

What Makes Strategic Organization Unique?

Strategic Organization brings a systems approach to aligning every aspect of an organization with its strategy: structure, processes, talent, systems, and leadership practices—all within a cohesive framework of accountability.

The **Strategic Organization** model and its methodologies are based on over 60 years of solid research and has been implemented by scores of multinational business organizations as well as the U.S. Army and other U.S. government agencies.

The following slides provide examples of the some of the topics covered in this inspired seminar.

STRATEGIC ORGANIZATION ELEMENTS



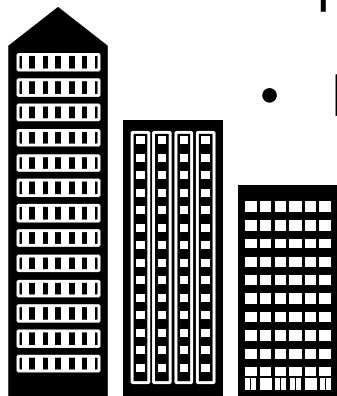
True strategic alignment of the leadership system requires:

- Designing **market-centric** business and **functional structures**, with value-adding managerial **levels**,
- Supporting capable, efficient, and accountable **processes**,
- Resulting in **roles** with clear accountabilities aligned with requisite authorities,
- Populated by capable, motivated **talent**,
- Led by value-adding accountability **leaders**,
- Supported by fully integrated, comprehensive **HR systems**, which support meaningful **accountability** and a **culture** of trust and fairness, and
- Implemented with a comprehensive **technology platform**, based on—and requiring—fully requisite principles and practices.

STRATEGIC ORGANIZATION DESIGN



- Designing **market-centric** business and functional **structures** with value-adding managerial levels
- Supporting capable, efficient, and accountable **processes**
- Delivering value-adding **products and services**



Structures



Processes



A SCIENCE OF ORGANIZATIONAL DEVELOPMENT

Science requires

- Definitions
- Measurement
- Principles
- Methodologies
- Ability to predict

For example:

Work is the application of judgment and discretion to the completion of an assignment.

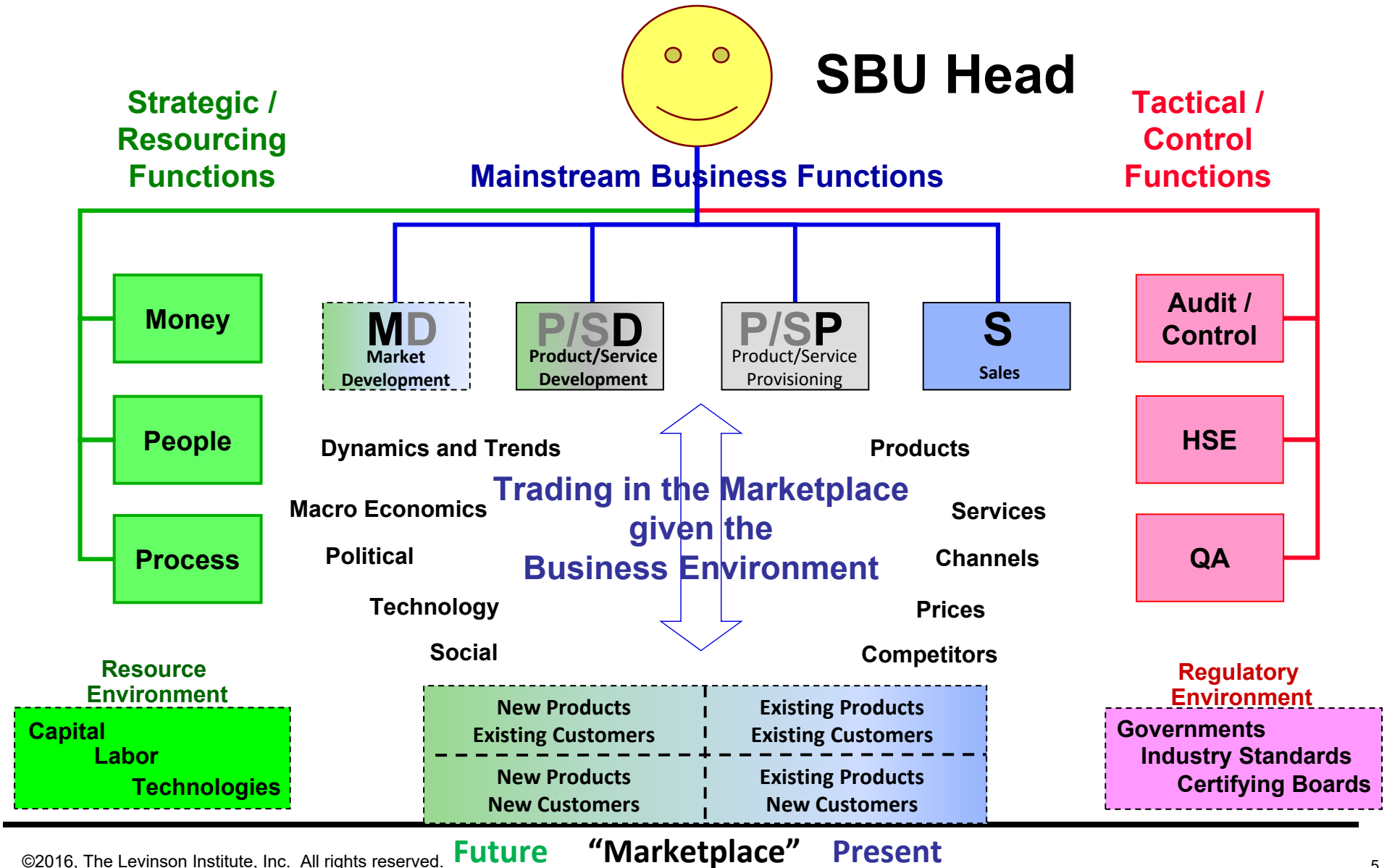
Time-span of a role is the length of time targeted for completion of the role's longest accountability.

