

## **Structure as Competitive Advantage**

In business we often think of structure as a static organisation chart. This is like the many Sunday soccer teams that line out in a 4-4-2 formation and lose their shape after five minutes.

This is the opposite to elite sports teams in soccer, rugby and NFL where the team structure for each game is planned, is walked through, is learned and then is applied throughout the game.

The structure is planned to use the strengths of the team and to avoid or neutralize the strengths of the other team. The planning is based upon a candid identification of the team's own skill shortcomings and will look for channels in the other teams defense that have weaknesses, which it can attack.

Usually there are offense and defense structural formations and these will each have a number of plays. These plays are coordinated moves of groups of team members designed to stop, defend, counter-attack, hold ball and a number of different attack plays. These are often triggered by set pieces after free kicks, line outs etc.

### **Structure becomes Living Coordination**

Success in a complex and live structure or form is living and breathing. It is built on the communication between the players. At an elite level this involves talking, shouting, choreography and signaling. It means each player knowing their role in each play and their attention in real time to delivery of confident precision. The amateur static 4-4-2 now becomes a ballet with integrated and timed moves that are choreographed in real time to deliver results.

Structure thus becomes coordination. Coordination is richer, it is not static, it is the planned plays being delivered efficiently and effectively in response to real time on field diagnosis of the opportunity/need to move to offense or defense. The elite team work together in a choreographed and precise manner whilst also allowing any one player to break formation and score knowing that the rest of the team will form as support.

### **The Exemplars**

Harvard research suggests that the success of any business organisation is built on its human organisation. The winning organisation is the one that appropriately coordinates its competence levels and deploys them at the right level of intensity at the right time.

In business there is little doubt that the best organisations in terms of coordination are usually the Global MNC's who use the matrix structure form to ensure fast decision-making, problem solving, learning and delivery of results. For this to work the company must have common plays (processes) that are used in teams across the globe. These must be shared and learned by all company players.

## **New Competence for the New Executive**

In looking for and developing executive talent these firms now seek out and challenge potential leaders to be able to quickly integrate with any team, add value and energise others. This executive of the future will need to be able to quickly learn and adapt to many different scenarios. They will need to be able to respond with precise company game plans in a coordinated manner to deliver results. Their success will be based on excellent communication and learning ability as well as the confidence and energy to respond to market stimuli in a measured and precise manner. She/he must be natural team player. As Steve Jobs suggested in a recent talk at Stanford the next key innovations and business successes are going to be more complex and will be delivered by teams and not individuals.

## **Setting the Targets & the Game plan**

Effective coordination in a business organisation begins by having clarity about the business strategy. In sport the team will have a strategy for the next 'Given Sunday'. The company must have total clarity about what it wants to achieve and then about how it is going to achieve this. What must we achieve and how do we intend to act to make this happen.

At a basic the company must have agreed strategic priorities (scorecard) and also an agreed execution methodology that clearly identifies at a corporate level the coordination, skill and engagement alignment that will be used to deliver the new strategy.

Many companies instead of changing their coordination, competence and engagement levels seek to deliver a new strategy with the old structure, skills and commitment levels. Little wonder then that many new business strategies are not successfully delivered. Companies often continue to live by Einstein's definition of stupidity 'doing the same things, in the same ways and expecting a different outcome'

## **Making it Happen**

For successful implementation the corporate requirements (metrics and strategic game-plan) must be cascaded through the company. Each function and business unit must explore the corporate requirements and identify:

- What they must contribute
- How they will apply the corporate game-plan through:
  - Improving and defining coordination,
  - Up-skilling
  - Engaging at higher and flexed intensity levels

to deliver the required results.

This process needs to be repeated at each level until it is cascaded to the front line teams. Each team member must understand:

- What are the company goals

- What is the company game plan to achieve the targets. Including the behaviours that we must exhibit and the behaviours that have no place in our performances (like the series of unnecessary penalties that were given away by Ireland in the 2011 RBS Six Nations Championship)
- What does this mean for our team
  - What is our scorecard/ what must we contribute
  - What is the game plan for our team? How we are going to coordinate as a team to support each other and deliver (defense mode/offense mode and plays)
  - What is my role in the game-plan
  - What new skills must we as a team and I as individual learn and apply to deliver
  - At what intensity must we as a team and I as an individual work in order to deliver

### **Practice and Training**

Once this clarity of expectation is in place the next step in sports teams takes place on the practice field. Unfortunately, in business there is less time for practice and training. However, the firms that are really successful in using organisation as a competence focus their training, coaching and business processes on their flagship and flexible way of working. Their 'signature style of play'. All action is pre-planned and organised. Just like the Steelers they walk through their plays.

