

# DESIGNING A HIGH PERFORMANCE ORGANIZATION

## *Transforming the nature of your business*

*“Heading into the new century, the most important business development is pursuit of competitive advantage in an uncertain world through new approaches to organizational design.”*

-David A. Nadler and Michael Tusman, “The Organization of the Future,” Organizational Dynamics. 1999

### Audience:

- › Senior leaders and others they invite into process
- › Often a steering and/or design team

### Delivery:

- › Depends on size of company
- › Usually five to seven days (*not including assessment*)

### More Information:

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Twentieth century structures and processes no longer serve the needs of twenty-first century organizations. The design process identifies the dysfunctional aspects of work flow, procedures, systems, etc. and implements an efficient and responsive organizational design that facilitates outstanding results. Processes are streamlined, systems improved and traditional department boundaries are broken down as people become organized into cross-functional business units and teams that allow them greater authority and responsibility for their success.

### Methodology

Our powerful design methodology can be applied to virtually any organization. Although adaptable to the needs of each organization, the design process consists of three general phases, briefly described below.

#### Phase I: Direction Setting

Senior leaders come together to discuss current business results, organizational health, environmental demands, etc. and the need to embark on such a process. They establish a charter for the design process that includes a “case for change,” desired outcomes, scope, allocation of resources, time deadlines, participation, communications strategy, and other parameters that will guide the project.

#### Phase II: Design

The senior team (and/or others who have been invited to participate in the process), do a comprehensive assessment of the current organization (using the *Transformation Model*). They then look to the future and develop a complete set of design recommendations for the “ideal future.” At a high level, the steps in this process include the following:

- › Defining your basic organizing principle. (Will you organize primarily around functions, processes, customer-types, technologies, etc.?)
- › Streamlining core business processes—those that result in revenue and/or deliverables to customers.
- › Documenting and standardizing procedures.
- › Organizing people around core processes. Identifying headcount necessary to do core work.
- › Defining tasks, functions, and skills. What are the performance metrics for each function/team? How are they evaluated and held accountable?
- › Determining facility, layout and equipment needs of various teams and departments throughout the organization.
- › Identifying support resources (finance, sales, HR, etc.), mission, staffing, and where should these should be located.
- › Defining the management structure that provides strategic, coordinating and operational support.
- › Improving coordinating and development systems (hiring, training, compensation, information-sharing, goal-setting, etc.).

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At some point the design process morphs into transition planning as critical implementation dates are set and specific, concrete action plans created to implement the new design. And a key part of this step includes communicating progress to other members of the organization. A communications plan is developed that educates people in what is happening. Education brings awareness, and everyone's inclusion brings the beginning of commitment.

## **Phase III. Implementation**

Now the task is to make the design live. People are organized into natural work groups which receive training in the new design, team skills and start-up team building. New work roles are learned and new relationships within and without the unit are established. Equipment and facilities are rearranged. Reward systems, performance systems, information sharing, decision-making and management systems are changed and adjusted. Some of this can be accomplished quickly. Some may require more detail and be implemented over a longer period of time.

## **Summary**

This approach to redesign results in dramatic improvements in quality, customer service, decreased cycle times, lower turnover and absenteeism, productivity gains from 25 to at least 50%, etc. And the good news is that it can be used in most any type and size of business. The length of time required to complete a redesign varies depending on the nature, size and resources of the organization. Large and complex redesign projects can be completed within several days. Smaller organizations require much less time and fewer resources.

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