Data to Deliver Transformation: Challenges & Solutions

OrgVue
By **CONCENTRA**

Redesigning an organisation can often feel like preparing for battle

It takes courage, and the knowledge that along the way there are going to be casualties and a few scars to take away at the end of it…
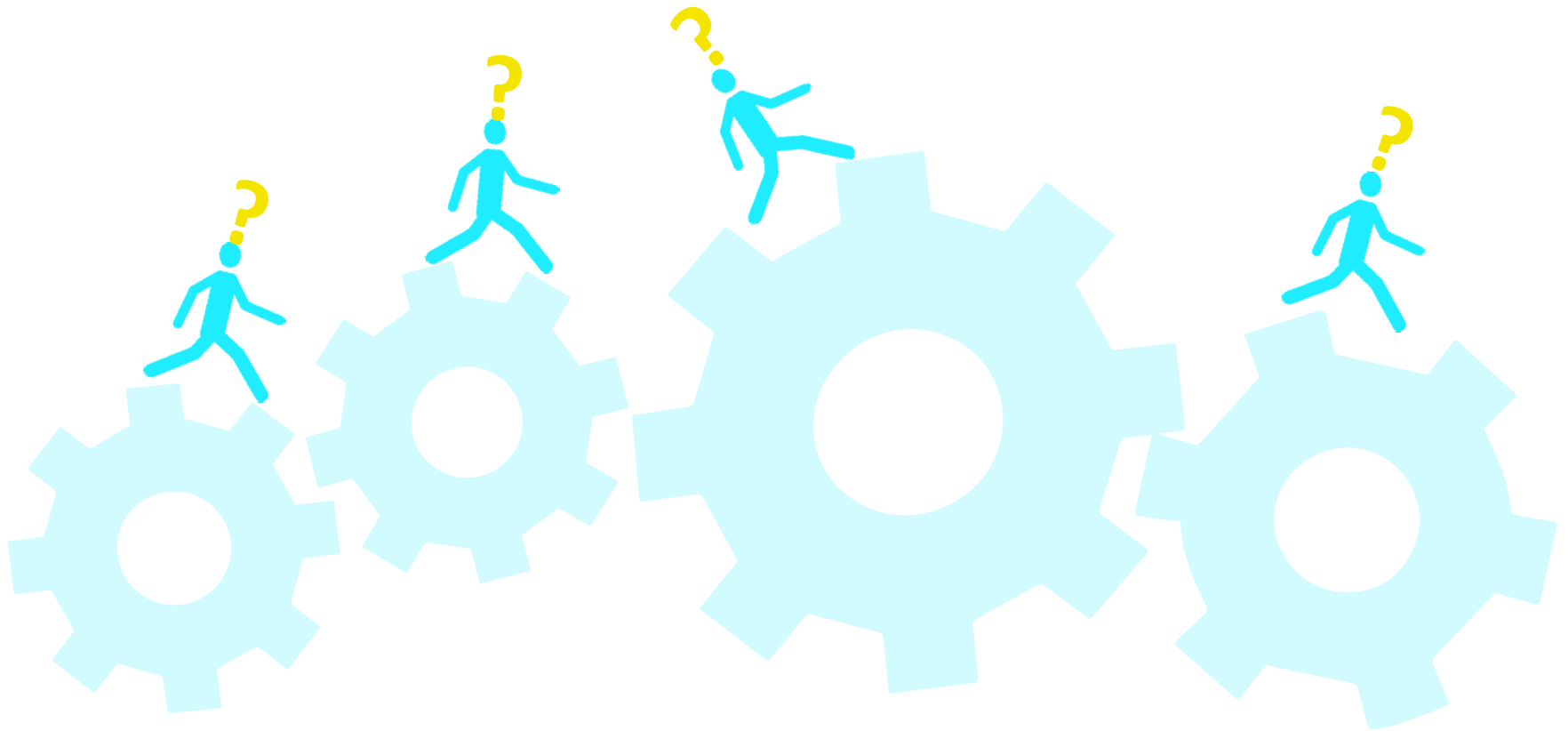
Too many leaders treat organisation design as an exercise in moving boxes around PowerPoint slides
