OVERVIEW

Welcome to the Center for Organizational Design! We have put this packet together to give you an overview of our approach to designing high performance organizations. We are proud of our organizational design methodology. It has been developed and refined through work with dozens of clients during the past 20+ years and has resulted in the attainment of superior results, delighted customers, and engaged employees.

This overview will cover five key areas:

1. Our Framework for Organizational Design
2. Our Process for Organizational Design
3. Distinguishing Features of Our Approach
4. A Sampling of Our Results
5. Biographies

If you have questions as you're reading, we are happy to answer them and promise to get back to you quickly.

Contact us at 303-730-0018

Email us at solutions@centerod.com

Or visit our webpage: www.centerod.com
1. OUR FRAMEWORK FOR ORGANIZATIONAL DESIGN

The Transformation Model is the framework we use to help leaders understand their organizations and also guide a successful redesign. The model reduces the complexity of an organization to eight key variables that must be understood and aligned for a business to be successful. Designing and aligning each of these variables will result in major improvements in customer service, quality, efficiency, cycle time, profitability and satisfaction of employees.

- **Environment.** Organizations, like all living systems, can survive only to the extent that they maintain harmony with their external environment. This includes being sensitive to the evolving needs and perceptions of customers, understanding changes occurring in technologies, knowing your competition and understanding the legal, social and political climates. Most organizations eventually die because they fail to maintain a responsive attitude towards their environment.
b. **Strategy.** There are two parts to strategy. Business strategy is a set of conscious decisions about how the organization will add value to customers and distinguish itself from its competitors. It also includes performance targets and strategy for growth. A well developed business strategy tells the organization where it is going and guides it like a ship’s rudder in a stormy sea. An organization strategy is the “being” or character of the organization. It has to do with who we are and not just what we do. It includes the mission, vision of the future, values and guiding principles. A clear organizational strategy helps transform a company or office from a normal work place to one that inspires people and brings out their best.

c. **Core Process.** This is the flow of work through the organization. It is the sequence of events or steps necessary to get a product out the door or deliver a service. This also includes the technology and resources (equipment, software, space and materials) required to produce a deliverable. Core business processes are, or should be, the focal point around which all other business unit activity is organized. Understanding, streamlining and properly supporting core business processes is the central job of any organization.

d. **Structure.** Structure moves beyond box charts to understanding the boundaries, roles, responsibilities and reporting relationships among people. It is a sort of template that determines not only relationships but coordination of tasks and allocation of resources around business processes. The proper question about structure is not whether it is the right one, but whether it fits with the rest of the organization (core process, strategy) and helps rather than hinders performance.

e. **Systems.** Systems are the inter-related sets of tasks or activities that help organize and coordinate work. Examples include recruiting and selection, training and development, how people are promoted, communication/information sharing, decision making, how people are rewarded, planning/goal setting, personnel policies and procedures, performance feedback, etc. Systems are usually standardized and cut across the whole organization. They are often “owned” by management or special support functions. The most effective systems are often the simplest.

f. **Culture.** Culture is how the organization really operates. It consists of the leadership style, worker attitudes and habits and management practices that make up the distinctive “personality” of the organization. It is like the air that permeates everything and is both cause and effect of organization behavior. Culture mirrors the true philosophy and values that the organization actually practices. As such, it is a measure Culture mirrors the true philosophy and values that the organization actually practices of how well an organization has translated its philosophy (organizational strategy) into practice.
g. **Results.** What is the organization’s current performance? Results define the success or health of an organization and are therefore the starting point for understanding how well the organization is functioning. Results indicate where the organization is strong and what it needs to keep doing, as well as where it is weak and what it needs to change. Everything is tied to results. Not being clear about current or future results is like being lost at sea; even knowing where you want to go, you don’t know how to get there.

h. **Leadership.** Leaders drive success. They set goals and monitor results, scan the external environment, define vision and strategy, design (consciously or by default) the infrastructure of the organization, develop people and build culture. However, traditional assumptions, roles and practices of leadership are no longer adequate to manage in today’s complex world. Successful leaders are changing their assumptions about work, organizations and people to build collaborative, more responsive organizations.
2. OUR PROCESS FOR ORGANIZATIONAL DESIGN

We’ve refined our design process in our work with dozens of companies through 20+ years of consulting experience. The process can be successfully used by any organization in all industries, including manufacturing, service, retail, homebuilding, government, health care, non-profit, and others. Likewise, the same process can be used to redesign a large and complex organization, sub-units of a large organization, or a small office or business. It even works with organizations or business units as small as 10 members.

