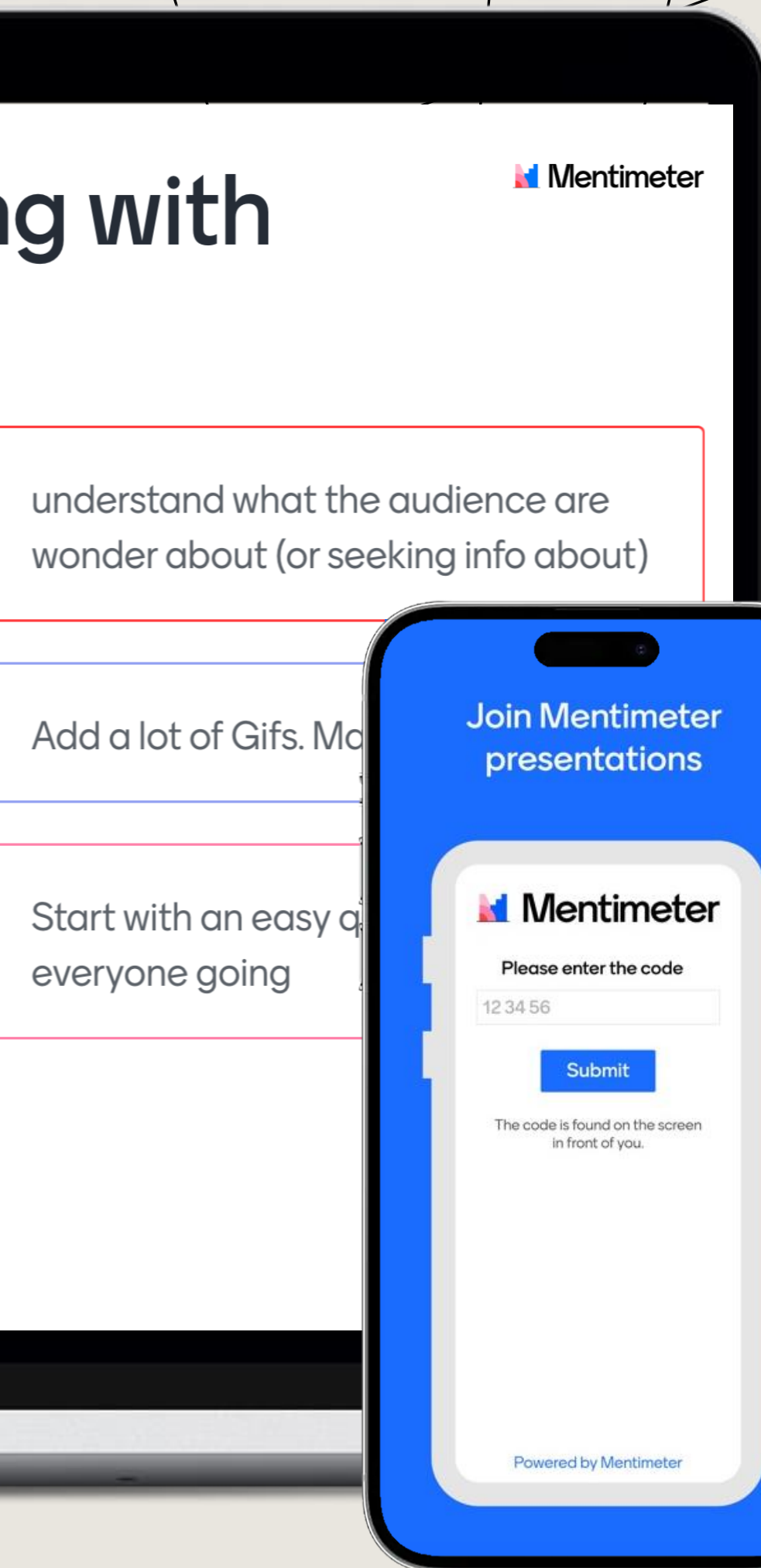
OR SCAN THE QR CODE AT THE TOP OF  
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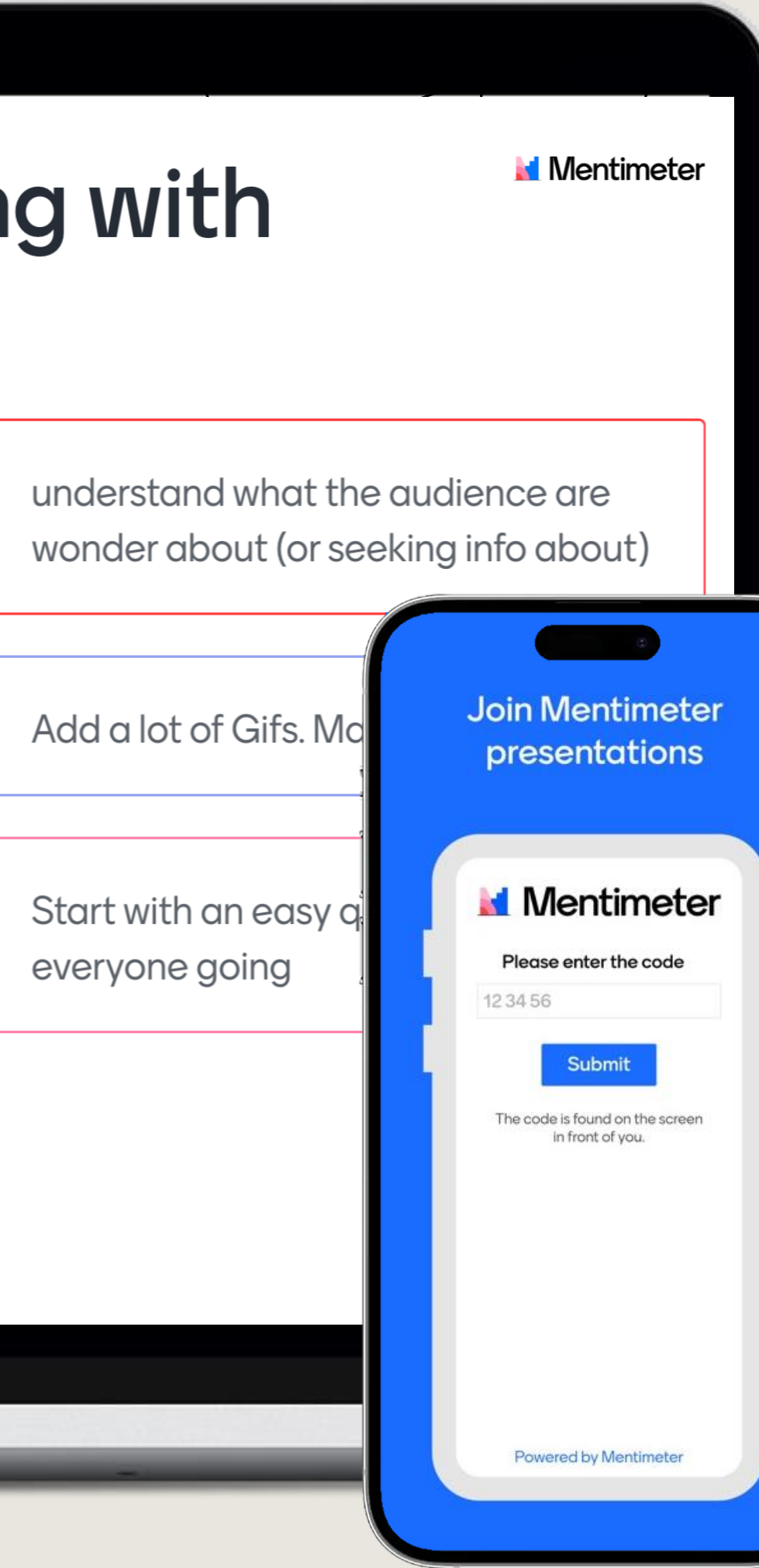
### TO ASK A QUESTION

SUBMIT YOUR QUESTION IN REAL TIME  
VIA THE *CHAT FEATURE* IN ZOOM

OR

**SAVE YOUR QUESTIONS FOR THE END** OF  
THE WEBINAR AS WE HAVE RESERVED  
~10 MINUTES FOR FURTHER  
DISCUSSION





WHAT ARE YOU HOPING TO TAKE AWAY FROM TODAY'S DISCUSSION?

