

The Redesign Process

Changing an organization to accommodate changing times.

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The objective in redesigning an organization is to make it capable of winning in current and future market environments. A successful redesign results in an organization that is highly responsive to market and customer needs and is highly profitable. The characteristics of the redesigned organization are demonstrated in consistently on-target responses to changes in market or environment, a noticeable lack of waste in all areas of business, and significantly higher than average profits.

The Goals

Nearly any employee in a successfully redesigned company would tell you the elements listed below were institutionalized into the organization's basic workings.

- clear business focus and direction
- a single overriding strategy understood by all employees
- clear, measurable, and well-understood goals
- logical organizational structures defined by clear accountabilities, with no excuses
- strong customer/supplier relationships
- individual job descriptions with well-defined roles and critical competencies necessary for meeting specific organizational performance goals
- objective performance measures established for all jobs that are tied to the organization's goals
- a structure in which all jobs are value-added, filled with the best set of skills available to match the critical competencies and accountabilities of the job
- easily accessible information about personal, local, and organizational performance
- spontaneous group problem-solving across organizational boundaries
- strong sense of team identity for the organization and its sub-units
- seamless interfaces between all units.

The Assessment

The initial step in forming an organization with these characteristics is assessing its current status.

Beginning with tests to determine the clarity of the organization's focus and primary strategy, the process addresses all aspects of the organization, including the assessment of employees at all levels and the organization's functions.

Because the assessment process requires an objective analysis of all structures, roles, responsibilities, interrelationships, and capabilities, plus the evaluation of sub-units and key individuals responsible for the organization's performance, it must be performed by an objective outsider unburdened by preconceptions or internal cultural norms.

Findings and Recommendations

The second step in the redesign process requires an objective determination of all the steps needed for the organization to reach its primary goals. This may result in a recommendation to make a series of minor changes, to undertake a process of sweeping change, or, in some cases, close the business. Without a thorough and objective assessment to develop this recommendation, it is unlikely that any actions will result in the lasting changes needed to meet the organization's primary goals.

The third redesign step is entirely dependent on the recommendations made in step two. It typically consists of a thorough discussion with management to determine if the will and commitment to change are sufficient to ensure success. As discussed in the article titled "Speed, Waste, and Profitability," (*PC FAB*, December 1993, p.55) redesign is not for everyone.

Design Teams

Assuming management is committed and determined to see the necessary changes through to completion, the next step is forming a design team from within the organization. The team is chartered with the task of working out the logistics of redesign and working with the consultants to lead the redesign process. During the process many teams may be formed to work on the needed changes.

Since most organizations require structural redesign from the top down, a team of top executives and support staff is often formed to redesign the fundamental structure of the company. The objective of this team is the development of a blueprint for the structure appearing as the top two levels on the organizational chart. Tests used by this team to determine the validity of their design are based on the following questions:

- Can the new structure respond more quickly than the competition to market changes?
- Do all the responsibilities and tools available within each organizational segment allow its members to meet their accountabilities with no possibility of excuses based on another organizational sub-unit's lack of performance?
- Can the performance of the sub-units be objectively and easily measured?
- Can the sub-units' performance measures be closely tied to the organization's overall goals?
- Is the new structure waste-free and excuse-free?

The characteristics of a redesigned organization are demonstrated in consistently on-target responses to changes in market and significantly higher than average profits.

Structural design teams are usually established in sequential fashion as the definition of the structure takes place from the top to the bottom. Before a structural design team can do its job effectively, its members must have a clearly defined set of primary goals, responsibilities, and accountabilities from which to work.

The original design team typically charts a series of local design teams to work on the fastest and most waste-free design for each organizational segment. These teams include employees from several levels, technical specialists, internal customers and suppliers. Many of these team members will eventually be deeply involved in the design of accountability structures and in describing the jobs and positions they may later fill.

The structural design teams inevitably find many barriers to achieving their objectives. Information systems, performance and pay administration systems,

culture, and lack of knowledge about the realm of possible alternatives are common barriers. The teams may choose to use experts as resources in overcoming the barriers; they may opt to establish additional teams to work on specific barriers; or they may decide to postpone dealing with a specific barrier until the structure they are defining is clearly described in terms of accountabilities, responsibilities, and job and position descriptions. The final resolution of some barriers will fall to new employee teams hired to fill redesigned jobs.

Hiring Teams

The design teams provide the blueprints for hiring teams to fill the job openings with the best set of skills to match the goals of each job. To successfully accomplish this, the hiring teams are usually comprised of three to five individuals who collectively have a thorough technical and specialized understanding of the job, a customer and supplier perspective of the job, and a peer perspective of the job. It is essential that each team has the expertise to identify the critical competencies needed to effectively perform the job in question, both on paper and in the interview with a job candidate.

The hiring teams are trained to break down job accountabilities and responsibilities into the critical competencies needed to successfully accomplish the goals of the job. The teams convert this information into interview questions designed to test candidates for each critical competency. The questions and a simple numerical scoring format are used by the team for each interview. The hiring teams are thoroughly trained in interviewing procedures, including extensive coached practice and a tutorial on the legalities of the hiring process.

The Hiring Process

All jobs are posted as if they were new positions to be filled. Most companies do not guarantee that every existing employee will have a job at the end of the hiring process. Many companies choose to post all the jobs when the job descriptions and posting documents are complete. During the posting period, all employees apply for the jobs they feel best suited to fill. The hiring process usually occurs by layers, providing the opportunity to fill managerial jobs before the jobs of workers reporting to managers. Although final hiring decisions and offers are made by the manager to whom an employee will report, the team recommendation is almost always followed by the manager.

Information, Systems and Training

Providing information, training, and supporting systems to ensure each employee the opportunity to succeed at his or her newly redesigned job is critical. For most companies this process begins shortly after the first structural design level has been established. The assess-

ment has already provided a clear picture of the current information, systems, and training in the company. This is used as the starting point for developing new information, adapting or developing new systems, eliminating existing wasteful information and systems, and determining what training will be needed for the redesign to continue. The most common needs are:

- accurate unit cost information by specific process step or major grouping of work activities
- accessible information about the actual profitability of individual products, customers, and distribution channels
- structures, formats, and procedures for the daily reporting of performance to primary goals by each major segment of the organization
- closed-loop feedback systems to quickly identify fluctuations in performance and their causes
- performance management systems and training for all employees on how their performance is directly tied to the performance of the organization
- rapid and systematic feedback of information to all employees about performance to their personal plans
- training for procurement and operating personnel in how to establish customer/supplier partnerships

- training in closed-loop problem-solving and real-time response to change at all levels of the organization.

The preceding list is not all-inclusive. It represents the most common needs found in organizations attempting the redesign process. Failure to address any information, training, or systems needs can eventually short circuit the redesign process and leave employees feeling they have given a great deal of their personal time to a project that was either not fully supported by management or not carried through to completion. However, the company that has fully embraced the redesign process can adapt and modify their redesign timelines during the process to solve shortcomings in systems, information, and training. These shortfalls can be turned into very valuable growth experiences for employee teams that assume responsibility for the correction of shortfalls.

The redesign process carried to completion yields a fully engaged and committed employee team capable of acting spontaneously and making course corrections in real time to meet the strategic goals of the organization. **FAB**

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