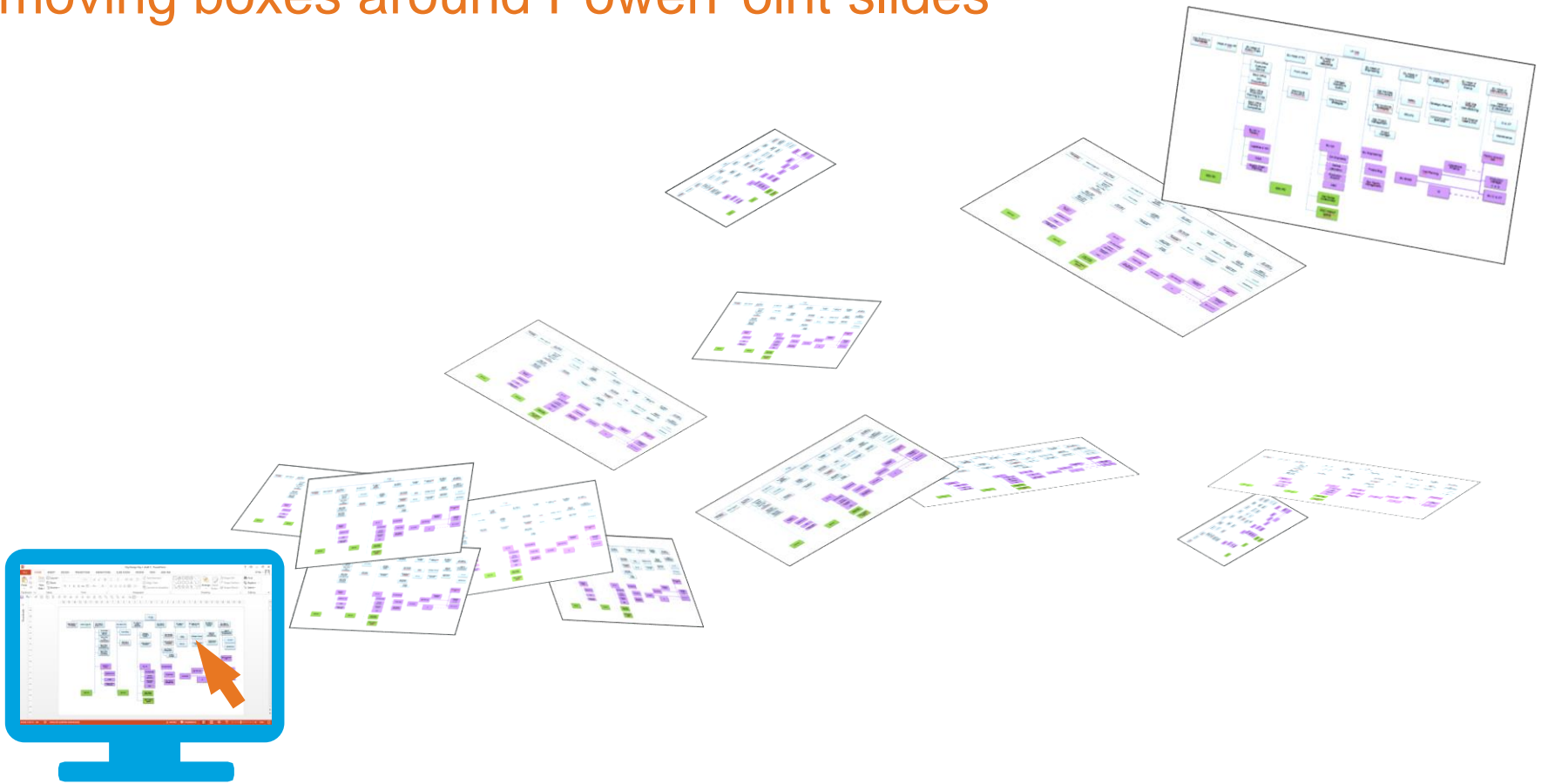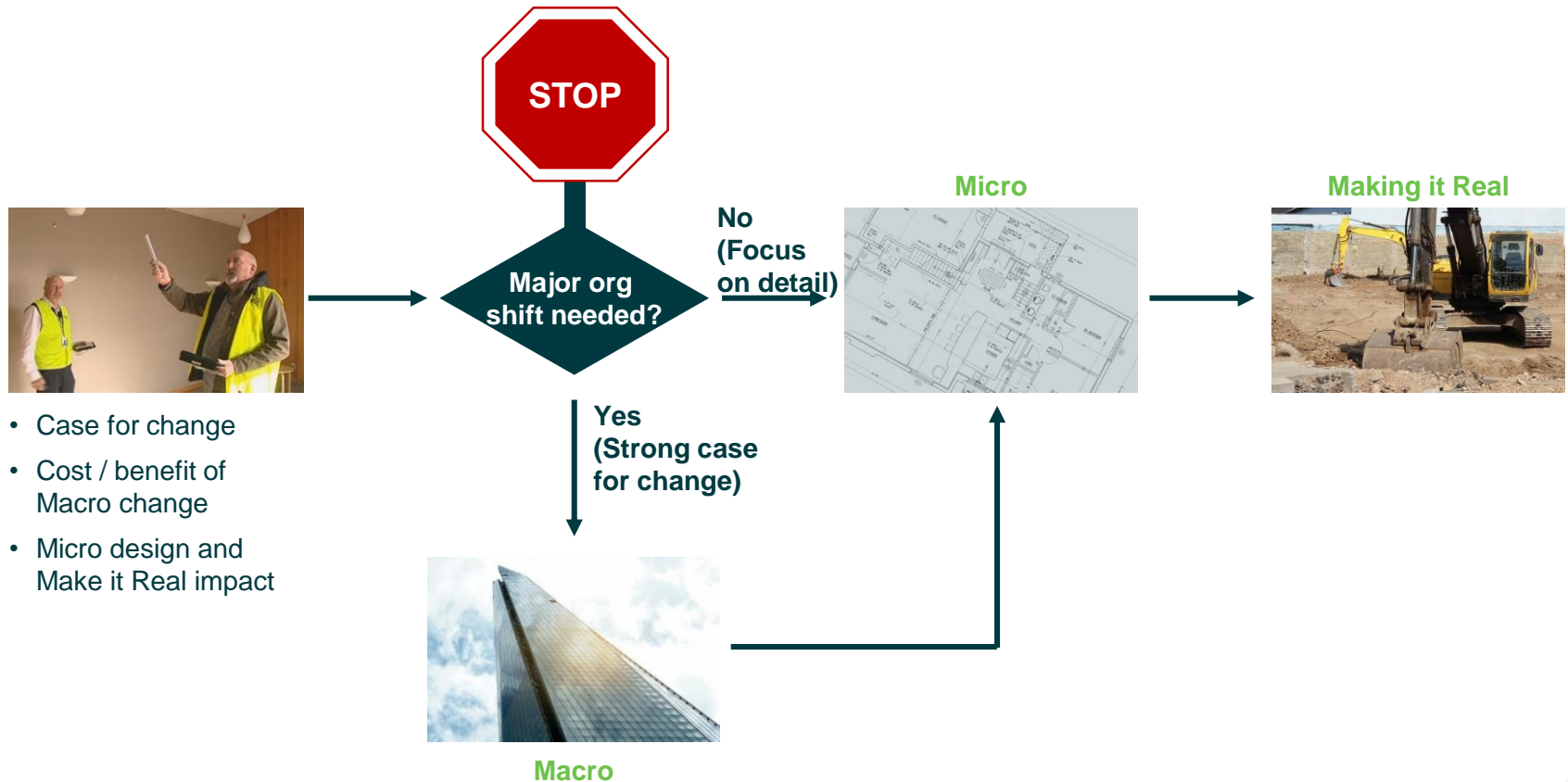
Too many analysts spend their time in unwieldy Excel contraptions that fail to give an understanding of organisational reality
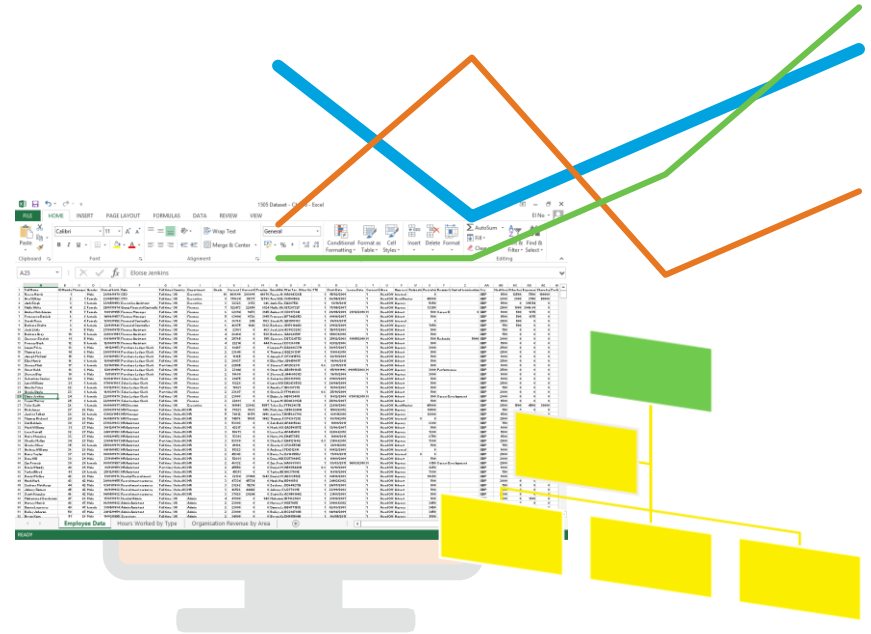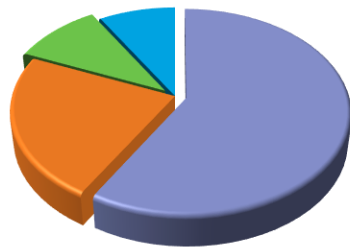
Too many employees are unclear about what their role in their organisation really is