USE YOUR LAPTOP OR PHONE TO ANSWER THE QUESTION

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WHAT IS...

Organization  
design?

Organization effectiveness?



# SOME ASSUMPTIONS FOR THIS CONVERSATION...

- We are creating an OD/OE Center of Expertise in the form of a department – a leader with a team of people dedicated to doing this work
- This COE sits within the Human Resources Function – an enterprise-wide corporate function



# SIX COMMON PITFALLS & HOW TO AVOID THEM

## PITFALLS

## DESIGN BEST PRACTICES

-  **1** Unclear Purpose & Value  
Clear Remit, Priorities & Offerings
-  **2** Good Design, Wrong 'Fit'  
Operating Model Sets Context & Degree of Integration
-  **3** Incomplete Definition of the Work  
End-to-End Design
-  **4** Unaligned Partners  
Build & Nurture Your Execution Network
-  **5** Lack of Executive Sponsorship  
Stakeholder Contracting
-  **6** Insufficient Focus on *Activation*  
Devise & Execute an Inclusive Plan

1



**PITFALL:**  
Unclear Purpose & Value



**Best Practice:**  
Clear Remit, Priorities & Offerings



# CLEAR PURPOSE



TEMPLATE

| Element                     | Response   |
|-----------------------------|--|
| <b>Remit</b>                | <i>Why does this COE exist? How does it <b>add value</b> to the company? What's your <b>elevator pitch</b>?</i>                      |
| <b>Key Accountabilities</b> | <i>What <b>outcomes</b> will this COE produce?</i>   |
| <b>Processes Owned</b>      | <i>What <b>end-to-end processes</b> are they accountable for <b>designing</b> and ensuring intended <b>results are achieved</b>?</i> |
| <b>Success Measures</b>     | <i>What does <b>'great' look like</b>? What <b>metrics</b> will be used to evaluate performance?</i>                                 |

# OD/E REMIT



## EXAMPLES

### The OD/E COE...

**Different remits for different companies...**

**Stop By If You Need Us**  
(for Anyone)

**Targeted Consulting Project Mission**  
(for Executives)

**Enablement & Coaching Mission**  
(for HR & Biz Leaders)

- Is a centralized hub for thought leadership and professional services related to organizational design, effectiveness, and capability development.
- Works with executives on priority strategic initiatives – to build new organization capabilities, define new ways of working, and stand-up new organizations, in support of the growth plan
- Provides HR professionals and business leaders with methodology, tools, and frameworks to address challenges related to the human systems and ways of working that drive our business.



## Talk to your company executives!

*What are their key  
priorities over the next ~18  
months?*

*What challenges are they  
facing?*

*What is keeping them up  
at night?*

# SALIENT PRIORITIES

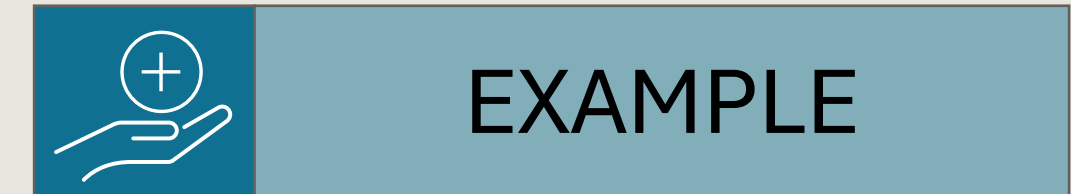
## Strategic Shifts

- New Operating Model
- New Organization Capabilities Needed to Grow
- New Business Lines
- Divestitures
- Geographic Expansion

## Known Operating Challenges

- ✓ Performance Failures
- ✓ Innovation-to-Market Cycle Too Long
- ✓ Slow Decision Making
- ✓ G&A costs too high
- ✓ Not a ready bench of successors
- ✓ Poor retention of new hires

# TIMELY & COMPELLING OFFERINGS



*Based on the priorities think about developing your offerings, collateral and 'marketing your wares' in two tracks*

**Track 1 - Now**

**Vs**

**Track 2 – Next Year**

- Holistic **organization assessments** that clarify 'root problems to solve' and strengths to build upon
- New or updated organization structures** for Business Division, Functions, Commercial Units, Departments
- Governance structure design** - decision-making protocols, decision rights, forums
- Retained and 'new company' **organization designs and preparation for divestitures**
- M&A** organization due **diligence and integration** plans
- Process design**
- Job design**

# YOUR OD/E COE BRAND

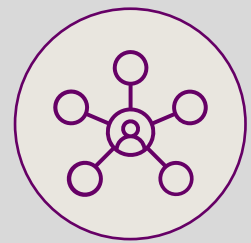
*What Principles Will Guide The Practice?*



EXAMPLE

- ❑ **Business leaders are the experts** on their business and **accountable** for making **organization design decisions**
- ❑ We **co-design solutions** with the business and people close to the work (***business-led design***)
- ❑ We **create bespoke solutions** while also achieving the **right degree of enterprise consistency**. We do this by using a common methodology and toolkit to do OD/E work across the enterprise (***freedom in a framework***)
- ❑ We **share expertise and tools generously** - leaving the leaders and teams we work with better able to solve problems for themselves
- ❑ There are **no right or wrong organization designs...** just choices with operating and economic implications
- ❑ Creating a **new organization structure** is hard, but getting it to **work as intended is harder** – so we **dedicate sufficient energy** to both

2



**PITFALL:**  
Good Design, Wrong Fit



**Best Practice:**  
Operating Model Sets Context &  
Degree of Integration

# CO. OPERATING MODEL SETS THE CONTEXT FOR THE COE DESIGN

## FRAMEWORK

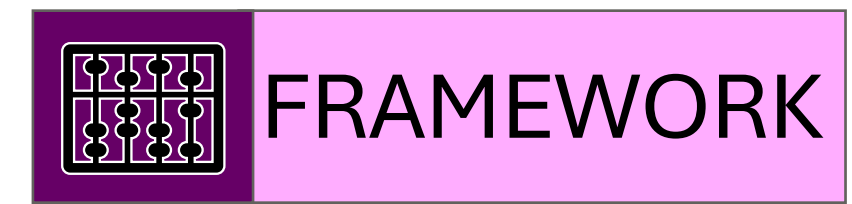


*The company operating model tells you important information about how the HR Function and the OD/E COE within should be designed – how consolidated and formalized should it be?*