Overview of the Seven Phases

The seven phases are the essence of the organization design process. You’ll notice that these phases take you all the way through “implementation” and “evaluation,” which are often forgotten phases in organizational design methodologies. An overview is as follows:

Phase 1: Create Charter

We put the design process in motion by clarifying outcomes and scope of the work, educating leaders, forming a steering and/or design team, and initiating change management strategies to win support of all employees.

Phase 2: Set Direction

Design decisions need to conform to evolving business realities. So, we conduct an in-depth scan of the external environment, and then assess and update the mission, vision, strategy and goals of the organization to ensure competitive advantage in the marketplace.

Phase 3: Assess the Current Organization

We now look inward by analyzing current business processes, structure, systems, resources, and behavior practices to understand what is working and not working and identify opportunities to better align the organization to the business strategy and changing realities.
Phase 4: Design the New Organization

We establish criteria/requirements of a great design and then do a comprehensive redesign of the entire organization, including core work processes, structure, and systems that will position the organization to best serve customers, achieve competitive advantage, and maximum efficiency and operational effectiveness.

Phase 5: Plan the Transition

Once the proposed design has been validated and approved by the steering team, we commission an implementation team to flesh-out the design recommendations and create detailed implementation plans. Leaders and organization members receive training in their new roles and skills to operate successfully in the new organization.

Phase 6: Implement the New Design

On a predetermined date, the organization makes a break from the past and begins to function in the new design. Leaders and all organization members assume their new roles as part of reconfigured work units/teams. We continue to work with employees to embrace and successfully function in the new organization.

Phase 7: Evaluate and Renew

We monitor progress, assess performance against the balanced scorecard, and make necessary adjustments to the new design. Leaders and employees continue to receive training in their roles and responsibilities.

You'll notice that there are two parallel processes essential to your success as you go through organizational design. The are represented in the light blue in the model above.

Executive team development is giving the organization's top leaders the support they need to successfully guide and manage the design process. This often includes helping them clarify their leadership philosophy, shared core work, and how they work together to manage business results. We offer coaching and team development activities to strengthen their ability to build a positive and sustainable organizational culture.

Change management is preparing all employees to embrace and succeed in the new organization. Many change initiatives fail because they don't give enough attention to people, who ultimately do the work of an organization and make it succeed. We commission a change management team to assess organizational readiness and provide this team with tools to overcome resistance and positively engage employees as contributing partners in implementing your new design and achieving business success.
4. DISTINGUISHING FEATURES OF OUR APPROACH

High performance is not a “flavor of the month” improvement program. It is a way of life that must be designed into every aspect of the business. If done right, it can result in tremendous improvement. Here are some features that distinguish our methodology from others:

a. **Clear, Measureable Outcomes.** We want to clarify objectives at the beginning of a consulting engagement. What are your desired outcomes? How would you like things to be different? How will you know we’ve been successful? We measure our progress against business metrics and link everything back to your strategic objectives.

b. **Comprehensive, Systems Approach.** We look at the organization as a whole system. Our methods cut across boundaries, systems, and hierarchy to integrate all aspects of organizational life into a synchronized whole.

c. **You Are the Driver.** We don’t come in as experts of your business or industry. We bring a methodology and facilitate a process in which you make the critical decisions about your organization’s future.

d. **Engagement.** Our process usually involves people from all levels in assessing and designing their own organization. The result is a high level of employee energy and commitment to make the new design succeed.

e. **Diagnosis Precedes Change.** The methodology insists on an accurate diagnosis of the current organization’s external environment and internal workings before proceeding with change. This ensures that the change corrects what is not working, while preserving what is working.