The proper distance between manager and subordinate roles is necessary to ensure both add value.

Establish the time-span and level of complexity of the most senior role in order to determine the optimal number of levels beneath it.

"We will reduce the time it currently takes for making decisions by 25%. And they will be better decisions."

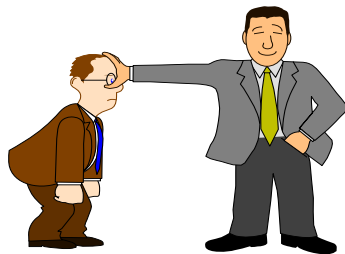
FUNCTIONAL MODEL OF A BUSINESS UNIT



NATURALLY OCCURRING MANAGERIAL LEVELS



Time
Horizon



- Managerial Value Added?
- Excessive Layers?
- Micromanagement?
- “Bureaucratic”?

Optimal Distance
Between Manager and
Subordinate Roles

ALIGNED HR SYSTEMS AND CULTURE



- Supported by fully integrated, comprehensive **HR systems**, which promote
 - Meaningful **accountability** leadership
 - Systematic **talent** assessment and development
 - **Culture** of trust and fairness



ACCOUNTABILITY: FOUR PREREQUISITES

1. **Accountabilities** must be clearly defined and understood.
2. **Authorities** and resources (necessary to take and implement decisions) must be sufficient to meet the accountabilities.
3. **Outputs** and **Throughputs** must be accurately measured and **Effectiveness** in Role fairly assessed.
4. **Consequences** must accurately reflect the degree to which accountabilities are met.
 - **Positive** consequences for meeting accountabilities
 - **Negative** consequences for failing to meet accountabilities



DECISION-MAKING FRAMEWORKS: DEFINITION AND ACCOUNTABILITIES

Definition. A decision-making framework is a

- set of **guidelines** (perspectives, principles, and priorities)
- established by a manager **accountable** for cross-functional processes
- which governs the **trade-off decisions** that
- subordinates (one, two, or even three levels down) must make together
- in relation to **common resources** and/or **common outputs**.