|                                  | 1   | 2 | 3  | 4 | 5   | 6 | 7  | 8 |
|----------------------------------|---|---|--|---|---|---|--|---|
| <b>Strategy &amp; Org Design</b> | Single strategy guides all P&L units with minor variations.   |   | Complementary business portfolio and core strategies with synergies.   |   | Diverse, relatively autonomous businesses set strategies, with limited synergies across units.  |   | Structuring cheap finance, buying and selling separate assets.   |   |
| <b>Governance</b>                | Strategy and execution oversight comes from organizational center. All process and practices are common. Single culture.                                |   | Business units drive strategy and varying degrees of execution, often with shared resources (in a matrix). Seeks benefits of scale in core technologies, product and commercial platforms, and/or back end operations.       |   | Business units drive nearly full execution of results with limited matrix. Cross-BU scale is limited (e.g. government relations, technology transfer, back-end shared services). Some effort to harmonize culture.                      |   | Focused on appointing leaders. Business units return financials to parent. No common processes. Multiple cultures. |   |
| <b>Role of the Center</b>        | Drives functional policy, staffing and standards to build a consistent global function presence across the company; Functional costs managed centrally. |   | Orchestrates and owns a common strategic agenda and most processes. Collaborates closely with divisions to support execution. Manages company-wide talent process and shared services. Influences functional cost structure. |   | Builds skills, tools, and talent practices necessary to strengthen a few functional capabilities. Priorities are guided mostly in divisions. May be a few selective shared services. Costs managed primarily within the business units. |   | Limited company-wide policies and practices mostly focused on risk and fiduciary matters.                          |   |
| <b>Company Examples</b>          | Apple<br>Marriott<br>Intuitive Surgical<br>Coca-Cola  |   | Alphabet<br>PepsiCo<br>Qurate Group<br>Raytheon Technologies   |   | Unilever<br>Cargill   |   | Berkshire Hathaway<br>Virgin Group<br>Aditya Birla Group<br>Pritzker Capital                                       |   |

Sources: Kates, Kesler, DiMartino, *Networked, Scaled, and Agile*

# SPECTRUM OF DESIGN OPTIONS



## 1. CONSOLIDATED COE

### Structural Principles:

*OD/E jobs and work are consolidated into a single department; all staff report to COE leader and supports priority areas of the business, as informed by executive leadership and capacity.*



## 2. CENTER-LED, DISTRIBUTED COE

### Structural Principles:

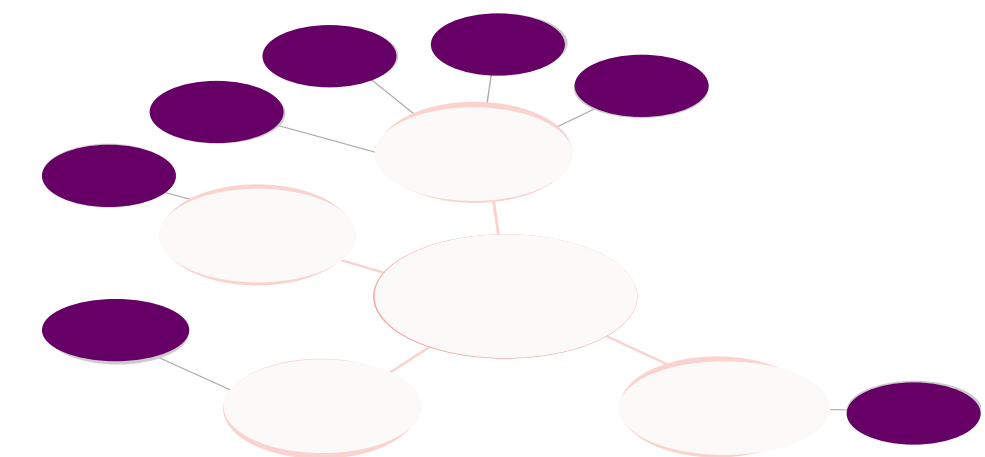
*OD/E jobs and work are integrated under an umbrella organization, with select resources embedded within internal 'client' groups (e.g., LOBs, BUs, Markets) they support; often-times dual reporting to the OD/OE function head and the client, supports shared agendas (although not essential).*



## 3. CAPABILITY NETWORK

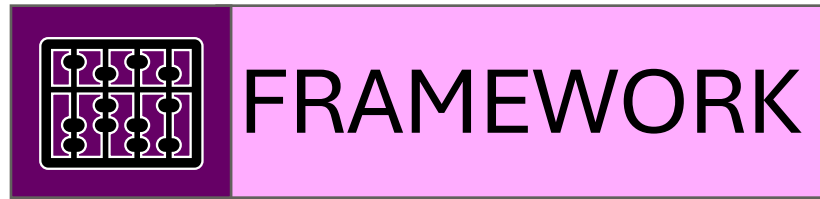
### Structural Principles:

*OD/E is a fully distributed capability, with a community of experts led by a dedicated leader or a 'peer among peers.'*