f. **Transformation Framework.** Our Transformation Model is used to identify the relationship between the major elements of organizational life. It also guides the design process and forms a holistic framework upon which the new organization is built.

g. **Design Principles.** There is a clear set of principles to guide the design. These have been honed throughout many years of experience and are the basis for all high performance organizations. These principles provide direction and understanding without constraining or over-prescribing what an ideal design should look like.

h. **Structured Process.** You don’t need to reinvent the wheel. Our design process follows a distinct sequence of phases and steps. Although adapted to the needs of different organizations, there is an order and logic to the process that works for any organization.
i. **Written Materials.** We have documented our processes, from our work with dozens of companies over the last 20 years and provide written materials for our training and many of our consulting interventions. These are resources you can use for similar projects in the future.

j. **Frame-breaking, not Incremental.** Rather than simply making incremental improvement within your existing organization, our approach creates the ideal organization design which results in quantum improvements in productivity, profitability, quality, customer service, cycle times, and quality of work life.

k. **Respect the Relationship.** We want to design a relationship that is respectful, safe, confidential, honest and accountable. Our intent is to strengthen and support you in the fulfillment of your role and accomplishment of your vision.

l. **The Role of Trust.** We believe that trust is a critical element of organizational life. We want to help you learn to talk openly, resolve conflicts, and create a positive culture in which people care about their work and want to contribute to the best of their abilities.

m. **Preserving/Building Culture.** People do the work of the organization and are, ultimately, responsible for its success. Our change initiatives are not only about processes, technology, and systems, but also creating a culture in which your employees think and act like true partners in your business.

n. **Depth.** We understand people and group dynamics and facilitate deep and sensitive work at the personal and interpersonal as well as organizational level.

o. **Personal Touch.** We are small and so clients will work with a principle consultant throughout a project, which facilitates continuity, trust, accountability and a responsive working relationship.
5. A SAMPLING OF OUR RESULTS

The Rockwell International Space Shuttle Site modification team finished ahead of schedule and under budget and achieved outstanding customer quality ratings. They worked almost no overtime, with 80% of previous manpower levels and one half the previous management hierarchy for the $60 million project. They improved customer relations, implemented self-directed work teams and had employees training employees in team skills with the full and enthusiastic support of the UAW Union.

A National Semiconductor global redesign resulted in growth of revenues by 30%, profits improved by 17%, shareholder equity doubled, stock price tripled, and was named Turnaround Company of the Year.

A Corning Glass machine shop moved from a failing cost center to a viable profit center, realizing 100% improvements in quality and delivery, reducing costs from 15% above competition to 15% below the competition. The previously alienated workforce became multi-skilled workers that eventually reduced headcount by 15% with full support and involvement of employees and the local union.

Amerada Hess improved from 4th quartile to 1st quartile due to reengineering efforts. Project won the Smithsonian Award for its application of a strong change management program and very successful system implementation.

Coach Leatherware, Northeast manufacturing increased plant efficiency from 88% to 100%, improved leather utilization by 48% and decreased overhead spending by 10%. The manufacturing facility earned the prestigious Quality Governors Award for Performance Excellence. The success of the engagement also resulted in implementing the same culture change projects in four other Coach sites.

Rocky Mountain Analytical Laboratories--By implementing several self-managing mini-labs, the Rocky Mountain Analytical Labs (Enseco Inc.) improved productivity by 50% in 18 months, increased profit margins by 20-25%, reduced turn-around time from 28 to 14 days and reduced internal handoffs between departments by many times. Quality is at an all-time high.

Champion International Corp., Corporate Technology Group reduced process redundancy and bureaucracy and implemented self-managing teams who achieve high standards of performance. They have been instrumental in increasing both revenues and market share for the corporation and their internal and external customers give them high marks for faster response to field problems. Employees rave that it is the best personal development experience of their careers.
6. CONSULTANT BIOS