Transformation is not always needed! Only start structural redesign if there is a strong case for change

STOP

Major org shift needed?

No (Focus on detail)

Micro

Making it Real

Yes (Strong case for change)

Macro

- Case for change
- Cost / benefit of Macro change
- Micro design and Make it Real impact

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Continuous refinement may be better: after the big structural change, keep evolving the business

Organisational evolution

"As-Is"　　　　　　　　**"To-Be 1"**　　　**"To-Be 2"**　　　**"To-Be 3"**

The "To-Be" is not a final destination, but a continuation of a journey
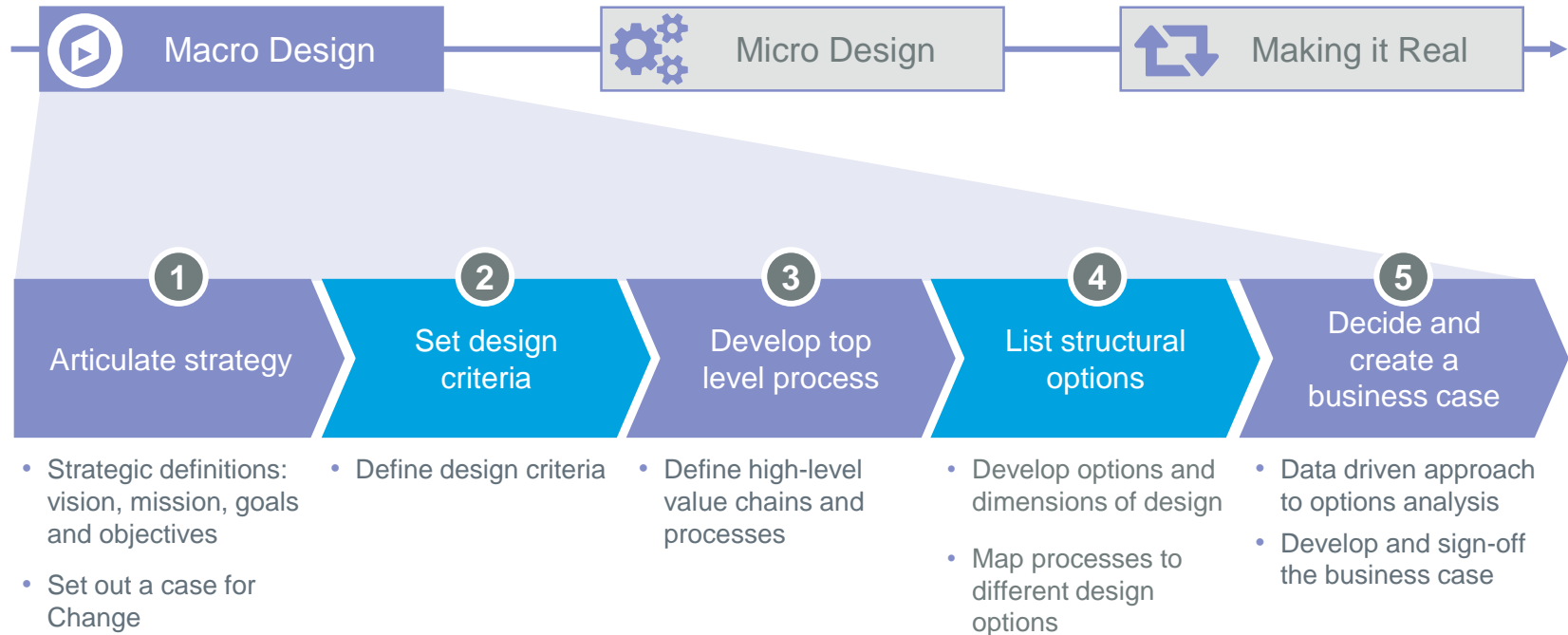
Big change　　　　　　**Continuous changes**

Batman images compiled by CRONUS, 19 July 2008

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Use a strong method

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Major structural change? Macro design steps

	Macro Design		Micro Design		Making it Real

1 Articulate strategy

2 Set design criteria

3 Develop top level process

4 List structural options

5 Decide and create a business case

- Strategic definitions: vision, mission, goals and objectives
- Set out a case for Change

- Define design criteria

- Define high-level value chains and processes

- Develop options and dimensions of design
- Map processes to different design options

- Data driven approach to options analysis
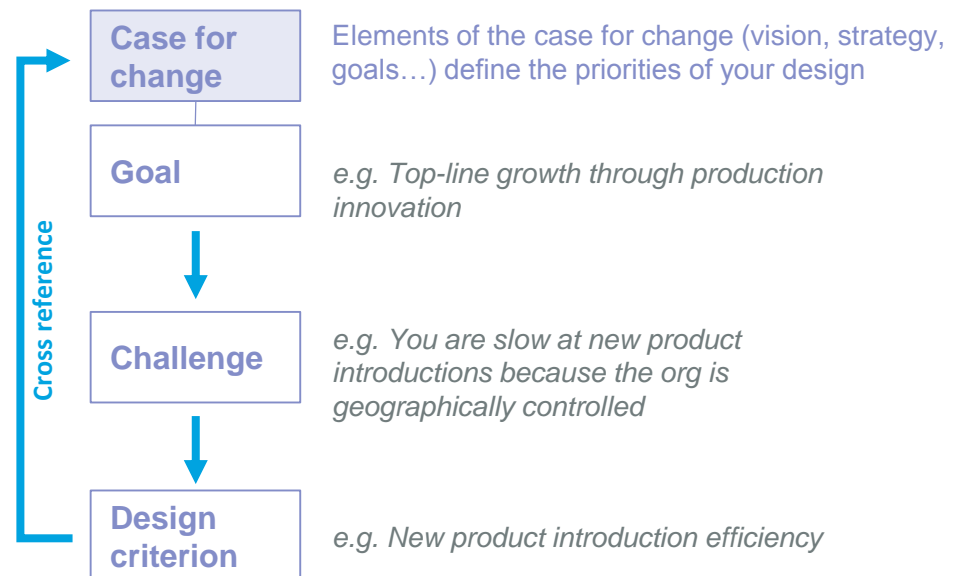- Develop and sign-off the business case

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The design criteria should guide any decisions regarding how to change your organisation

Common design criteria

- Improve innovation & time to market
- Improve customer relationships
- Improve functional excellence
- Support the acquisition agenda
- Increase supply responsiveness
- Minimize cost
- Reduce management layers
- Optimise tax
- …

Approach to setting design criteria

Cross reference

Case for change — Elements of the case for change (vision, strategy, goals…) define the priorities of your design

Goal — *e.g. Top-line growth through production innovation*

Challenge — *e.g. You are slow at new product introductions because the org is geographically controlled*

Design criterion — *e.g. New product introduction efficiency*

The design criteria depend on your vision, goals, strategy & case for change

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Some good rules of thumb for setting design criteria

Rules of thumb 👍

- No more than 5 criteria
- Prioritised in order
- Chosen by a key group of stakeholders
- Signed off by senior project owners
- Communicated universally to guide choices

Guidance for setting the criteria

1. Must support the decision to prioritise one option over another

2. Is not just a list of goals….only goals that the options affect in different ways, e.g. customer intimacy is better delivered by a locally focused structure with geographical or customer segment alignment. A functional design is going to be worse at driving customer intimacy

3. Is different from good 'ways of working', for example better governance or transparency are all about the ways of working, versus more true design criteria such as increase innovation and time to market

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Generating structural options helps you test against your design criteria

Scoring structural options against design criteria

DESIGN CRITERIA	STRUCTURAL OPTIONS		
	Ⓐ Market segment	Ⓑ Product	Ⓒ Function
Customer intimacy	● (full)	◔ (quarter)	◔ (quarter)
Industry focus	● (full)	◑ (half)	○ (empty)
Speed to market	◑ (half)	● (full)	◑ (half)
Cost effectiveness	◔ (quarter)	● (full)	◑ (half)
Workforce competence	◑ (half)	◑ (half)	● (full)

Examples

Option A:
any service business where understanding the customer needs and being responsive are of paramount importance

Option B:
customer needs are generic but there is scale and efficiency in focusing on particular products or more likely product categories. This is often seen in consumer goods businesses.