# STRUCTURAL GROUPING CHOICES



## FUNCTIONAL STRUCTURE      CUSTOMER STRUCTURE      GEOGRAPHIC STRUCTURE

ADVANTAGES

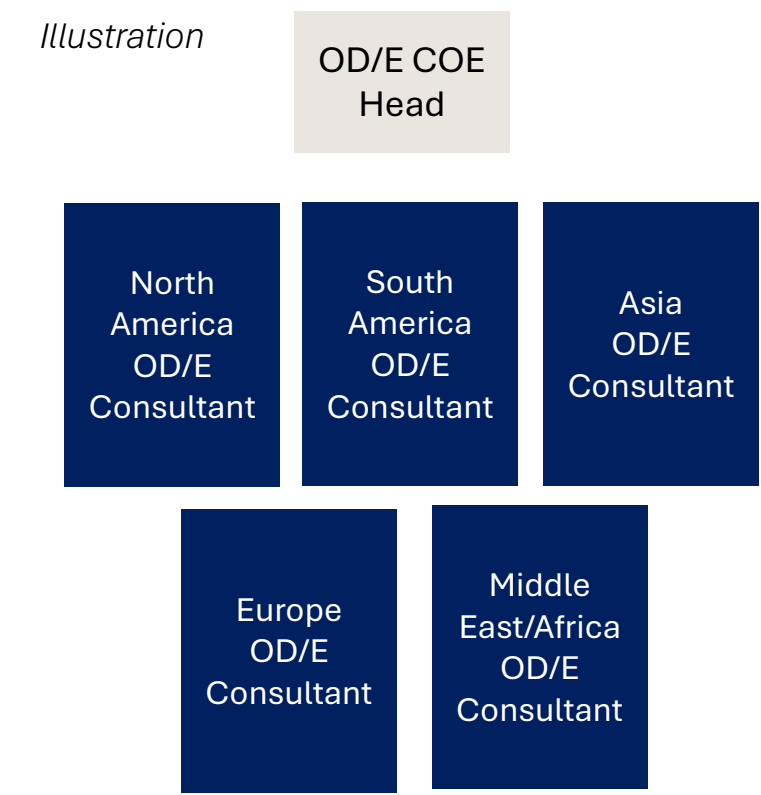
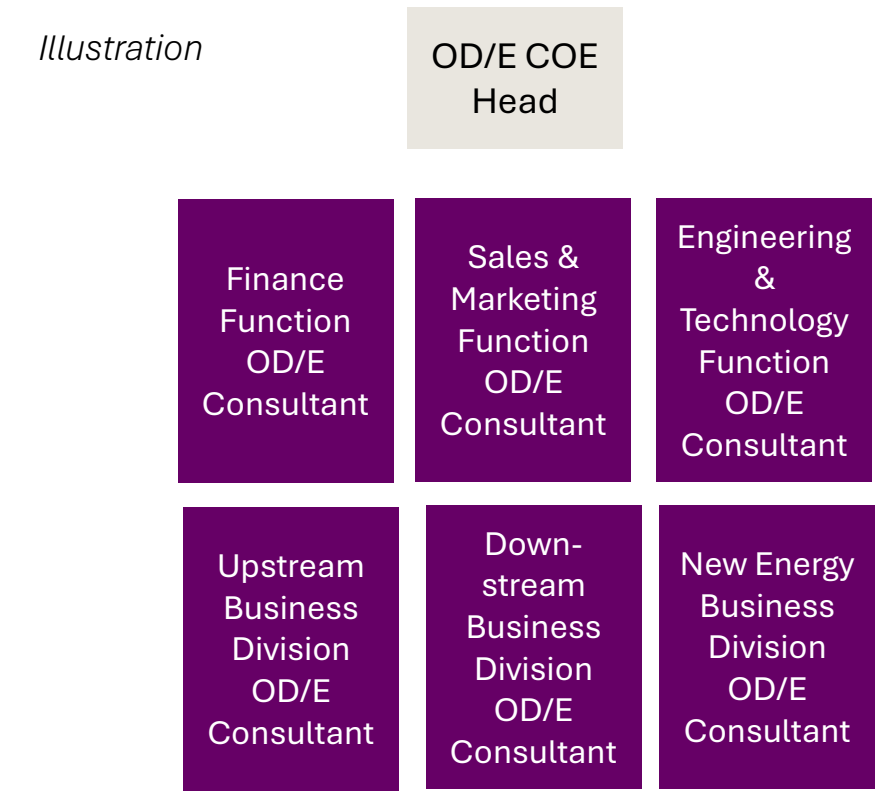
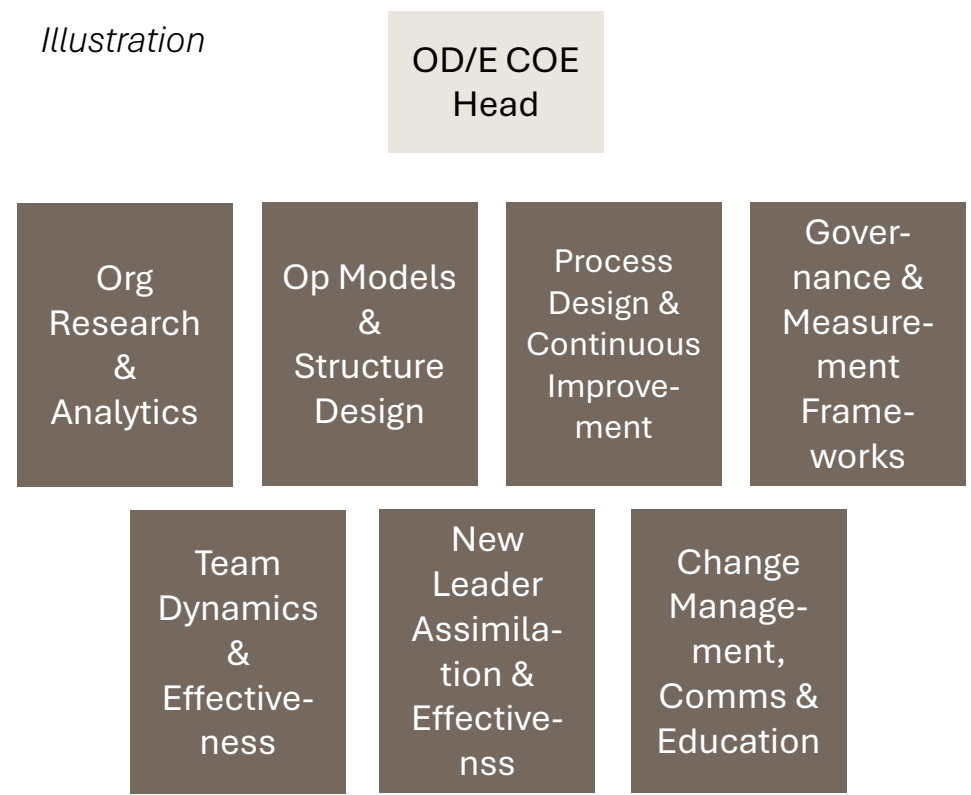
- Deep expertise in OD/E domain areas
- Consistent brand, methods, toolkit
- When resources are shared by all/many across the enterprise, it is the most cost-effective

- Customer/client intimacy
- Dedicated resourcing & focus
- Consistent 'client plays' across the enterprise and geos

- Local relevancy
- Allows for sharing of resources amongst all businesses/units within a given geo – making it the next most cost-effective structure

*Keep in mind that for each 'pro' there is oftentimes an opposing 'con.'*

*So, we need to be prepared to employ other mechanisms – beyond just structure – to get the new COE to perform as intended. Things like matrix reporting, work intake & prioritization process and decision authority leveling, professional standards.....*



