

The Way Ahead Series: Practical Advice for Leaders, by Leaders

# How to Organise for Success

A new series of articles, written by many, and presented by Richard Moore, CEO of Mercuri Urval



**Mercuri Urval**

It's All About People™

# FOREWORD

In our 'Way Ahead' series of articles, Richard Moore leans on the track record of Mercuri Urval's consulting team and insights from our global network to offer practical advice on important topics that CEOs and Boards face, through and beyond Covid-19. The first article in 'The Way Ahead' series addressed how to identify and reach new opportunities:

1. **Secure a solid base:** How to ensure an effective business continuity approach?
2. **Learn from before:** What can we learn from past shocks?
3. **Understand your current conditions and opportunities:** What new course will lead your organisation to success?

→ [Read more about this and the additional advice and stories from leaders who already commented](#)

This new article moves ahead to address the second key question leaders face:



What are the new conditions we face and what opportunities can we see? *How to navigate the best course*



What changes do we need to make in our organisation? *How to organise for success*



What leadership do we need? *How to secure leaders that will succeed*



What will improve leadership results in our organisation? *How to strengthen leader performance*

## Join in, please

I also invite you to continue to **add to the advice we present, as contributors**. With your active involvement we leaders can share more practical advice that makes for stronger organisations in the future. Please join in and send us your stories and advice, so we may include it in this series.

*Richard*

[marketingsupport.int@mercuriurval.com](mailto:marketingsupport.int@mercuriurval.com)  
#LeadersHelpingLeaders

or directly

[richard.moore@mercuriurval.com](mailto:richard.moore@mercuriurval.com)  
#LeadersHelpingLeaders

# What changes do you need to make in your organisation?

## How to organise for success in three steps

Albert Einstein is widely credited with explaining foolishness as “doing the same thing over and over again while expecting different results”. Leaders know that an organisation that succeeded in an old situation has no given right to do so in a new one. **Some change will be required.**

But how to make the right choices about what to keep and what to change? Disruption creates a golden opportunity to challenge old truths about how we should organise, and think afresh from outside to in. But the time window to revitalise your organisation and leadership never lasts for long, so Leaders need to start to act now.

Here are the three most important steps to organise for success:

1. **Rethink:** What are the most important considerations affecting how you should organise?
2. **Redesign:** What organisation set up will foster high performance in your situation?
3. **Revitalise:** How do you decide what to change and move into action

### 1. Rethink

What are the most important considerations affecting how you should organise?

Today we know the principles that underpin effective and healthy organisations. Beyond zeitgeist, these principles give a valuable provocation to think afresh. Here are the most important to apply:

#### Your organisation needs a clear focus

Results come from a moment or point of value being created – where a need is addressed and revenue or a service is initiated. Is the value you provide a product, a service or a relationship or a combination of all three? Is it changing over time?

If you design your organisation around your future value creation point, where you meet the customer, you will have proper focus. And this leads to a simpler, leaner and more focussed organisation. The first principle to apply is to have **ruthless focus**, to know what you must be great at and place it at the heart of your organisation. Only when your resources are concentrated on where you create value, is your organisation set up for success.

## Flexibility is a must

Full flexibility demands speed and ready adaptation in your cost base, supply chain, people, strategy and organisation structure. An organisation that cannot rapidly change will become weak, because technology and competition move customer and supplier realities faster than ever before. If you need to move from just in time to just in case; from face to face value creation to digital; from Europe to Asia. Can you learn fast enough?

Businesses fail where their ability to adapt is the lowest. There is no reason for that weakness to be organisational. Fewer layers, devolved decision making, smart use of technology all increase flexibility. And selecting leaders that can adapt is vital. Flexible organisations need leaders that make things happen through influence and relationships rather than formal hierarchical power. The second principle to apply is **total flexibility**.

## If you're not sustainable you're temporary

A focused and flexible organisation may survive for some time. But long-term prosperity requires sustainability. The bedrock of sustainability is economic strength and resilience. This requires the ability to create and control financial performance and manage cash and resources through the highs and lows of economic cycles.

Sustainable organisations also require an intent – a vision and values – that give meaning to employees and stakeholders beyond financial performance. Finally, clear governance and ac-

countability of leaders creates stability enough for the long term whilst managing engagement and performance, implementing strategy and controlling risk for today. The third principle to apply is **real sustainability**. Resilience in economy, in purpose and in leader accountability.