Option C:
often preferred for smaller businesses serving customers with similar needs
across a narrow range of products

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How do you get value from your data?

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You get value if it is easy to merge, clean & analyse data
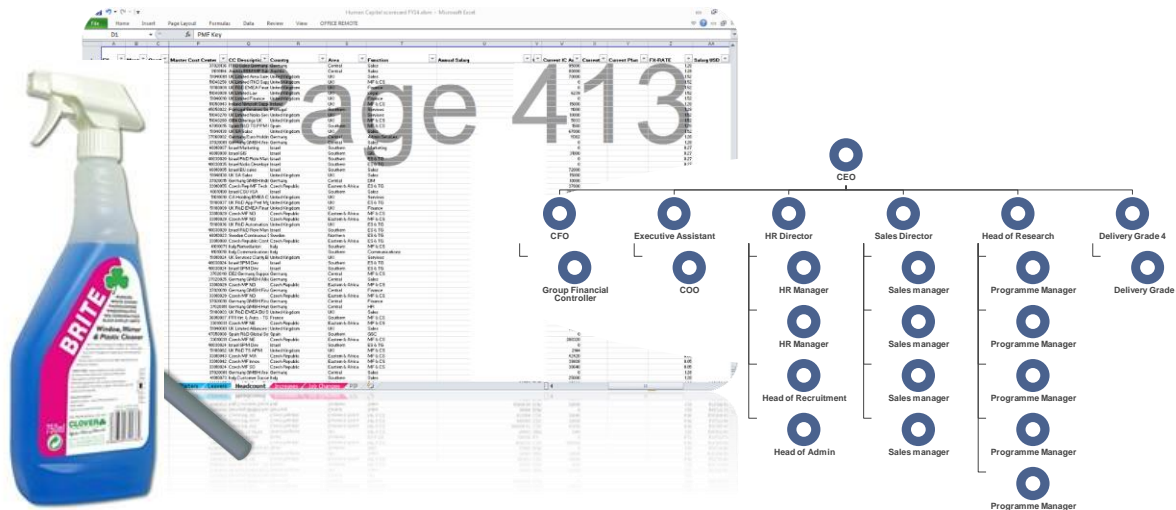
Business outcome
8 weeks of initial analytics done in 3 weeks

Missing & dirty data often prevents good analytics

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You get value from combining data from different sources

People metrics

Demographics:
- Headcount, FTE
- Wage rate
- Cohort analysis
- Employee type

Structural analysis:
- Spans of control
- Layers
- Work Level analysis

Efficiency:
- Absence rate
- Retention rate
- Time to hire
- Hiring cost

Organisational outcomes

Effectiveness:
- Succession risks
- Workforce availability
- L&D cost per head
- Cost ratios

Outcomes:
- Employee performance
- Quality
- Customer Satisfaction / NPS
- Timeliness
- Revenue per product/ site
- Cost per function / team / role
- Profit

Business outcomes
Cost reduction, sales growth, reduced attrition

Too much data is locked up in separate systems

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Value from visualising data in new ways

Table of engagement scores

Sunburst coloured by engagement index

VS.

Ensure comms pass the 5 year old test

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Value from new kinds of insight (linked analytics)

IAA, Activity mapping & analytics

Business outcome 6 month projects done in 2 months

Understand the organisation from new angles

Action
- Stop the work
- Outsource
- Improve productivity
- Nothing

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A typical example

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The transformation journey usually has some key steps

Connect people and business activity

Control multiple workstreams to manage large scale transition

Analyse the current organisation and make it visual

Design and scale around future scenarios

Integrate and clean data from multiple sources

Measure the impact on the current organisation, headcount and costs

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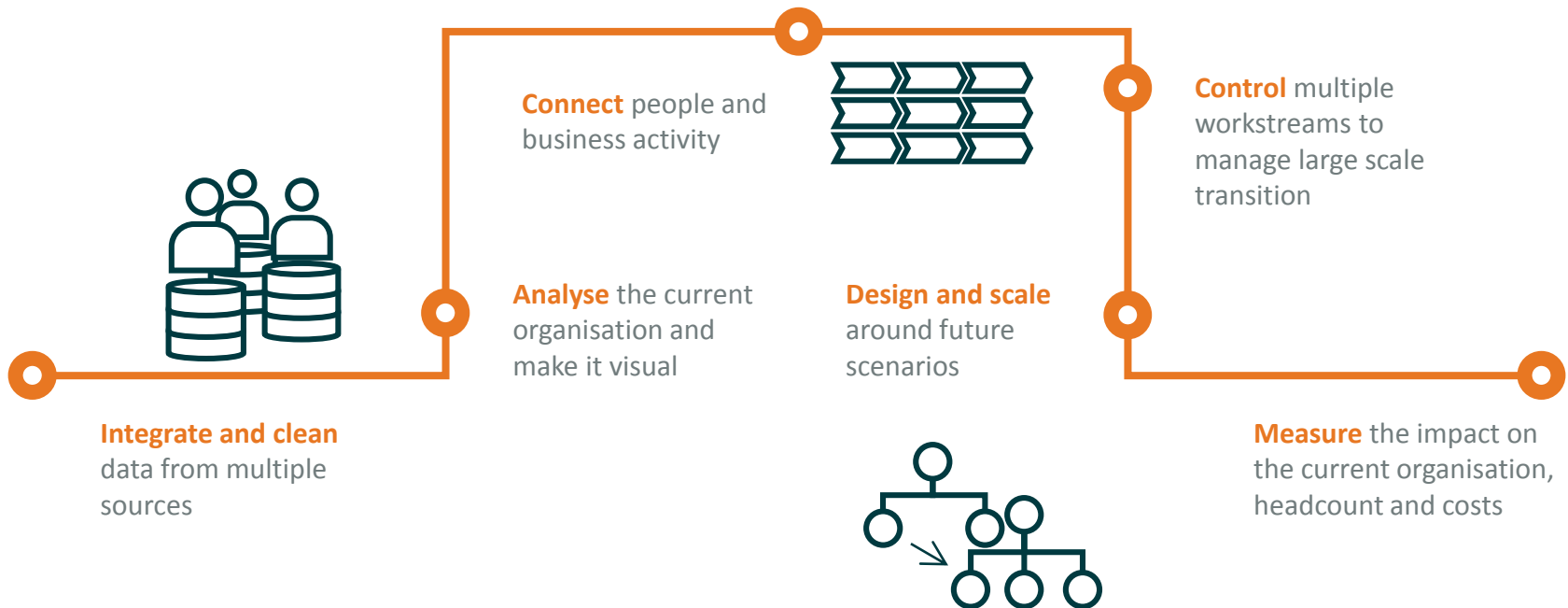
You will have data from up to 60 non-matching systems