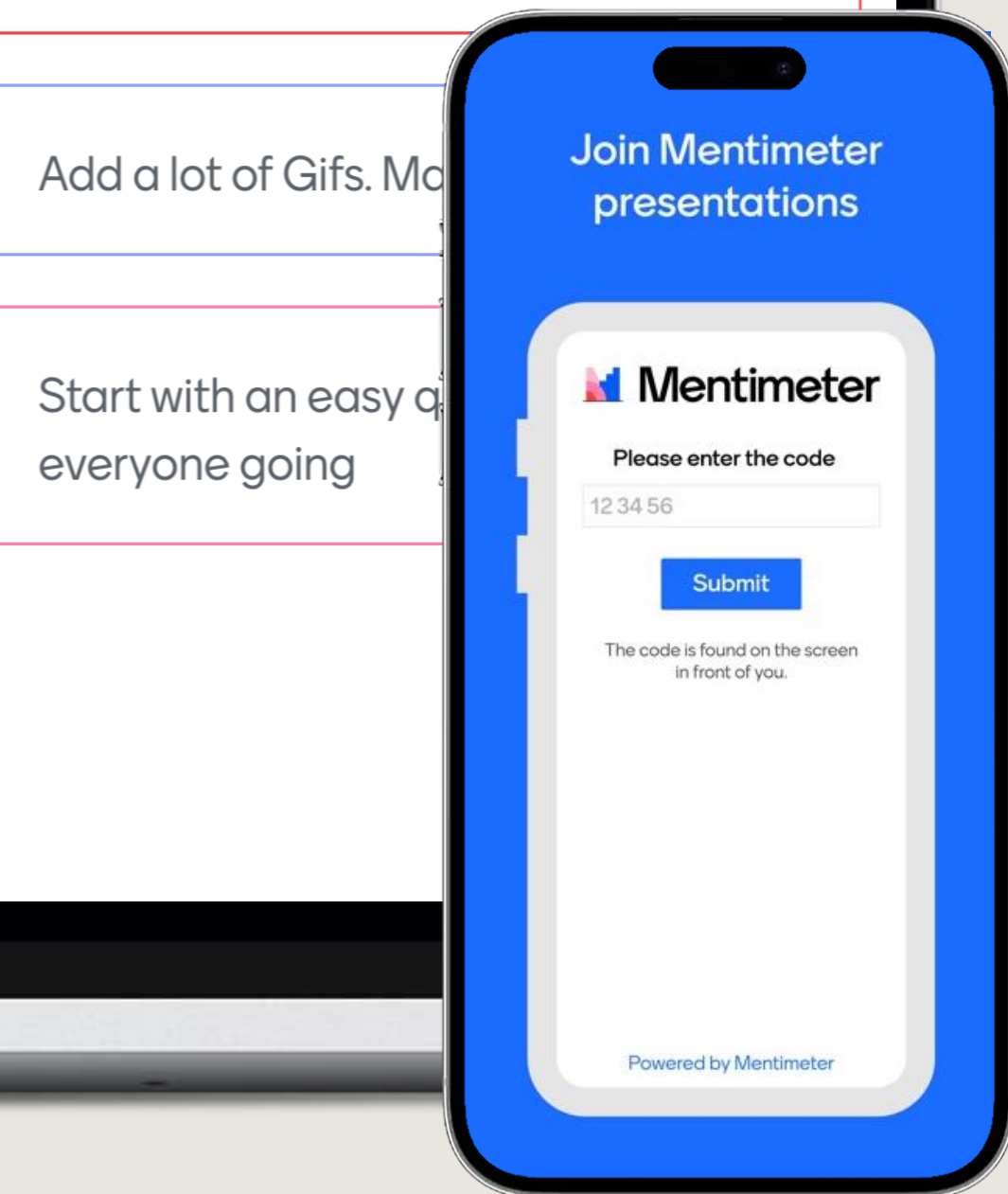
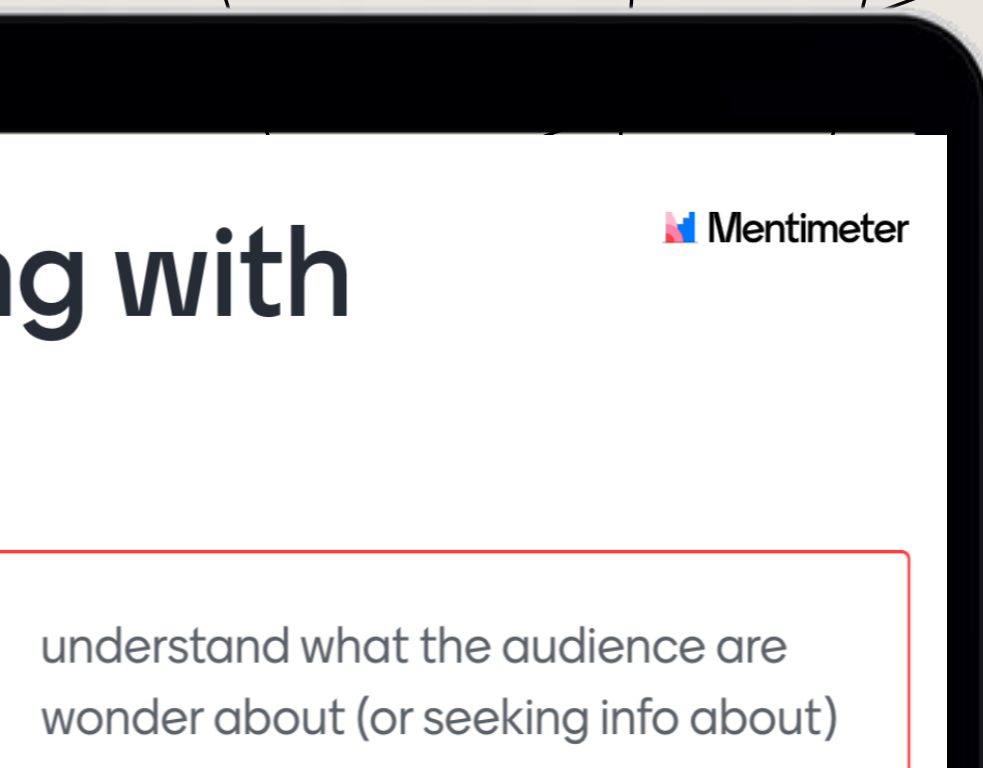
**Of course, one can choose a blend of these structures within the COE to try to optimize the benefits of several options. The limitation to this however is typically resource capacity and cost.**



OF THE BEST PRACTICES WE JUST COVERED,  
WHICH DO YOU THINK COULD BE MOST HELPFUL  
TO YOU IN BUILDING OR STRENGTHENING YOUR  
OD/E COE?

**Choose from the following:**

- a) Defining a clear purpose
- b) Selecting timely & compelling offerings
- c) Establishing your COE brand (guiding principles)
- d) Determining how integrated or distributed your COE should be (alignment with company operating model)
- e) Choosing the best structural option for your COE

