


OLIVER WYMAN

Delta Organization & Leadership

Executing Global Strategies

Accelerated Design Process Yields Quick Results

Your Problem: “We’ve spent a lot of time developing a global strategy. Now we’re under the gun to implement it, but we’re not sure where to start.”



It's one thing to develop an innovative global strategy; it's quite another to execute it successfully. The impetus to globalize comes in many forms: a need to enter new markets, gain economies of scale while leveraging resources, strike the right balance between centralized control and local autonomy, share knowledge more efficiently, or better respond to customers and competitive threats. Whether it is one of these forces or a combination of them, corporate leaders are finding it necessary to redesign their organizations and develop their executive talent to meet the execution demands of the global enterprise. This raises a host of questions, including:

- How do we design an organization that is capable of delivering our strategy?
- How do we balance the need for global efficiency with customer intimacy?
- How do we reduce costs of internal functions such as human resources, finance, or information technology and still be responsive to the needs of the operating entities?
- How do we prepare our leaders to effectively execute the strategy and engage everyone throughout the organization in the work?

Our Approach: Concurrent Design and Implementation

Oliver Wyman – Delta Organization & Leadership has developed a concurrent design approach that helps leaders redesign their organizations to execute global strategies faster and better. It uses short phases that integrate work being done concurrently on strategy, organization, and leadership, which enables progress across all three areas to proceed in lock-step. With a strong implementation focus, tangible outcomes at each stage ensure rapid forward movement and provide a solid foundation for subsequent phases to build upon. These “quick win” results can be touted within the organization as proof that changes are taking hold.

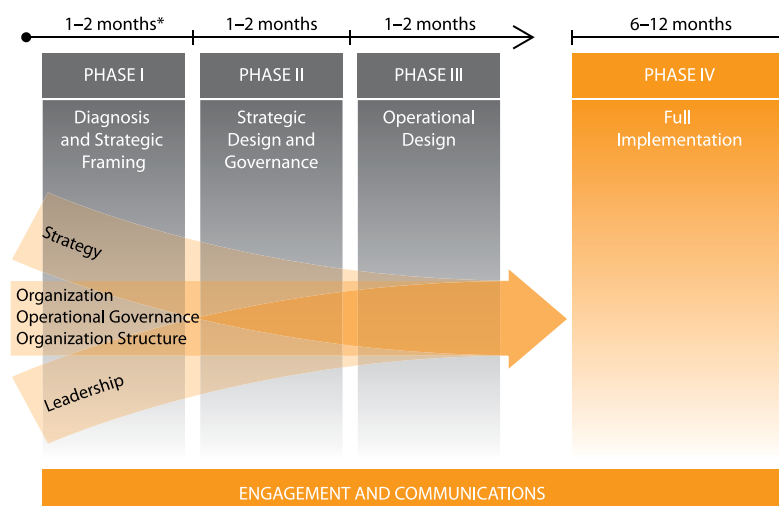
Increased engagement at each phase extends alignment and commitment to the changes to all levels of the organization. Specifically, the concurrent design approach involves developing three linked streams of work that focus on:

- **Strategy:** working with the existing strategy to ensure that the direction, focus, and implications are well understood, and then linking the strategy to high-level organization architecture
- **Organization:** defining the organization structure, making decisions about operational governance, and developing key processes and systems
- **Leadership:** developing a robust leadership pipeline and a change strategy

Throughout each phase, engagement and communications provide the foundation for managing change.

While global in orientation, this approach is also useful for organizations that need to better integrate regional or business unit divisions into a more efficient and effective whole.

Concurrent Design Process



*While each of the first three phases generally takes about two months, the amount of time will vary depending on each organization's particular needs.



How Oliver Wyman – Delta Organization & Leadership Can Help

We have more than 25 years of experience working with senior executives to lead organization change, and our work in strategy development, organization design, change management, and executive talent management uniquely positions us to help organizations determine how to succeed in today's global marketplace. Applying our concurrent design approach, we typically plan strategy, organization, and leadership work to be done over four interlocking phases. However, the focus of each stream and the number of phases depend on where your organization is in the development and execution of its global strategy.

Phase 1: Diagnosis and Strategic Framing

The first step is to diagnose an organization's ability to execute globally, which enables the development of an integrated approach for the overall design process. Initial strategy work also clarifies strategic issues and specifies the elements of the strategy that will drive the new organization design.