## Your organisation is already a network of teams – encourage it

Teams cope well with rapid change in the environment better than bureaucracies. New opportunities and challenges are normally best reached with teams. Small teams are the most close and agile, but lack resources and connections that bring power to solve problems. Large teams can become distant with members disconnecting. And teams can be opportunistic, lose focus and become prone to weak cost control without enough governance.

Effective teams have shared goals and purpose, well selected specialists, the right dynamic and are well led toward measurable results. Trust within teams and between teams enables collaboration, effective specialisation for a given situation, rapid deployment and empowered problem solving. Networking across teams reduces silos, accelerates learning, allows knowledge to flow more freely and creates more opportunities. The fourth principle to apply is **networked teams**.

All of us operate amidst unique opportunities, challenges and constraints. Even so following these principles that underpin effective organisation – focus, flexibility, sustainability and networked teams – will increase your organisations success.

## 2. Redesign

What organisation will foster high performance in your situation?

Applying the principles of effective organisation to your situation requires you to review your structure, culture and leadership. Here are the key questions to answer, in order to move from what you are, to what you need to be.

### Structure

Organisation design, operating model, strategy and processes will affect performance

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|--------------------------------|---|
| ✓ <b>Purpose and direction</b> | What is your organisation's commonly understood basic idea?<br>What is your strategy to create value? How clear are your organisation's objectives and performance expectations?                                      |
| ✓ <b>Communication method</b>  | How are your employees informed on essential areas in relation to their job and the organisation in general? What technology and other methods do you use?  |
| ✓ <b>Employee involvement</b>  | How do employees in your organisation participate in making the decisions that affect them directly? How much decision power do you delegate and to whom?   |
| ✓ <b>Talent recognition</b>    | Are your reward allocations (i.e. salary increases, promotions) based on employee performance criteria? How transparent and consistent are these?<br>Does the way you reward reinforce desired changes and behaviour? |
| ✓ <b>Organisation design</b>   | How should responsibilities and tasks be allocated within your organisation?<br>How can your processes be more efficient? Does your set up enable effective sales, delivery, communication and operations?            |

## Culture

Employees values, vision and engagement will release or restrict the potential of your organisation

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- ✓ **Employee cooperation** Do your team members identify with the organisation as a whole or only with their particular work group or field of professional expertise? Are colleagues working to fulfil the needs of the organisation or the needs of themselves? How do they cooperate?
- ✓ **Employee commitment** Are your employees motivated and do they share a positive feeling about being a member of your organisation? Are colleagues invested in their job and do they feel personally responsible for the quality of their own efforts?
- ✓ **Employee motivation** Do employees have their own high-performance standards towards efforts and results? Are colleagues motivated and able to initiate and take on extra tasks?
- ✓ **Risk and innovation management** Are your employees encouraged to seek or avoid risk? How is risk evaluated and controlled by managers in your organisation? How are new ideas collected and processed?
- ✓ **Conflict management** Do your employees air conflict and criticism openly? Is there a culture of appropriate conflict that enables creativity and challenge?

## Leadership

Leaders' ability to formulate strategy, implement strategy, manage operations and manage stakeholders will determine your organisation's success

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- ✓ **Strategic insight** Which leaders really understand the situation your organisation and the individuals within it face? How do your leaders measure your performance, understand your customers' voice and learn?
- ✓ **Envisioning ability** Does your leadership have a clear view of the future? What is it? How aligned are your leaders to your strategy and to each other? How do they innovate?
- ✓ **Decision making** To what degree do your leaders make fact-based decisions? Are your managers able to decide and act effectively?
- ✓ **Implementation skill** Do your employees trust your leaders? In which areas is confidence least and most? Is direction clear? How confident are your stakeholders in your leadership?
- ✓ **Operational management** How do leaders and managers provide assistance to colleagues? What is the best way for your managers to pursue targets and achieve results? Is there the right balance between standards, cost control, authority and specialisation *versus* opportunism, engagement and team spirit?

Whether you need to grow, change or improve leader performance, these questions on structure, culture and leadership are the most important to organise for success. The answers will help you decide what should be kept, enhanced, completely changed or started anew in your organ-

isation. If you need to find out more about how to objectively evaluate the performance of your organisation, and the changes you may need to make, contact our organisational effectiveness team, details at the [base of this article](#).

### 3. Revitalise

How do you decide what to implement and move into action?

Having answered the most important questions about your organisation's effectiveness, you need to decide what to change, when and how. We all know from experience that implementation is the most common failure point in any change. To revitalise your organisation successfully, you need to make the right decisions and have leadership that is willing and able to make it happen.