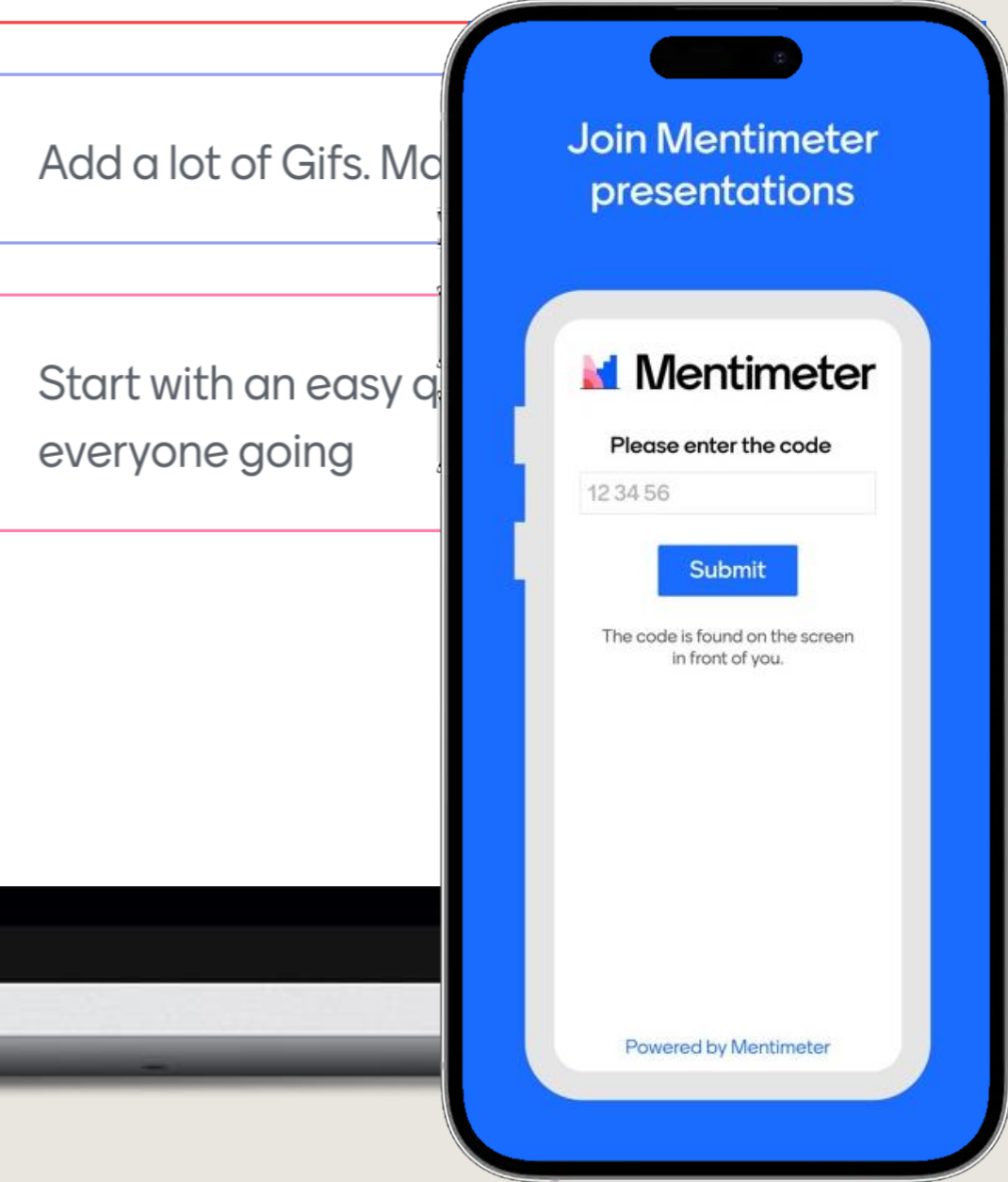
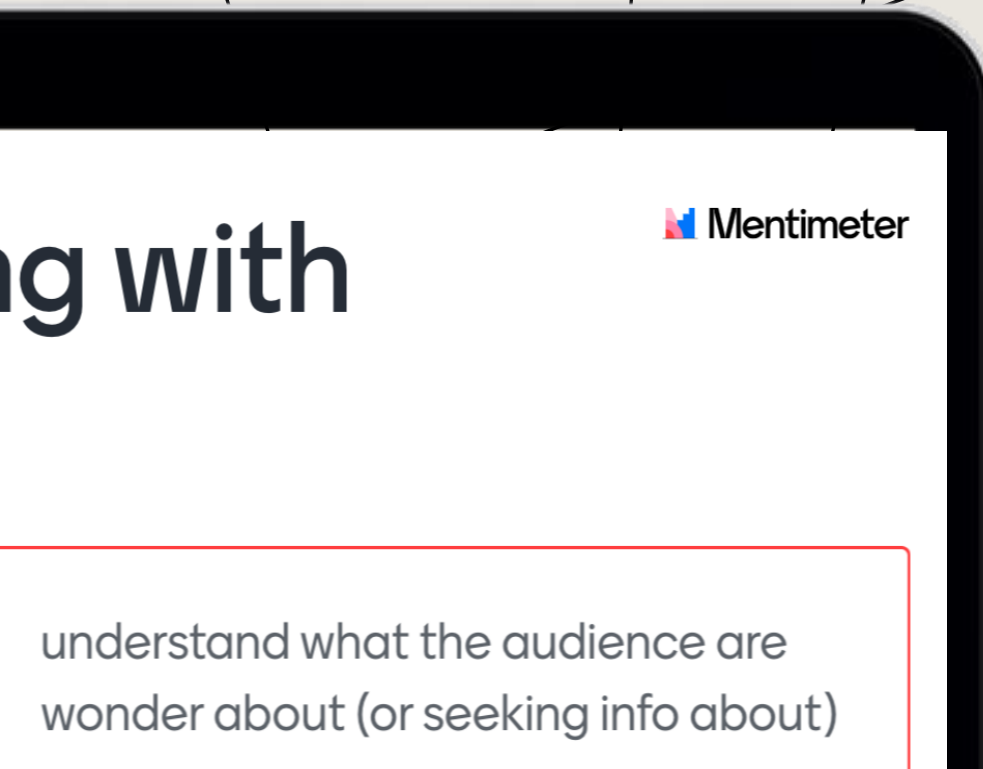




# IN YOUR EXPERIENCE, WHICH STRUCTURAL OPTION HAS WORKED THE BEST FOR COES YOU'VE LED OR WORKED IN?

## Choose from the following:

- a) Functional
- b) Customer
- c) Geographic
- d) Hybrid (combination of 2+ structure types)



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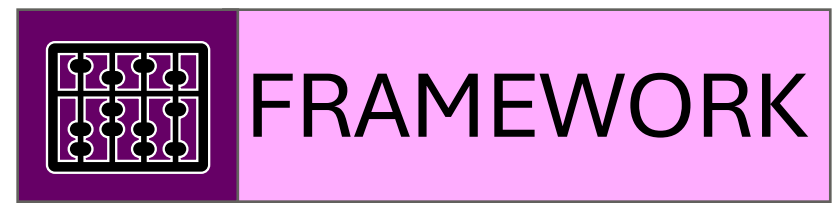


**PITFALL:**  
Incomplete Definition of the Work



**Best Practice:**  
End-to-End Design

# END-END APPROACH TO COE DESIGN



| Center Led (Needed by All/Many) |   |   |   |  | Function/Operating Unit Specific  |
|---------------------------------|---|---|---|--|---|
|                                 | Functional Oversight  | Thought Leadership  | Transaction Services (Contact Center/Back Office)   | Professional Services (Solutions Delivery)   | Business Partner  |
| Client                          | <i>“Brand standards and risk management”</i>  | <i>“Deep content expertise and thought leadership for the enterprise”</i>   | <i>“High volume, predictable, transactions and data management”</i>   | <i>“Specialized client support close to the business”</i>  | <i>“Strategic, function/business-specific diagnostics and solutions”</i>  |
|                                 | Enterprise  | Functional Business Partners, leaders, functional colleagues  | ALL employees   | Managers and their teams   | Executive function/operating unit leaders and their teams   |
| Key Activities                  | <ul style="list-style-type: none"> <li>Functional strategy &amp; policy, worldwide</li> <li>Global standards, identification and stewardship of key capabilities</li> <li>Fiduciary controls, compliance</li> </ul> | <ul style="list-style-type: none"> <li>Thought leadership; deep expertise</li> <li>Best practices and measurement</li> <li>Capability development across enterprise</li> <li>Expert consultants – accelerate getting the work done</li> </ul> | <ul style="list-style-type: none"> <li>Activities tangential to the core work of the business units</li> <li>Pooled for scale and efficiency</li> <li>Highly repetitive, transactional work activities</li> </ul>   | <ul style="list-style-type: none"> <li>Execute core programs and processes and work with Business Partners to solve complex problems</li> <li>Inform the design &amp; development of new programs and processes</li> <li>Work across functions/ lines of business</li> </ul> | <ul style="list-style-type: none"> <li>Business strategy development</li> <li>Consultation and business unit decision making support</li> <li>Provide insights back to the center</li> </ul>    |
| Rationale                       | <ul style="list-style-type: none"> <li>Basis of global strategy and approach to growth</li> <li>High value investments</li> <li>Risk management</li> </ul>  | <ul style="list-style-type: none"> <li>Expertise that is difficult or expensive to replicate</li> <li>Best ideas attract users</li> <li>Design once for everyone</li> </ul>   | <ul style="list-style-type: none"> <li>Selective basis only:                             <ul style="list-style-type: none"> <li>Substantial economies available</li> <li>Commonality desirable</li> </ul> </li> <li>Best alternative: central, field-based, outsourced</li> </ul> | <ul style="list-style-type: none"> <li>Execution of projects and processes that require experienced talent with specialized skills and local knowledge, using standard methods and tools</li> </ul>  | <ul style="list-style-type: none"> <li>Assured execution of business imperatives</li> <li>Embedded with business but often with reporting line back to function leader in the center</li> </ul> |
| Value                           | Enterprise brand and risk management  | Decision support  | Speed and service   | Specialist delivery  | Partnership   |
| Rule                            | <b>Mandatory</b>  | <b>Compelling ideas win</b>   | <b>Mandatory once agreed to by operating units</b>  | <b>Use common tools and processes where possible</b>   | <b>Close to the business, but don't invent new tools</b>  |