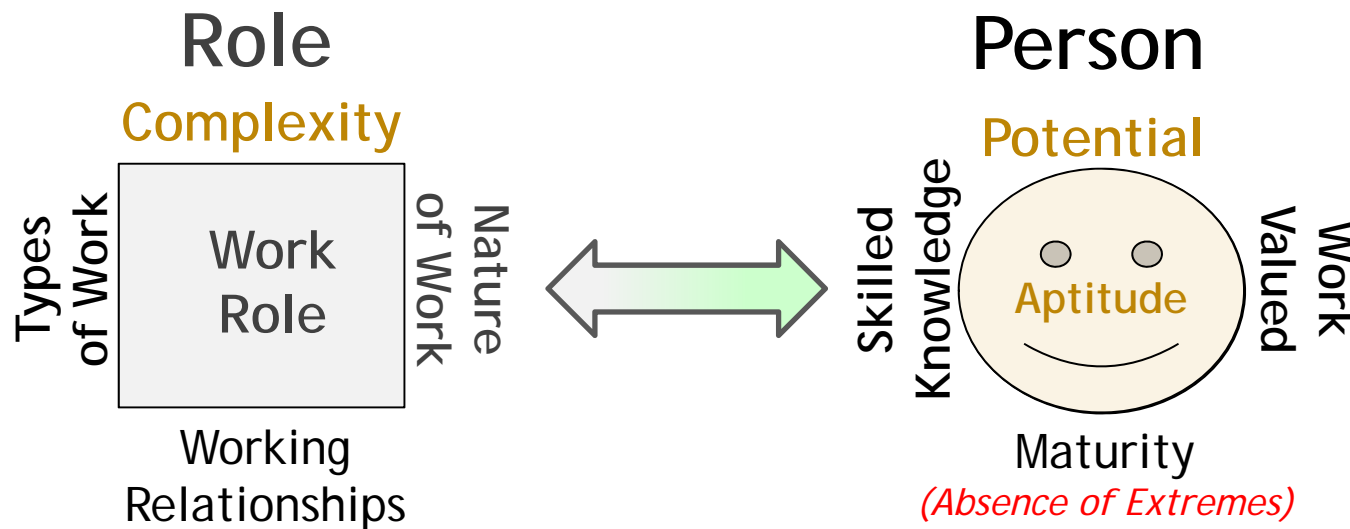
Accountabilities. All **subordinates** working within

- those cross-functional processes are
- **accountable** for working together to
- develop and reach consensus on the
- **optimal enterprise-wide solutions** which best reflect
- the decision-making **framework** criteria **and**
- still allow **each** subordinate to meet his or her **own** individual **accountabilities**.

FORMULA FOR EFFECTIVENESS IN A ROLE

Effectiveness = Processor + Software + Power + Circuitry - Impedance

$E_{\text{Role}} = \text{CMC} + \text{K/S} + \text{C/V} + \text{APT} - \text{X}$					
Effectiveness in the role	Current Maximum Capacity (Potential) for the role's complexity	Knowledge and Skill required of the role	Commitment to, and Valuing of, the work of the role	Aptitude for the type and nature of work of the role	Extremes of Dysfunctional Behavior



TALENT-POOL DEVELOPMENT SYSTEM

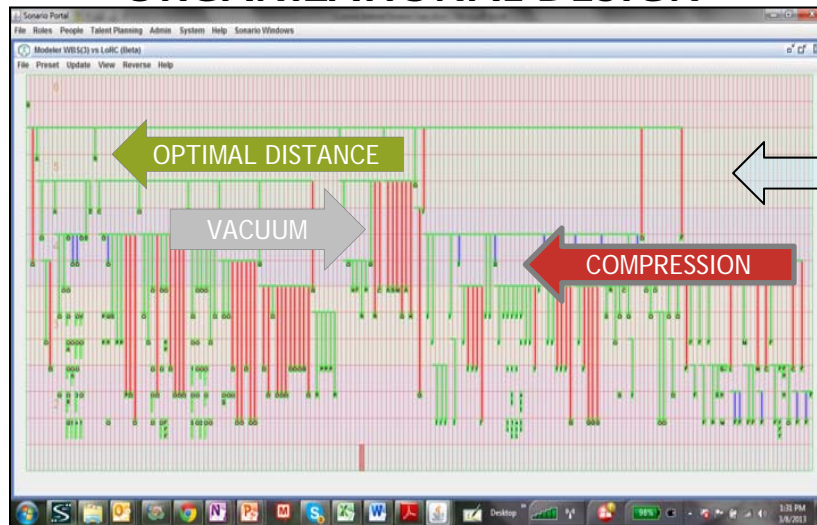
- **Human capabilities** that determine an employee's effectiveness in any particular role are innate potential and aptitudes, acquired skilled knowledge and experience, strong commitment, and maturity.
- **Potential** is a person's raw, innate capacity to handle complexity. It can be directly measured and equally accurately assessed by managers in terms of the level of role complexity at which a person could operate.
- **Role effectiveness** is an assessment of the overall value an employee contributes relative to the maximum and minimum requirements for the role he or she occupies.
- **Effectiveness gap** is the difference between one's potential (effectiveness) and his or her demonstrated (or actual) effectiveness in a particular role. The difference is caused by a gap in the acquired capabilities: skilled knowledge, commitment, and maturity.
- **Development** refers to enhancing an individual's acquired capabilities in order to narrow the employee's effectiveness gap and to enhance his or her subsequent ability to handle even more complex roles.
- **Coaching** and **mentoring** are the two key managerial development accountabilities.

