

The dual-personality company

Getting Organized Part 2: Rigidity and flexibility are required to complete day-to-day tasks and solve exceptional problems.

by Art Raymond

araymond@raymondnet.com



The survival of your business depends on efficiently delivering products and services that effectively solve your customers' problems. To accomplish these two broad tasks, your company must be schizophrenic, i.e., have two diametrically opposed qualities:

Rigidity: Executing the prescribed, day-to-day tasks necessary to convert materials and ideas into value requires a formal structure. Such an arrangement provides order, consistency and predictability.

Flexibility: Solving exceptional problems, for both external and internal customers, requires temporary, ad hoc teams to develop new, one-off answers and recommendations. These makeshift groups, residing

within the formal organization, provide evolution and change.

Your company's mission dictates just what portion of each quality is needed. A company like Wal-Mart, which succeeds or fails on its ability to deliver low, everyday prices, needs a heavier percentage of formal, permanent organization. Could you source, distribute and sell \$240 billion of goods annually without order and consistency? Software giant Microsoft, on the other hand, requires the high-performance creativity of specially formed teams. Bill Gates' success depends on constantly offering new, useful products rather than simply copying and distributing those solutions on CDs.

Microsoft's teams develop and rec-
continued

Art Raymond is a manufacturing consultant specializing in furniture, cabinets, millwork, fixtures, and other secondary wood products. His firm, A. G. Raymond & Co., has developed management and technical solutions for manufacturers around the world. Contact him at 919/831-0070, by email at araymond@raymondnet.com, or on the web at www.raymondnet.com.

Rigid vs. flexible approach

Attribute	Formal structure	Flexible team
Duration	Everyday Semi-Permanent	Temporary
Purpose	Order, Consistency, Predictability	Evolution, Change
Goals	Set by Top Management	Set by Top Management
Work processes	Pre-Designed by Management	Determined by Team
Key success factors	Broad, Semi-Permanent	Specific, Temporary
Leadership	Individual Authority	Shared
Accountability	Individual	Joint

commend change not constancy, exploit opportunities and improve processes and products. Such change teams are the focus of this commentary.

Recognizing the level of schizophrenia required in an organization is the

job of top management. The key is to execute processes without waste, delays, frustration and involuntary rejection of responsibility. At the same time, management must recognize the need to attack extraordinary issues

with unique mixtures of resources.

Making these choices requires an understanding of the organizational process and the different attributes of the two alternatives: a formal structure and a team.

The organizing process

Organizing is the arrangement of separate elements into a whole of interdependent parts. Organizing requires seven steps:

1. Setting the objectives — What must be accomplished?
2. Defining the work — What actions are required to achieve the goal(s)?
3. Devising the processes — How will the work be accomplished?
4. Grouping these activities into job descriptions — Who does what work?
5. Assigning authority to each job.
6. Setting the authority relationships — Who is the boss, who is the subordinate?
7. Determining acceptable performance — What is the definition of success?

In general, these steps define goals, process, authority, accountability and resource requirements. Let's contrast the similarities and differences between the two organizational alternatives in these elements.

Setting goals

Only the highest level of a company possesses the information and insight to set corporate goals. Thus for both formal structures and change teams, this critical direction comes from top management. And this direction is vital. No organization can achieve without knowing what its purpose and goals are.

In the day-to-day routine, these goals are relatively permanent. The objectives of most workers' jobs change slowly, if ever. The goals of a team, on the other hand, are usually transient. But there is a critical linkage between a team and the formal organization in which it re-

continued

sides. Solutions achieved in quest of a team's goals become part of the routine process of executing the company's strategy. The performance to be achieved through the team's recommendations becomes the new standard, the

target of the entire company's renewed efforts. Teams help reinvent a company's goals and processes.

Defining the process

To complete everyday tasks, man-

agement defines the necessary responsibilities — what has to be done, and the process — how to do it. Remember, the overlying purposes of the formal structure are order, consistency and predictability. In short, the structure should put a company on cruise control.

Once a team sets its how-to process, everyone must share the workload. Better yet, team members should work collectively toward the end product: solutions and recommendations.

Authority and accountability

Command-and-control is a necessary ingredient in all organizations. In the everyday workplace, the org chart establishes bosses to oversee performance and workers to complete the various tasks. In teams, the boss must morph into a role of leader and coordinator. A team's org chart is flat with little, if any, need for authority relationships.

In the normal routine, workers are generally held individually accountable to their formal boss, but on a team, members must be accountable to the team itself. "All for one, one for all" should be the rallying cry. This element must be supported through a set of simple performance metrics tied directly and clearly to the team's purpose and goals. Such metrics develop a sense of commitment to purpose.

Most formal company structures are arranged functionally. People are connected to their function via solid lines on the org chart. Whatever your company's organizational form, teams are useful when structural boundaries impair the cooperation needed for problem solving and action recommendation. The team provides the assembly of resources across the functions.

Once a team is established, the needed mix of skills must be decided. Experts list three skill sets for a team and its members: technical competency; problem-solving aptitude; interpersonal ability.

Team size is an issue. Large num-

bers of people can rarely work together constructively. Can you imagine the chaos if football teams had 25 players? Coordination is much easier with small numbers.

Understanding the skills and experience necessary to accomplish the task at hand is the key to setting team size. Don't worry about covering every possible skill requirement. Members can always be added. And skills can always be developed among initial team resources.

Relationships

In a formal structure, the relationships between the many parts are understood. Jobs are set, processes defined and lines of authority enable ongoing process repetition.

Teams in many ways perform a staff function with no authority to take action. Teams must always hand off their recommendations to the people in the formal structure who will implement them.

A team's recommended processes and new performance targets must become the everyday actions and goals of the company. An executive champion can play a critical role in this transition. Too often a team works diligently to solve a problem only to have its recommendations sit unused on the shelf. Such an experience inhibits buy-in when those

workers are asked to serve on another team.

Today, managers must seek order, consistency and predictability on one hand and rapid change on the other. The right degree of schizophrenia — a balance between rigidity and flexibility — can enable your company to adjust its processes and performance quickly. ▲

For best results teams require champions

An executive champion is not a person who wins at the game of business. Rather he/she is a senior-level person who works full time to shepherd a project team to completion of its purpose. This position forms a critical link between top management, the project team and the rest of the company by:

- 1.** Articulating the goal of the project team by specifying which mountain to climb
- 2.** Quantifying the expected results in easily understood terms by setting metrics that illustrate why and how the effort is important
- 3.** Stepping back to let the team work, not specifying how to climb the mountain
- 4.** Ensuring adequate time is available for the team members so they can keep the ball rolling