Copy and paste or use regular upload

Data gathering
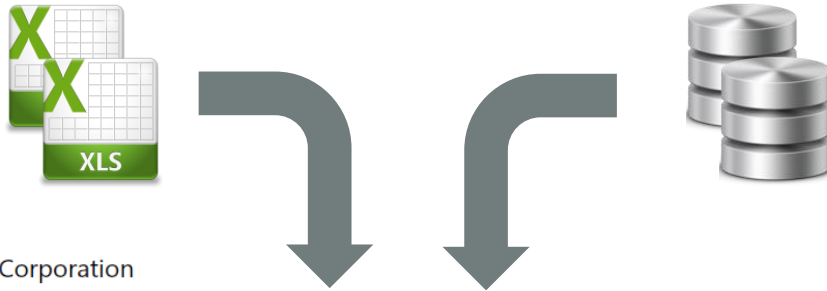
2. HR Analytics - Global Corporation

Clear | Copy | Paste

Role	Full Name	Gender	Bradford Index	Engagement Index	Performance Ranking	Department	Grade	Current Salary	Total Annual Compensation
▼ ⊙ CEO	Reece Harris	male	200	7.80	8.20	Executive	10	408,699	758,086
▼ ⊙ CFO	Ava Wilkins	female	490	6.18	2.60	Executive	9	170,634	252,375
▶ ⊙ Group Financial Controller	Molly White	female	-	8.72	8.70	Finance	7	122,473	174,929
⊙ Secretary	Mia Tomlinson	female	225	6.38	5.00	Admin	2	28,000	33,892
⊙ Executive Assistant	Josh Singh	male	24	6.29	5.80	Executive	3	32,323	41,436
▼ ⊙ HR Director	Tyler Swift	male	200	7.23	4.20	Executive	6	101,141	151,242
▶ ⊙ HR Manager	Rick Jones	male	96	7.25	5.40	HR	5	70,821	93,861
▶ ⊙ HR Manager	Jessica Talbot	female	-	9.00	7.90	HR	5	74,812	100,940
▶ ⊙ HR Manager									101,567
▶ ⊙ Head of Recruitment									138,898
▶ ⊙ Head of Admin	Mohammed Sanderson	male	45	6.20	6.00	Admin	4	47,000	55,473
⊙ Secretary	Bryan Korn	male	-	7.73	7.00	Admin	2	34,000	41,226
▼ ⊙ Sales Director	Charles Farias	male	225	6.63	5.30	Sales	8	212,046	294,711
⊙ Secretary	Libby Lucas	female	128	6.68	5.00	Admin	2	33,000	38,587
▶ ⊙ Sales manager	Chelsea Walsh	female	5	5.64	4.40	Sales	7	110,466	224,249
▶ ⊙ Sales manager	Hannah Reid	female	-	7.64	7.80	Sales	7	110,987	228,072
▶ ⊙ Sales manager	Whitney Kowalski	female	80	8.32	5.00	Sales	7	107,412	193,284
▶ ⊙ Sales manager	Deborah Evans	female	112	7.18	8.10	Sales	7	114,285	261,915
▼ ⊙ Head of Research	James Porter	male	4	7.38	7.50	R&D	9	165,445	262,146
▶ ⊙ Programme Manager	Isobel Brennan	female	4	6.82	5.20	R&D	7	112,111	159,924
▶ ⊙ Programme Manager	Sean Ellis	male	-	6.36	1.50	R&D	7	97,766	135,616
▶ ⊙ Programme Manager	Kian Sanders	male	24	7.13	7.50	R&D	7	111,886	159,297
▶ ⊙ Programme Manager	Naomi Adams	female	225	7.00	4.40	R&D	7	119,323	172,020

Only 2 key requirements: Employee ID, Manager ID

Color (Department)

- ■ Admin
- ■ Distribution
- ■ Executive
- ■ Finance
- ■ HR
- ■ Operations
- ■ Programme Delivery
- ■ R&D
- ■ Sales

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Management will want to analyse organisational layers

Box grid dashboard of Headcount by Layer

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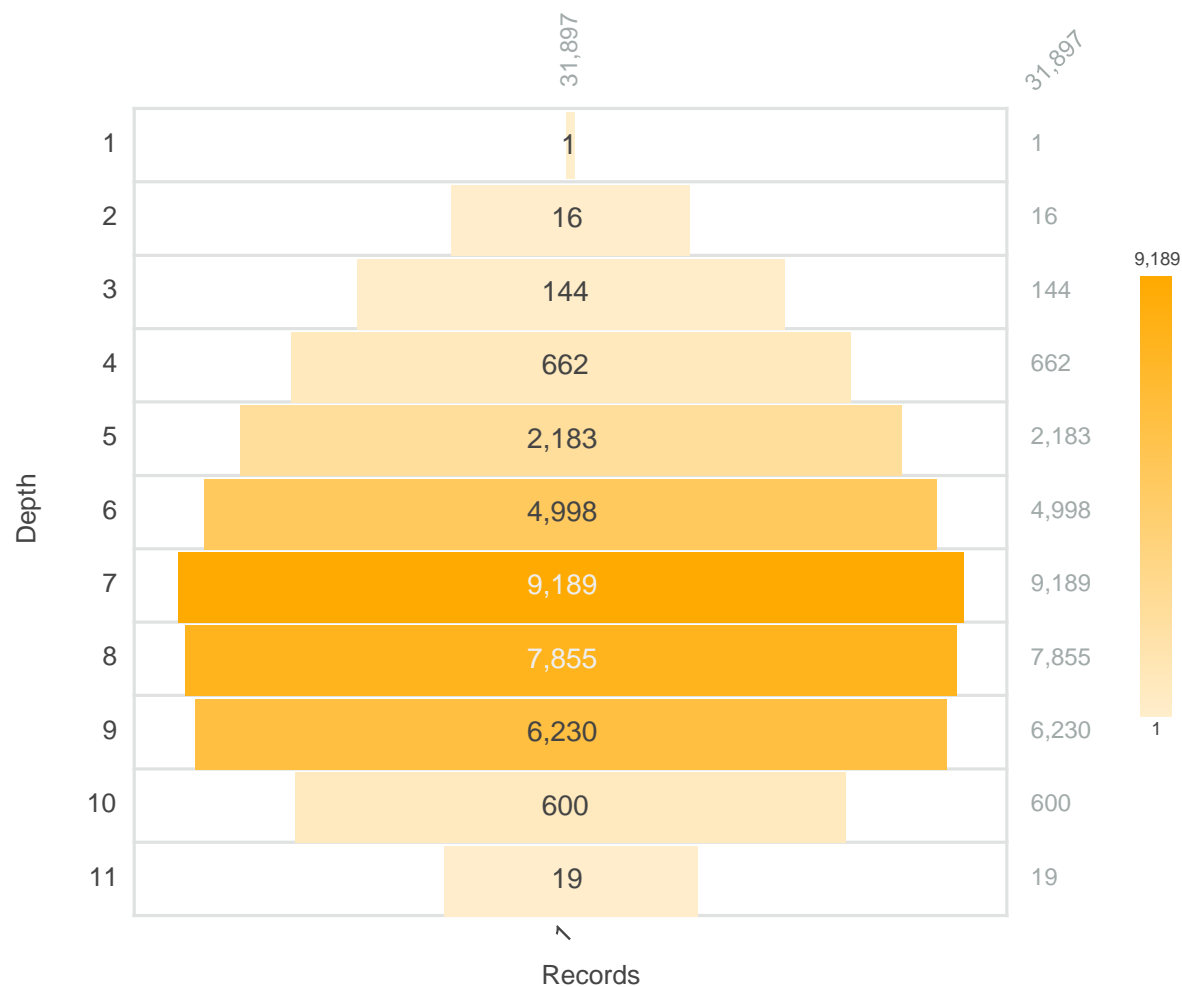
You should bring to life the structures causing concern