COMPREHENSIVE TECHNOLOGY PLATFORM

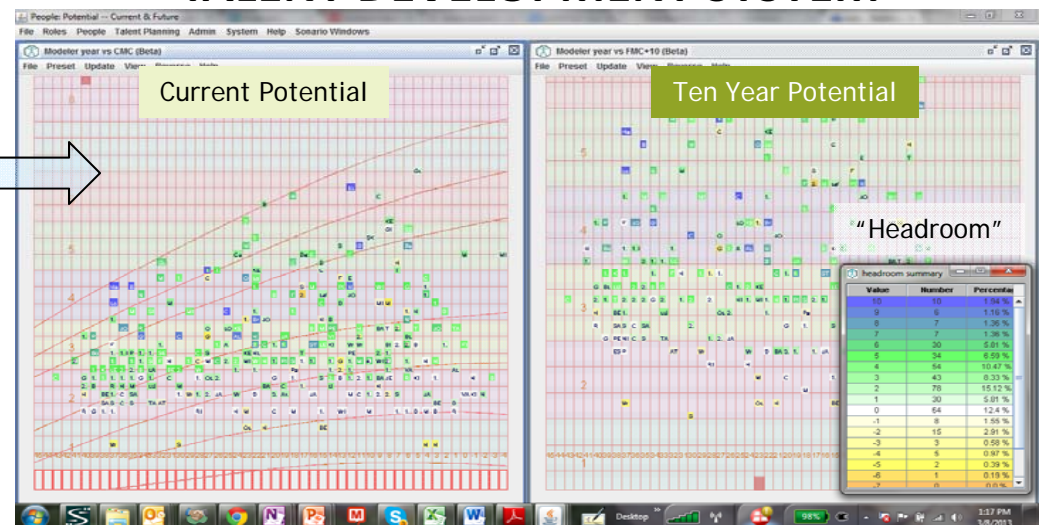
- Comprehensive **technology platform**, based on and requiring fully aligned and requisite organizational, talent, and leadership principles and practices



ORGANIZATIONAL DESIGN



TALENT DEVELOPMENT SYSTEM



STRATEGIC ORGANIZATION GOALS & OUTCOMES

Upon completion of Strategic Organization, you will have the understanding and tools to:

- Design strategically aligned, managerial leadership systems;
- Establish accountability leadership at every level of your organization by aligning accountabilities and resources with authorities;
- Hold people accountable for “keeping their word” and “earning their keep”;
- Define and implement managerial practices that will fully utilize the potential of your people;
- Structure departments, units, and divisions in which each layer of management adds value;
- Ensure clarity regarding “who is accountable for what in relation to whom”;
- Establish and implement decision-making frameworks; and
- Create dynamic recruitment, selection, promotion, and succession plans through SONARIO®-supported methodology for judging, mapping, and developing your entire talent pool.

Take Your Organization to the Next Level

- “In this most perceptive analysis of organizational design, Gerry Kraines builds on the well-known work of Elliott Jaques and takes these requisite management concepts to a new dimension.”
- “I now have a terrific blueprint for building a more productive unit.”
- “The seminar gave me great information for achieving my business objectives.”
- “If your organization is undergoing critical change or needs to create a transformation, **Strategic Organization** is essential to leaders in roles of authority. Gerry Kraines is ‘awesome.’ He connects to the needs of the class as he shares his principles and views.”
- “For the first time, I genuinely understand what clear working relationships and effective managerial practices are. I can’t wait to get back to work to apply all of this invaluable learning.”