Source: Adapted from the 4-Box function design framework created by A. Kates & G. Kesler



# ALL THE OD/OE WORK DOESN'T GET DONE IN THE COE!

| Functional Oversight  | Centers of Expertise  | Professional Services/<br>Solution Delivery  | Transaction Services  | Business Partner   |
|---|---|--|---|--|
| <ul style="list-style-type: none"> <li>▪ OD/OE Brand</li> <li>▪ COE strategy &amp; priorities</li> <li>▪ OD/OE suite of offerings</li> <li>▪ Core methodology &amp; frameworks</li> <li>▪ Org Effectiveness best practices</li> </ul> | <ul style="list-style-type: none"> <li>▪ OD/E standards and process</li> <li>▪ OD/OE toolkit design &amp; curation</li> <li>▪ Design &amp; own key OD/E programs/ processes (e.g. New Leader Assimilation, Org Health Checks, OD/E business reviews)</li> <li>▪ Thought leadership &amp; exec advisory</li> </ul> | <ul style="list-style-type: none"> <li>▪ Team dynamics coaching &amp; interventions</li> <li>▪ New leader assimilation workshops</li> <li>▪ Org design projects</li> <li>▪ OD/E education</li> </ul> | <ul style="list-style-type: none"> <li>▪ Maintain knowledge management system</li> <li>▪ Maintain collaboration sites</li> <li>▪ Field &amp; respond to basic tool/template</li> <li>▪ Administer annual programs/ processes (e.g. Org Health Checks, OD/E business reviews)</li> </ul> | <ul style="list-style-type: none"> <li>▪ Identify &amp; diagnose OD/OE problems</li> <li>▪ Translate business strategy into OD/OE implications &amp; responses</li> <li>▪ Spearhead/co-lead OD/OE initiatives within their business</li> </ul> |

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**PITFALLS:**  
Unaligned Partners



**Best Practices:**  
Build & Nurture Your Execution Network

5

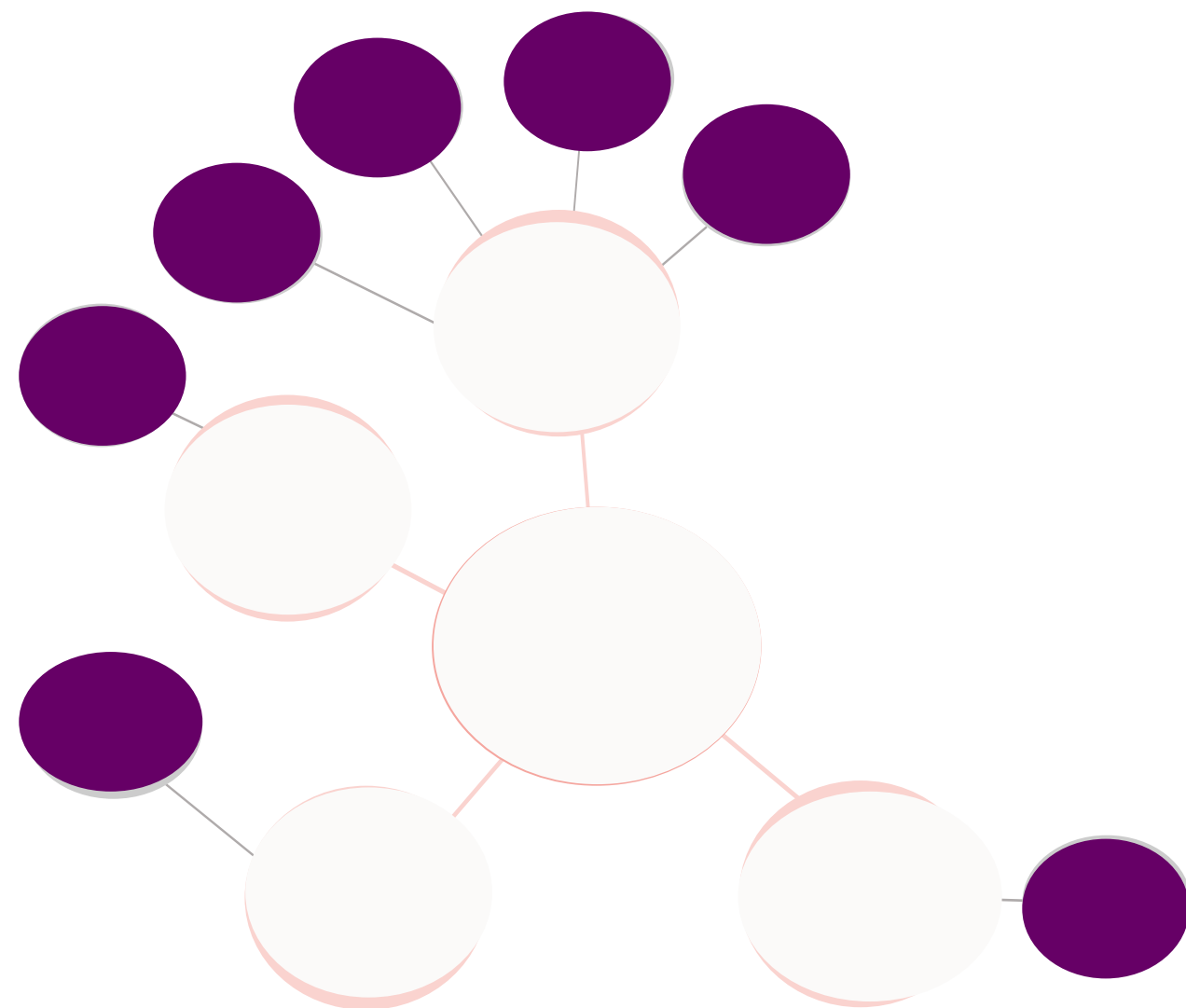


Lack of Executive Sponsorship



Stakeholder Contracting

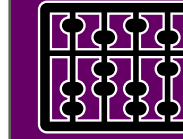
# WHO IS IN YOUR EXECUTION NETWORK?



## Questions to Consider

1. *Are there teams/people in the company doing work that is similar to the OD/E COE?*
2. *Will some individuals be threatened by your new COE?*
3. *Who do you think you'll need to collaborate closely with in order for the OD/E COE and your practitioners to be successful?*
4. *Do you/your practitioners have good, trusting relationships established with these other teams?*
5. *If not, how will you build them? What conversations will you have? Actions will you take?*





# STAKEHOLDER CONTRACTING FOR AN OD/OE COE

|                           |  |
|---------------------------|--|
| <b>The Client</b>         | <i>Who is requesting your services? To whom are you ultimately responsible (i.e., who is sponsoring the work)?</i>                                       |
| <b>Authority</b>          | <i>Who will make decisions? By what method?</i>  |
| <b>Scope of Work</b>      | <i>What is the “presenting problem” or business opportunity?</i>   |
| <b>Project Boundaries</b> | <i>What are the parameters of your work (e.g., the beginning and end points of a process to be improved or the range of acceptable recommendations)?</i> |
| <b>Expected Outcomes</b>  | <i>What specifically do you hope to accomplish?</i>  |
| <b>Process</b>            | <i>What is your proposed approach to solving the problem or leveraging the opportunity? What sequence of steps or phases do you plan to follow?</i>      |
| <b>Success Measures</b>   | <i>How will you assess a satisfactory outcome?</i>   |
| <b>Deliverables</b>       | <i>What does the client expect you to produce (e.g., an assessment report, a presentation, some direct feedback)?</i>                                    |
| <b>Timeframe</b>          | <i>When does the project begin? When must it end? How much of your time (and the client’s) do you think it will take to complete?</i>                    |
| <b>Milestones</b>         | <i>At what points and by what measure will you assess progress?</i>  |
| <b>Roles</b>              | <i>What is your function on the project? The client’s? Other key players?</i>  |
| <b>Resources</b>          | <i>What will be provided by you? By the client?</i>  |
| <b>Constraints</b>        | <i>What obstacles might hold the project back (e.g., budget, equipment, availability of key players)?</i>  |