#### Prioritise carefully

Prioritise what works well and mitigate what does not. If there is a performance problem but no gap between the organisation you have and what you need, don't change it (sometimes a fire alarm goes off when there is no fire). Also, make sure that you don't assume something works effectively when it does not (a fire is breaking out and the fire alarm does not ring). And when you have a choice between being comprehensive and focussing on the vital few things that matter most, **choose few**. And develop your organisation in sprints not a big bang, unless disturbance is needed to increase speed.

#### Check the solution matches the need

Are you sure an organisational adjustment is needed? Or might you have the right organisation set up with the wrong capabilities. Is it really

the organisation or the leaders where opportunity to improve lies? The simple way to decide is to revert to objectively reviewing your structure, culture and leadership. What factually restricts the right things happening – are there too many hand offs, is there too much complexity, are processes too weak? Or are your leaders no longer suited to their new conditions? Change medicine will only work, if you **make the right diagnosis**.

#### Be objective

Effective decisions require data, a logic by which to process it properly and an expert decision maker. Balancing data with your perceptions, to make objective decisions based on the most relevant possible logic, is not easy. Make sure data is relevant to now, and if possible is a leading indicator of what might come. And that it is assessed by leaders or independent experts with enough distance to be free of personal bias. Be sure your preferences are not personal, but rather factual. Avoiding personality derived preferences, existing group behaviours, problems created by people issues and not organisational barriers are obvious risk to write about, but hard to avoid in practice. The right data objectively assessed, will form a compelling and **logical chain of arguments**.

## Measure impact

Leaders need to create a clear frame to measure change. The right measurement approach can regulate implementation speed, act as communication tool and allow for course correction if your decisions about organisation set up prove wrong, or if further changes in conditions overtake them. If change seems hard to measure, it is even more important to find a way. Measure leading indicators (that predict what might happen) as well as economic outputs (that may indicate a problem too late). The commonly used structure for measuring strategy implementation is the balanced scorecard. Take care not to skew measures too much towards the economic, in most organisations these will already be well reported. Your purpose in this setting, is rather to measure the implementation of change:

- Economic: e.g. Effect on transaction cost
- **Customer: e.g. Effect on growth**
- **Development and Internal Processes: e.g. Effect on innovation or organisational adaptability**
- **People and Growth: e.g. Effect on attractiveness to employees (society); Employee Health & Loyalty**

Change is a process not an event, **measure it over time.**

## Have able leaders

The leaders you need will have an existing organisation to protect, nurture and develop whilst they build new capabilities for the future and

improve it. It's a demanding task that underlines for itself why this implementation phase is the normal failure point. Right organisation and strategy, wrong leaders. But as you know what organisation you need, and the change you will bring in, you are over halfway to having the leaders you need. With a proper organisation decided, suitable leaders to implement and operate it can be matched. Leaders with the right capabilities won't be derailed. You can only afford to have **leaders who will succeed in your future organisation.** And that is the subject of the next article in our 'Way Ahead' series:

- ✓ **What are the new conditions we face and what opportunities can we see? How to navigate the best course**
- ✓ **What changes do we need to make in our organisation? How to organise for success**
- **What leadership do we need? How to secure leaders that will succeed**
- **What will improve leadership results in our organisation? How to strengthen leader performance**

As we are all in this together, please send your ideas, additions, questions and challenges to me, and we'll develop our advice with your input included. And if you need expert impartial advice to structure your organisation for future success, or validate the plans you have, please see our contact details below.

*Richard*

## Mercuri Urval and Organisational Change

→ **Contact our expert teams for more advice**

- Leadership Acquisition
- Growth
- Organisational Change
- Leader Performance Development

## Mercuri Urval

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### For more information

Please contact [marketingsupport.int@mercuriurval.com](mailto:marketingsupport.int@mercuriurval.com) #LeadersHelpingLeaders  
Or email Richard directly [richard.moore@mercuriurval.com](mailto:richard.moore@mercuriurval.com)

### About Richard

Richard is Mercuri Urval's Chief Executive Officer. Richard leads the Mercuri Urval team worldwide, working closely with colleagues and clients in all sectors across Europe, Asia-Pacific and the Americas. Prior to this he has more than 15 years' experience in advising organisations in Leadership Acquisition and Business Transformation. Richard has a Masters in Psychology and is also a Board Member and Partner at Mercuri Urval.

[www.mercuriurval.com](http://www.mercuriurval.com)

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