Number of managers per Span of Control

e.g. Drag and drop low spans bars to parking lot for investigation

Span	Count
1	4
2	15
3	27
4	33
5	33
6	18
7	13
8	23
9	26
10	16
11	7
12	5
13	2
14	1
15	3
16	2
28	1
33	1

Low spans   ⟵ Spans aligned to policy ⟶   High spans

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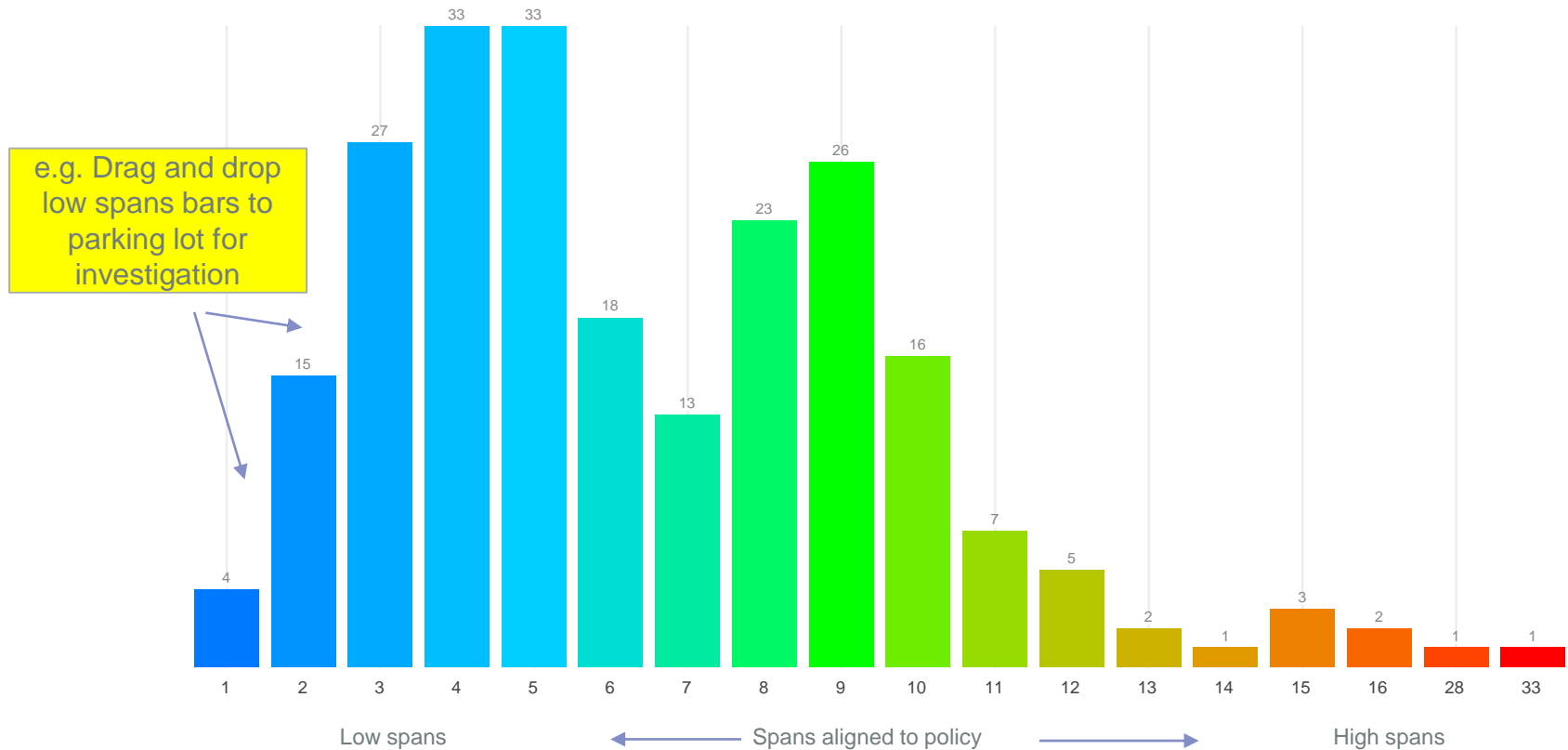
You will need to slice and dice the organisation data

Department vs tenure by performance

You should show where time is used - and what could change

IAA, Activity mapping & analytics
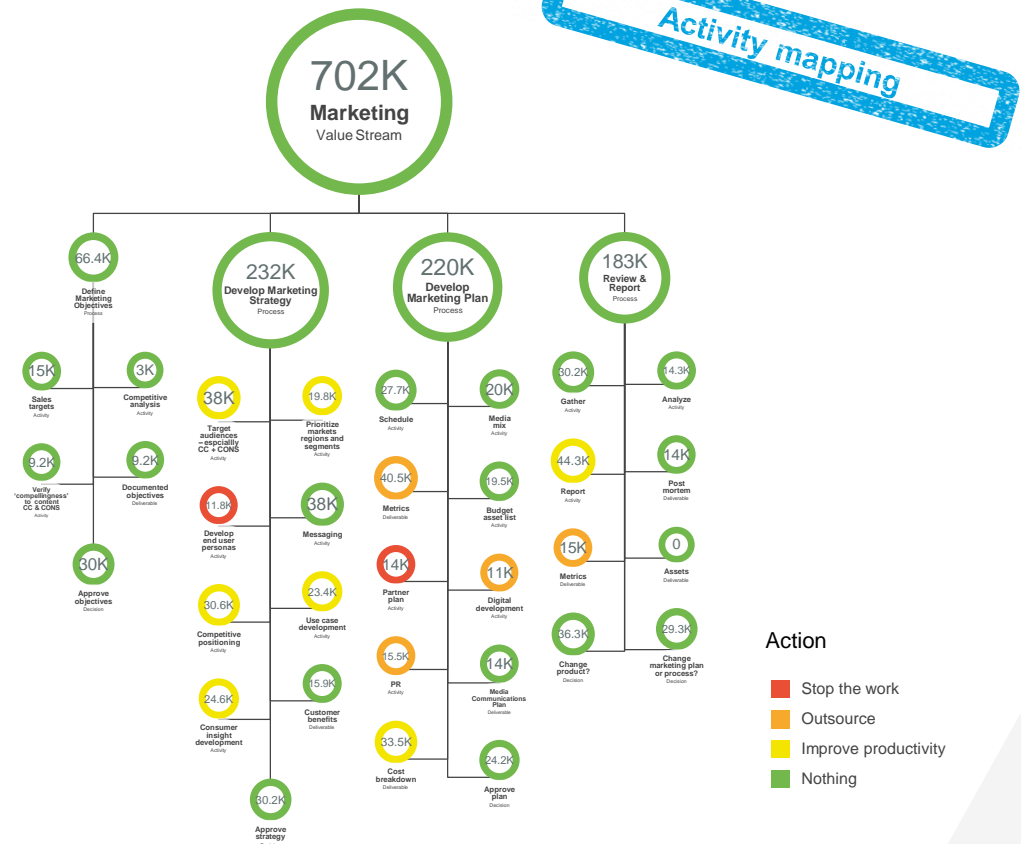
Expert insights on future changes to activities

