POINT

*Get to the **point**, fast!*

Dr. Dale J. Albrecht

Organizational Design that Sticks!

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Multidisciplinary Approach for the Business Ecosystem
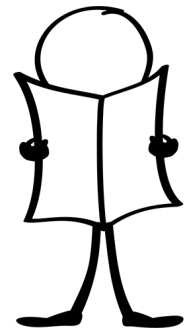
Organizational Design that Sticks!

Multidisciplinary Approach for the Business Ecosystem

POINT of Reference:

Albrecht, D.J. (2018). *Organizational Design that Sticks! A multidisciplinary approach for the business ecosystem.* Dallas, Texas: Alonos Corporation.

ISBN: 978-1948699006 | 154 pages

At 154 pages, this is a Low-effort read. Contains excellent examples to understand the concepts. Is very practical advice on organizational
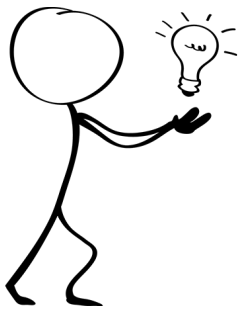
Genre

Business

Business Management

Strategy Management

Corporate Culture

Organization

Organizational Effectiveness

An excellent supplement for any organizational practitioner and for business leaders who are implementing organizational structure changes.
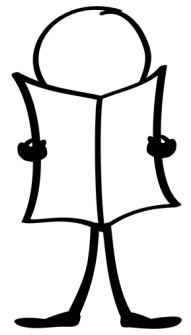
Key POINTs

- Organizational Structure Changes FAIL over 70% of the time!

- The number of people experiencing failure as a result of failed organizational changes is potentially huge: 42M every year in the United States, and an estimated 1.5B around the world every year.

- Making successful organizational structure changes requires a view that goes beyond just organizational structure. It requires an ecosystem view leveraging multiple disciplines.
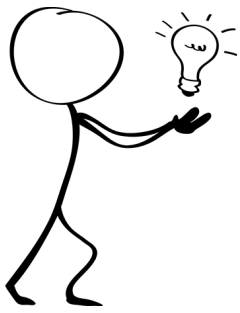
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Main POINTs

The first main point with Organizational Design that Sticks! is that it is based on systems thinking. Businesses are systems within systems within systems, etc. The point here is that any time you make a change you can expect it to impact how the overall system operates both upstream and downstream. The author unpacks the organizational and business ecosystem using popular constructs such as Michael Porter's Value Chain and Value Disciplines proposed by Tearcy & Wiersema.

The second main point is around 7 disciplines that are always (or should always) be used to drive performance improvements in the business ecosystem. These include organizational structure, decision rights, process design, systems, tools, people, and incentives. This book, Organizational Design that Sticks! focuses on the discipline of organizational structure and design. The author has published another book on decision effectiveness called "DECIDE to Thrive." He is also working on a third book entitled, "Incentives Drive Performance." The author intends to write a book on each of the 7 disciplines; a monumental undertaking to say the least…and one worth watching. If these first two
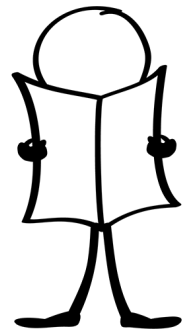
Extra POINTs

Organizational structure, analysis, and design is a critical business discipline. This is one of those disciplines that's hard to get right. It's far to easy to see a performance problem, attribute it to structure, and make changes that end up being disruptive because they are too frequent. The opposite is true in businesses too. There are many businesses that do not review their structures on a periodic basis, and they kept the same structure in place for years or decades…and then wonder why things don't get any better. Balance is needed, and that's what this book promotes…diligent, rational, and thoughtful use of the discipline.
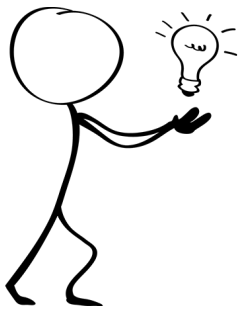
books are an indication, all 7 books will be highly practical and application-based, making them invaluable for business leaders, human resources professionals, and practitioners in organizational development and effectiveness.

The third point is that the author does not spend a lot of time or real estate trying to re-write a book on organizational analysis and design. He builds on an assumed base of knowledge on the reader's part, which allows him to focus on items that help you ensure success. If you want a book that walks you through the building blocks of organizational design, you're better off reading some of the classics on the subject…go to the source with Jay Galbraith and read either his first or second editions.
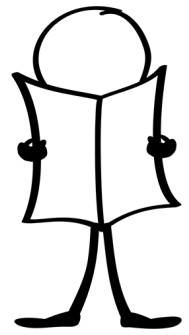
The fourth point (arguably a first or second point) is that data shows that organizational design engagements suffer from poor success rates. Over the past 40+ years, organizational restructuring efforts fail to deliver their intended results over 70% of the time. This isn't much different than many other types of business initiatives, but the impact on people and culture are much more dramatic with organizational changes. What is presented in this book is a way to approach business performance needs that will multiply success rates. The book contains an ample amount of real case summaries to illustrate concepts.

The fifth point is that the author does a really nice job of logically presenting the interactions between value chain, business imperative (products, services, differentiation,) and organizational capabilities. This elegant presentation would benefit everyone in business and should be a required point of study for all graduate level degree pursuits in business. It should be the overriding framework of any MBA capstone project.

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The figure below is directly from the book and illustrates the business ecosystem.

Figure 15

Business Eco-System and Multi-Disciplinary Approach:
Adapted from Porter's Five Forces, Porter, M.E. (1990). *The competitive advantage of nations.* New York, NY: Free Press. Also adapted from Value Disciplines, Tearcy, M. & Wiersema, F. (1995). *The Disciplines of Market Leaders.* New York, NY: Harper Collins Publishers, Inc.