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Mentimeter

# WHO IS IN YOUR EXECUTION NETWORK AT YOUR COMPANY?

**USE YOUR LAPTOP OR PHONE TO ANSWER THE QUESTION**

GO TO [MENTI.COM](https://menti.com)

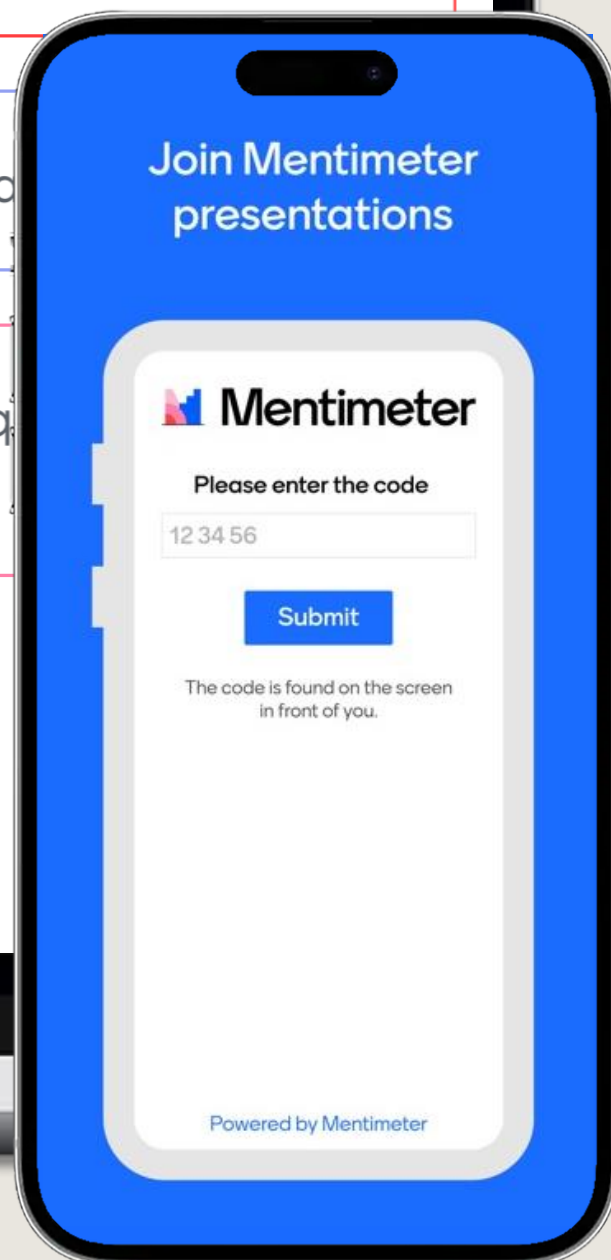
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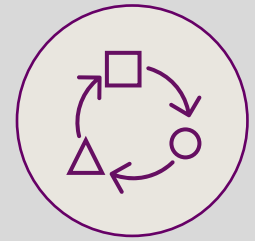
understand what the audience are wonder about (or seeking info about)

Add a lot of Gifs. Mo

Start with an easy q everyone going



6



**PITFALL:**  
*Insufficient Focus on Activation*



**Best Practice:**  
*Devise & Execute an Inclusive Plan*

# COE Milestones

By pacing activities appropriately, organizations can gradually build support, demonstrate the COE's value, and ensure successful long-term integration into the enterprise.

0 – 6 months

## Planning, Sponsorship & Communications

### Key Activities:

- *Define COE Mission and Scope*
- *Align on Executive Sponsorship*
- *Develop a Change Management Plan*
- Communicate the Vision
- Intentionally Engage your Execution Network
- Quick Wins & Pilot Projects

### Pacing:

These foundational steps should be completed swiftly to set the stage for the COE's introduction. Clear communication and initial planning help to establish trust and direction.

When communicating about the COE, it's essential to generate awareness while building a sense of urgency. A successful pilot project during this period can serve as a proof of concept.

6 – 12 months

## Capability Building

### Key Activities:

- Provide Training & Resources
- Develop Knowledge Sharing Mechanisms
- Offer Support & Coaching

### Pacing:

Training should be ongoing, with an initial wave of focused sessions followed by continuous capability-building activities. Providing regular updates keeps the momentum alive.

# COE Milestones

By pacing activities appropriately, organizations can gradually build support, demonstrate the COE's value, and ensure successful long-term integration into the enterprise.

12 – 18 months

## Rollout & Integration

### *Key Activities:*

- Full Rollout - Scale
- Align with Existing Systems & Processes
- Empower Local Adaptation

### *Pacing:*

The rollout should be gradual to allow for adjustments based on feedback. Start with key regions or functions before expanding.

18+ months

## Monitor & Sustain

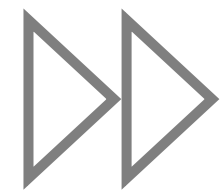
### *Key Activities:*

- Measure & Track Impact
- Drive Continuous Improvement
- Maintain Momentum

### *Pacing:*

Monitoring should be consistent and tied to regular review cycles. Refinements should be made in real-time, and COE updates should remain part of leadership discussions.

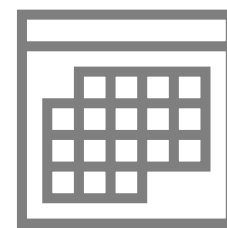
# REMEMBER...



## GO SLOW TO GO FAST

When pacing design and activation activities, consider the decision-making environment; allow adequate time for key activities to keep COE development on-track.

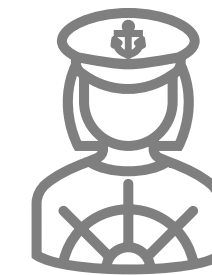
Appropriate alignment around design decisions and commitment early on will expedite design and activation time.



## FACILITATE CHANGE FROM DAY ONE

A COE's success is contingent on the demand it receives from the business.

Including select business partners and stakeholders throughout design work supports alignment between COE offerings and business needs while building early buy-in.



## ENSURE ONGOING EXEC. SPONSORSHIP

Without the right level of influence in an organization, OD/OE COE's can be overpowered by the business.

By elevating the role of the COE to the appropriate level, the COE can more meaningfully and authoritatively support successful OD/OE outcomes.

# WRAP UP: FINAL THOUGHTS

## PITFALLS

-  1 Unclear Purpose & Value
-  2 Good Design, Wrong 'Fit'
-  3 Incomplete Definition of the Work
-  4 Unaligned Partners
-  5 Lack of Executive Sponsorship
-  6 Insufficient Focus on *Activation*

## DESIGN BEST PRACTICES

- Clear Remit, Priorities & Offerings
- Operating Model Sets Context & Degree of Integration
- End-to-End Design
- Build & Nurture Your Execution Network
- Stakeholder Contracting
- Devise & Execute an Inclusive Plan



QUESTIONS?





THANK YOU!