Roger K. Allen, Ph.D.—author, consultant, coach, teacher—is a highly respected expert in leadership, communication, team development, and personal and organizational change. Roger and Preston Pond founded the Center for Organizational Design in 1992 in order to help businesses create high performance/high commitment organizations. Some of Roger’s past and current clients include AT&T Capital, Ashland Chemical, Burson Marsteller, Coach Leatherware, The Corporation for Public Broadcasting (several radio stations), Denver Museum of Nature and Science, DSM Dyneema, Honeywell, Kaman Industrial Technologies, KeyTronic, Merck Pharmaceuticals, Proctor & Gamble, The US Forest Service, Qwest and many others. Examples of a few recent consulting projects include redesign of a $1 B distribution company from 200 branch offices to around 20 customer support centers; redesign of a plant that manufactures high performance textiles to double production capacity; assessment and redesign of several public radio stations; successful trust building with alienated board of trustees; chartering and improving performance of several executive teams.

Earlier in his career, Roger served as Director of Human Resources for an 1800 person electronics firm in the Northwest where he initiated a corporate training strategy, and served as leader of a cross-functional customer service team that improved work flow throughout the company. During his tenure, Roger also managed an HR staff of 13 people and changed the focus of the department from administrative to strategic. Corporate turnover was reduced by 21% through improved tracking, prescreening, exit interviews and better management of people.

Roger is a prolific innovator of training and organizational development methodologies and products. He has written numerous publications, workbooks and leaders’ guides on the topics of leadership, personal effectiveness, high performance teams, strategic planning, organizational assessment and design, and interpersonal dialogue. Roger and Preston Pond have certified over 800 independent consultants nationwide to utilize their consulting and development products.

Roger intervenes at the personal, team and organizational levels to create high performing companies. Using his engaging style, he has also delivered hundreds of workshops, retreats and seminars around the country which have been acclaimed as among the most powerful learning experiences available anywhere.

Roger completed a year of graduate study in Organizational Behavior at Brigham Young University and received a Doctorate in Psychology from the University of Minnesota. He speaks fluent Spanish. An outdoor enthusiast and father of three adult children, Roger resides in metro Denver, Colorado, with his wife Judy.
Shane Cragun--Shane is known for leading edge approaches to business strategy, process redesign, leadership development, executive coaching, and large-scale cultural change that produce sustainable and tangible results. He brings a strong bottom-line perspective to each engagement, having managed business units internally with P&L responsibility. His particular expertise and passion is in working with executives and line leaders to improve results through changes in strategy, process improvement, cultural alignment, high performance teams, executive coaching, and redesigning the customer experience. His client projects have occurred at the corporate, division, plant, and team levels. Shane has consulted with a wide array of organizations ranging from the Fortune 500 to midsize and smaller firms. He has worked across diverse industries such as financial services, high technology, manufacturing, professional services, oil and gas, government, hotel and lodging, and home building. He has consulted internationally, with client projects taking him to Asia, Europe, and the Middle East.

Earlier in his career he worked as an internal change agent involved in a global transformation at National Semiconductor, working at corporate and international locations facilitating large-scale redesign and organizational high performance. This project led to National Semiconductor being named Turnaround Company of the Year in 1993. He also served previously as the VP and GM over Franklin Covey’s consulting and training division where he oversaw all external training and consulting personnel nationally.

A recent Cornerstone project of Shane’s received the JD Power Award for Best Customer Service for the 2nd year in a row, and a previous project received the 2000 Computerworld Smithsonian Award for Most Innovative IT Implementation. Three more of Shane’s projects received awards in 2009. His work has been featured in Open Computing Magazine.

Selected clients include: Citigroup, Yale University, Motel 6, Wells Fargo, Lehman Brothers, EDS, Lucent, NASA – Kennedy Space Center, KPMG, Merck, Abu Dhabi Investment Authority, Cendant Hotel Group, Shea Homes, Mobil Oil Chalmette Refinery, Kaiser Permanente, Amerada Hess, Air National Guard, Alcan Cable, Yokosuka Japan US Naval Shipyard Repair Facility, JD Clark & Associates, Intermountain Electronics, and the Cherokee Nation.

Shane is a faculty member of the Duke University Corporate Education Resource Network. He received his BA and MBA from Brigham Young University and speaks Russian. Shane is co-authorizing a book on creating organizations that achieve market dominance. He and his wife and four children make their home along the Wasatch Mountain Range in Utah.