Activity mapping & action planning

Process re-design

Marketing

Define Marketing Objectives	Develop Marketing Strategy	Develop Marketing Plan	Review & Report
Sales targets	Target audiences – espciallly CC + CONS	Schedule	Gather
Competitive analysis	Prioritize markets regions and segments	Media mix	Analyze
Verify 'compellingness' to content CC & CONS	Develop end user personas	Metrics	Report
Documented objectives	Messaging	Budget asset list	Post mortem
Approve objectives	Competitive positioning	Partner plan	Metrics
	Use case development	Digital development	Assets
	Consumer insight development	PR	Change product
	Customer benefits	Media Communications Plan	Change market process?
	Approve strategy	Cost breakdown	
		Approve plan	

Action

Stop the work (2)	Outsource (4)	Improve productivity (7)	Nothing (24)	
Develop end user personas	Digital development	Target audiences – espciallly CC + CONS	Schedule	Approve strategy
Partner plan	PR	Prioritize markets regions and segments	Gather	Approve plan
	Metrics	Report	Sales targets	Post mortem
	Metrics	Competitive positioning	Media mix	Documented objectives
		Use case development	Competitive analysis	Assets
		Consumer insight development	Analyze	Customer benefits
		Cost breakdown	Verify 'compellingness' to content CC & CONS	Media Communications Plan
			Budget asset list	Define Marketing Objectives
			Messaging	Develop Marketing Strategy
			Approve objectives	Develop Marketing Plan
			Change product?	Review & Report
			Change marketing plan or process?	Marketing

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You may want to map staff skills and identify gaps

Skills mapping example – Broadcasting industry

Skills Mapping

Radio News Producer
EBU

ESCO Equivalent Occupation **Radio producer**

- Develop creative ideas
- Develop programme ideas
- Evaluate broadcast programmes
- Obtain relevant licenses
- Manage budgets
- Follow ethical code of conduct of journalists
- Edit recorded sound
- Negotiate with artists
- Develop programming schedule
- News judgment
- Copyright & Media legal framework
- Results orientation
- Effective Communication

Training Business Manager

Head of News & Events

Total Future Gap

Impact Index

EBU

-259 **SUPS**

-360 **MEDI**

-60 **LEG**

-501 **NETW**
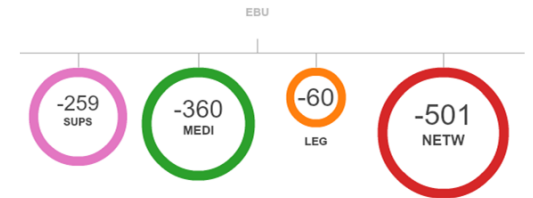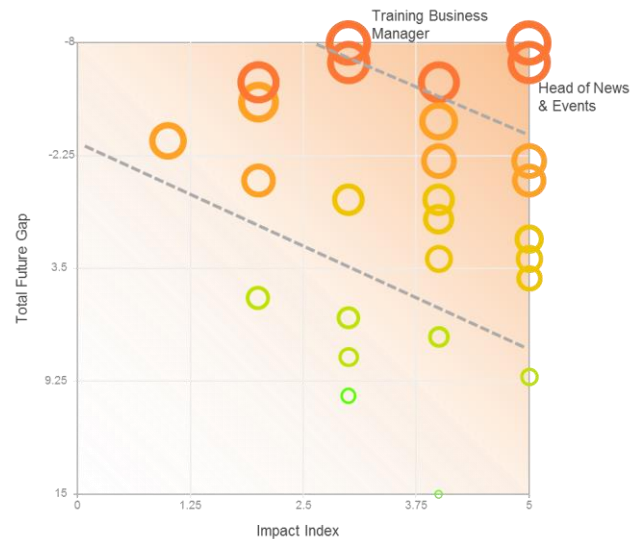
MEDI

1	Training Business Manager	-8
	Director Media	-8
	Business Development Manager	-8
4	Head of News & Events	-7
	Events Supervision Manager	-7

NETW

1	Senior Network Project Manager	-14
2	Manager of IT Projects	-7
	Manager of Engineering Technical Services	-7
4	Senior EVC Operations Engineer	-6
	Network Project Manager	-6

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You will want to see future structures and their impact

As-Is and To-Be compared

Scenario modelling
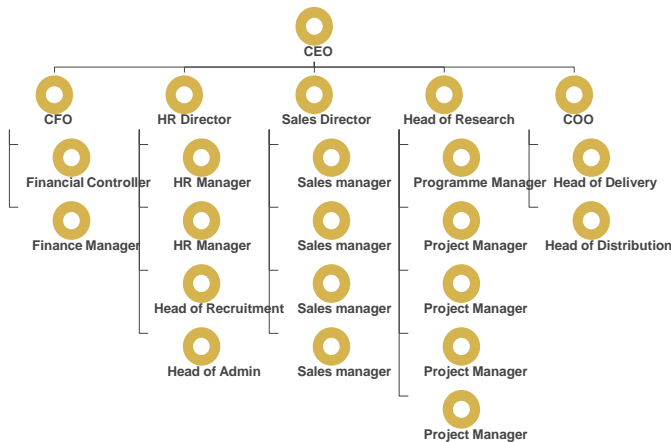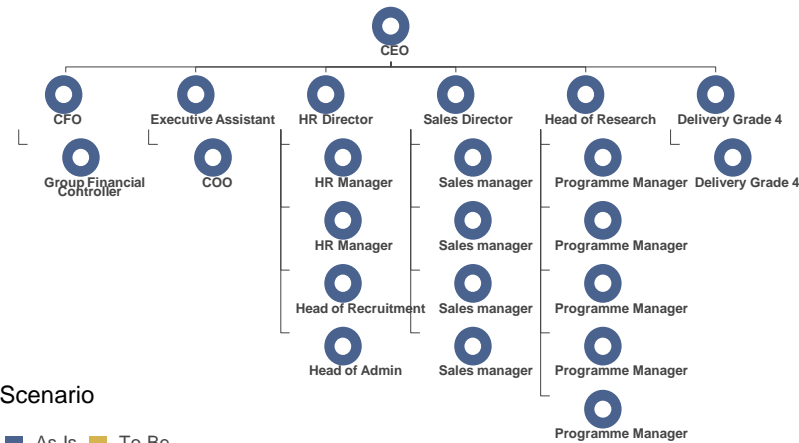
Average Span Of Control by Scenario

As-Is	6.55
To-Be	7.3

of Managers by Scenario

As-Is	229
To-Be	149

Sum of Management Cost by Scenario

As-Is	13.9M
To-Be	9.07M

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You should test multiple scenarios before final choice