Internal communication in firms that coordinate successfully is focused on external reality and a consistent diagnosis and application of measured responses and plays designed to protect market share or grow market share.

### **Managing the Performance**

The performance management process should now be clearly focused on the new game plan. The goal-setting stage with each individual should clearly identify and seek agreement with each individual about:

- The key targets that they are required to deliver (their contribution)
- Their role in the new game plan
  - Performance diagnosis
  - Stimulus responses
  - Communication
  - Alignment
  - Offense/Defense forms and plays
- Their development plan
  - New skills that are to be learned and applied
  - Behaviours to be demonstrated
  - Behaviours that are to be extinguished
- The Coaching Contract
  - The support and coaching styles they require in different areas of their performance from the manager

Like our elite sports teams performance at the team and individual level needs to be reviewed after each game (usually weekly). In many companies we only

formally review team and employee performance at half yearly and annual review sessions. They see performance review as an 'add on'. To produce a structure that delivers advantage we must review fully at a team and individual level the team's results and its performance (how it applied its game plan) at least monthly. The focus of the living structural review should be on:

- How we are responding to stimuli from the market environment
- How each role in the team is delivering on commitments to colleagues
- Behaviours we need to continue/start/stop if we are to succeed
- Skills we need to add/improve/hone to gain advantage
- The role of the manager and coach staff and key actions required from them to support the performers

This structural review sees the structure as a fluid network of focus, roles, processes, and commitments to each other, communications and choreographed offense and defense moves. Through a living structural review the structure can be agile and adapt to stimuli from the external environment. If the opportunity exists for growth the team align for growth and commit to each other to deliver the internal service that will produce the ultimate result. If the external environment is challenging the structure through team coordination, competence and commitment levels can align and focus on maintenance and survival.

### **Tough requirements from each level of the organisation**

This living and breathing approach to structure is hard. It is hard because it needs a top team who:

- Are clear about what they want to achieve
- Can identify the 'signature game plan' that will maximize the opportunities for the company in its market place
- Who are disciplined and focused on 'the what' and 'the how' of performance (not simply short-term results)
- Who understand that performance is delivered by those in the front line and that their role in the executive team is to:
  - Provide the right focus and co-ordination to enable the team members to deliver and develop
  - Observe team performance and identify the successful and unsuccessful patterns in the same manner as sports teams use the SAS software to identify where they are gaining territory, losing territory and where there are gaps in the competitors game plan that can be attacked
  - Listen to the players on the ground who are meeting the customers and beating or losing to the competitors
  - Understand that like the sports coach their role is critical but that they cannot score the goals
  - Their success can only be achieved by focusing and developing others

It needs a Centre Line (the line and middle managers) who:

- See their role as focusing, coaching and enabling those in the front line to deliver increased sales, more efficient production and better customer experiences
- Are process focused and agile
- Are skilled coaches
- Who can observe performance and identify the key opportunities and threats on the field
- Are flexible and will vary their own roles/ adapt multiple roles and responsibilities as required

Like an elite sports team with strength and conditioning, technical, medical and nutrition experts a company to be an elite performer needs the right specialists who develop the performance programmes and processes. We call these the techno-structure. In a company this group will include Marketing/IT/Credit/HR/Supply Chain/Lean experts. This group must individually ensure that they are at the leading edge of their profession but that as a member of the elite coaching team that their area is fused with the other areas to deliver the right programme and processes that will enable the front line teams to deliver. These are the real innovators. They are fusing leading edge professional knowledge with the information gathered from the frontline to develop new game plans for the next performance period. They also listen to the players in the frontline/observe performance patterns and work in teams to solve performance problems.

### **The Opportunity/Challenge**

In tough times it is amazing that many firms do not look at their structure or coordination as a core and free source of real competitive advantage. The lessons are there from sport. Management like sport is now a science. Unfortunately, too many executives do not truly look at how they can make their structure perform. They are like the Sunday morning soccer team. Playing for fun not results in a structure they may not even understand or one that if they understand it they do not have the discipline to play. If we care about our organisations and our people we must wake up our structures. Structure is not simply a static organisation chart it is how our organisation thinks, breaths, learns and acts. Time to play like the professionals.