The organization work stream involves determining how decisions will be made in the new organization and defining corporate roles for driving the overall change process. The executive team and/or a design team agree on design criteria and constraints—a list of operational issues the new design must address, objectives it should aim to achieve, and boundaries that limit what it can be or do.

The design criteria (typically five to nine) are prioritized and a benchmark for evaluating alternative designs is developed; using these guidelines, high-level conceptual designs can begin to be evaluated.

Leadership work includes assessing the organizational culture (the unwritten codes and norms that guide employee behavior), leadership capabilities and alignment with the strategy, and the overall change impact and risk to the organization.

An integrated change management, communication, and engagement strategy is developed to mitigate risks and begin to engage the organization in the change process.

Phase 2: Strategic Design and Governance

During this phase, the strategic design of the new organization begins to take shape. The executive team and/or design team defines a transition governance structure with roles and processes to govern the organization during the transition state, the period of flux between leaving the old organization behind and implementing the new one. Based on what's been learned through the initial diagnosis, the strategy continues to be fine-tuned. Organization work further clarifies roles and responsibilities and strategic decision rights. The CEO and senior team identify and develop an organization model and begin to define business processes, organizational groupings, and how these groups will be linked and their work coordinated.

Leadership work continues with the assessment of top leaders' capabilities and selection of leaders with the required skills, and a talent development strategy begins to emerge. Metrics are established to gauge progress against objectives.

Key players and future leaders are purposefully involved in the change process as communications and engagement are pushed further out and down into the organization.

Phase 3: Operational Design

By this point, the organization is ready to identify how the new design will be operationalized and how resources will be organized to support it. Leaders and design teams continue to work strategic issues as needed, but their primary focus is on transitioning the organization to the new operational design.

A Program Management Office (PMO) can be introduced to oversee and support implementation of the new design and ensure things stay on track. With or without a PMO, additional management processes and governance structures need to be finalized, as do critical committees and roles. The detailed design for the future organization is created, and implementation plans are developed.

Leadership work focuses on assessment and selection of leaders further down in the organization.

Functional and divisional leaders continue to engage employees, explaining the case for change, what the actual changes will be and how they will affect employees, and timing and milestones.

Phase 4: Full Implementation

The pieces are now in place to implement an organization that is ready to successfully execute a new global strategy. The strategy is complete, decisions about operational governance have been made, and the organization structure is defined. New systems and processes are instituted, a new governance structure goes into effect, and financial systems and performance metrics are aligned.

Implementation is ongoing as company leaders continue to integrate new initiatives, evolve and execute talent development strategies, communicate with and engage employees, and measure the impact of change initiatives and adjust them as needed. One way to help ensure that momentum is maintained is to preserve the PMO to introduce, evaluate, and oversee new change initiatives. Organizations also need to stay focused on ongoing executive talent development to continue to meet the demands of operating a global enterprise.



As You Move Forward...

Regardless of whether or not you choose to work with Oliver Wyman – Delta Organization & Leadership, we recommend that you keep the following suggestions in mind as you think about bringing your own organization into line with the demands of today's global marketplace:

1. Deliver results as you go. Keep design phases short and focused in order to achieve quick, tangible results that can help build support and maintain momentum.
2. Start early with communications and engagement. Devote sufficient time, thought, and resources to engaging the organization in your change plan. Even the most ingenious strategy will fail if no one beyond the senior team understands or embraces it.
3. Cultivate a global mindset among leaders. Organizations need leaders who understand and are able to manage the paradoxes of realizing global capabilities while capitalizing on local opportunities.

About Oliver Wyman – Delta Organization & Leadership

Oliver Wyman is building the leading global management consultancy, combining deep industry knowledge with specialized expertise in strategy, operations, risk management, organizational transformation, and leadership development. Delta Organization & Leadership works collaboratively with CEOs and senior executives to meet the challenges of building talent, accelerating organizational performance, and driving business success. Our Executive Learning Center provides top-tier executive education around the world, designing and implementing customized programs that develop the leaders you need to compete and grow.

We bring deep expertise and a track record of high-impact solutions that minimize business risk by:

- Maximizing CEO and senior team effectiveness
- Making your strategy work
- Building an effective board
- Managing the business of change
- Redesigning your organization
- Developing a pipeline of the right leaders for your business
- Securing commitment through communication and engagement
- Bringing meaningful data to decision-making

To obtain further information about Oliver Wyman – Delta Organization & Leadership, please contact us at deltainfo@oliverwyman.com or the telephone numbers below.

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