Visualising multiple org scenarios, costs and FTE together

Scenario modelling

Total Current Salary by Scenario

As-Is	13.9M
Scenario 1	11.4M
Scenario 2	10.2M

Headcount by Scenario

As-Is	229
Scenario 1	193
Scenario 2	183

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For delivery, set clear expectations on future responsibilities

Org chart showing roles, responsibilities, costs and FTE

Scenario modelling

Managing Director
Executive

| FTE | 1 |
| Role Cost | 200K |

- A Preliminary legal assessment
- A Decision of the investment committee
- A Term sheet and deposit agreement
- A Agreement
- A Project report
- A Discussion of commercial terms

Risk Manager
Risk

| FTE | 1 |
| Role Cost | 100K |

- A Discussion of commercial terms
- A Term sheet and deposit agreement
- A Agreement
- A Preliminary legal assessment
- A Decision of the investment committee
- R Tracking impact of these on portfolio
- S Management calls
- S Loan to value
- S Feasibility study
- S Analyst views
- S Rebalancing of portfolio when necessary
- S Project report

Compliance Manager
Compliance

| FTE | 1 |
| Role Cost | 70K |

- A Preliminary legal assessment
- R Legal and financial statement review
- S Feasibility study

Legal Manager
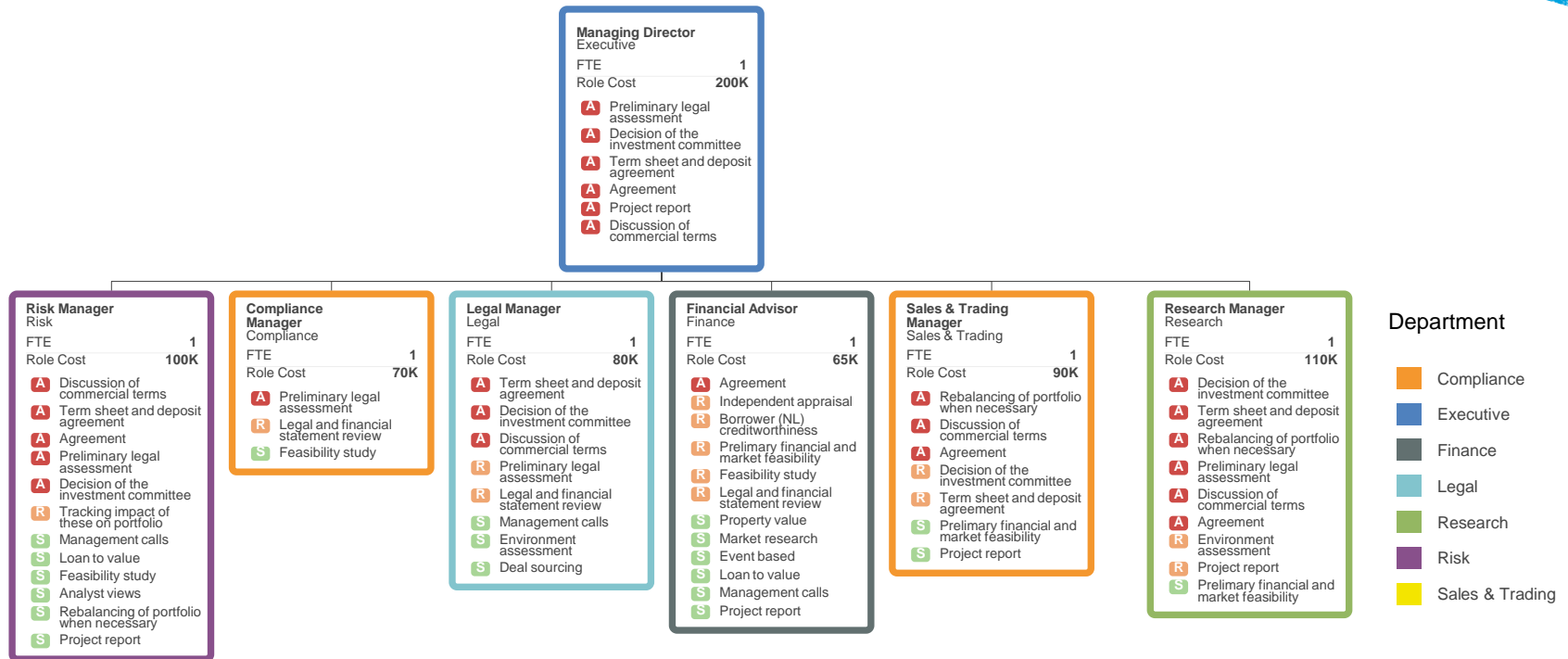Legal

| FTE | 1 |
| Role Cost | 80K |

- A Term sheet and deposit agreement
- A Decision of the investment committee
- A Discussion of commercial terms
- R Preliminary legal assessment
- R Legal and financial statement review
- S Management calls
- S Environment assessment
- S Deal sourcing

Financial Advisor
Finance

| FTE | 1 |
| Role Cost | 65K |

- A Agreement
- R Independent appraisal
- R Borrower (NL) creditworthiness
- R Prelimary financial and market feasibility
- R Feasibility study
- R Legal and financial statement review
- S Property value
- S Market research
- S Event based
- S Loan to value
- S Management calls
- S Project report

Sales & Trading Manager
Sales & Trading

| FTE | 1 |
| Role Cost | 90K |

- A Rebalancing of portfolio when necessary
- A Discussion of commercial terms
- A Agreement
- A Decision of the investment committee
- R Term sheet and deposit agreement
- R Prelimary financial and market feasibility
- S Project report

Research Manager
Research

| FTE | 1 |
| Role Cost | 110K |

- A Decision of the investment committee
- A Term sheet and deposit agreement
- A Rebalancing of portfolio when necessary
- A Preliminary legal assessment
- A Discussion of commercial terms
- A Agreement
- R Environment assessment
- R Project report
- S Prelimary financial and market feasibility

Department

- Compliance
- Executive
- Finance
- Legal
- Research
- Risk
- Sales & Trading

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Org re-design in action: example workshop

Role design based on future work

Risk Manager
Risk

FTE   **1**

Role Cost   **100K**

- A Discussion of commercial terms
- A Term sheet and deposit agreement
- A Agreement
- A Preliminary legal assessment
- A Decision of the investment committee
- R Tracking impact of these on portfolio
- S Management calls
- S Loan to value
- S Feasibility study
- S Analyst views
- S Rebalancing of portfolio when necessary
- S Project report

Managing Director
Executive

FTE   **1**

Role Cost   **200K**

- A Preliminary legal assessment
- A Decision of the investment committee
- A Term sheet and deposit agreement
- A Agreement
- A Project report
- A Discussion of commercial terms

Research Manager
Research

FTE   **1**

Role Cost   **110K**

- A Decision of the investment committee
- A Term sheet and deposit agreement
- A Rebalancing of portfolio when necessary
- A Preliminary legal assessment
- A Discussion of commercial terms
- A Agreement
- R Environment assessment
- R Project report
- S Prelimary financial and market feasibility

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The future is now: org re-design from the bottom-up

Crowd-sourcing opportunities, risks and actions

Bit.ly/orgvue

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Concentra's joint working approach – triangular model

The Hague, London, Philadelphia, Toronto

Contact: Giles.Slinger@orgvue.com