



Building A Winning Organization

Winning organizations are designed and built to thrive in a particular context. They are "purpose-built" with unique adaptations that make it easier for a collection of people to work together and achieve a common goal. Much like the concept of Product-Market Fit (PMF), well-built organizations have Organization-Market Fit (OMF).

For quick reference, PMF is characterized by these factors:

- Ideal Customer Profile
- Underserved Customer Need
- Compelling Value Proposition
- Customer Validation

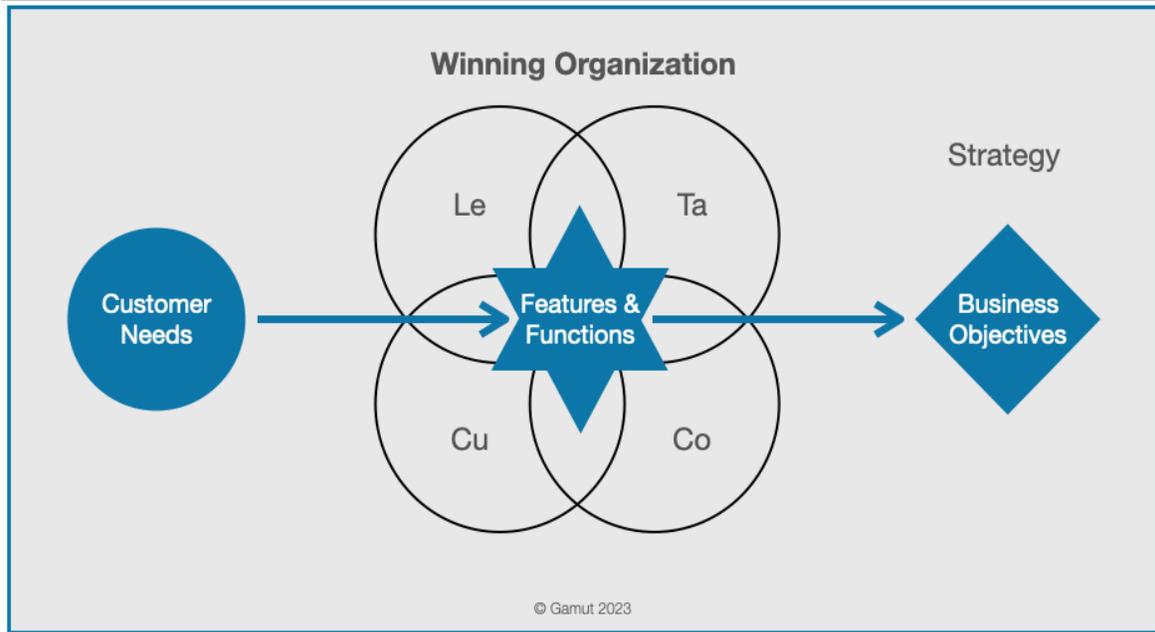
Similarly, Organization Market Fit (OMF) is characterized by these factors:

- Clear Line-of-Sight from customer to strategy to business objectives
- Elemental Alignment of Leadership, Culture, Talent, and Communications
- Functional Alignment for efficient value creation
- Business Impact Validation

Many business leaders don't realize their organization is the result of the choices they make, just like their business strategy. Traditional, hierarchical organizations are so common that this idea is often overlooked for lack of noticeable differences among peers. Besides, It costs time, attention, and money to design a winning organization, so most companies put it off and sometimes never attempt it because they are unclear about the value. This is a costly mistake as organization inefficiencies create a drag on productivity, limit performance, and waste energy and effort. In reality, the investment pays back and Winning Organizations outperform their peers.

Seasoned executives know the value of intentional organization design and invest early to ensure they have the right people in the right place, at the right time; all doing the right things. But how do you define what is right?

Let's dig in!



Elements of a Winning Organization:

Customer Centered

"The purpose of business is to create and keep a customer." --Peter Drucker. Success depends on identifying an ideal customer profile, fulfilling an unmet need, and delivering value that satisfies that need. Everyone in a winning organization has a clear understanding, deep empathy, and a passionate desire to satisfy this customer.

Strategically Positioned

Strategy is a set of five interrelated choices, rather than a long planning document according to Roger Martin, the world's leading business thinker and author of the book *Playing to Win*.

1. *What is your winning aspiration?* This is the purpose and motivating aspiration of the organization.
2. *Where will you play?* This defines the specific markets, customers, channels, etc. where the organization will compete.
3. *How will you win?* This is the value proposition to compete in the chosen playing fields.
4. *What capabilities must be in place?* These are the capabilities and configurations required to win.
5. *What management systems are required?* These are the process, tools, people and measures to enable the capabilities and support the choices.

Operationally Disciplined

There are a million things that *can* be done, the job of business management is to pick the very few that make the biggest difference and ensure they are accomplished efficiently and with effectively. This requires sufficient executive structure and focus, functional and organizational leadership, and organizational capacity and commitment to deliver within defined constraints.

Functionally Aligned

Organizations come in all shapes and sizes, just like animals and plants. They may share common adaptations but how they are put together and which define the best path for survival differ widely. In winning organizations, all roles and functions work together in an efficient flow of information and action to generate value with maximum impact and minimum effort.

Necessary effort sometimes precedes optimal impact and should be carefully evaluated for Return on Investment (ROI). Adds to headcount and expansions of functional capabilities must be driven by clear customer need and/or demonstrable impact on business objectives by either adding to growth or subtracting from costs. The timing and capacity of any expansion are gated by strategy and business objectives.

Human Enabled

Most organizations depend on human energy and creativity to deliver value and as such they are living, dynamic organisms much like a human body. In addition to the functional adaptations described above, organizations depend on several organic systems to operate effectively. There are common versions of each system, but winning organizations start from scratch and design a "purpose-built" organization where all the elements work together in systematic synchronization where the whole is greater than the sum of its parts.

Le: Leadership

It is common to assume that leaders are exceptional players with heroic qualities, but none of our most revered leaders act solo. Real leadership is the result of successful collaboration amongst a diverse group of individuals aligned on a common mission. In this view leaders are made, not born; and organizations that invest in leadership development are far more likely to win.

Ta: Talent

Talent is a complex, fluid mixture of *skills, attributes, experience, and interests*. Talent management is facilitating a productive exchange between what companies need and what people offer to create commercial value.

Cu: Culture

Culture is a craft. A craft is both a vessel to carry something (like a boat) and a skillful, hands-on practice (like ceramics) that produces an object that has a function. *As a vessel*, culture is a set of values, behaviors, rituals, and artifacts that carry a company to its goals. *As a practice*, culture is both an art and a science involving deep expertise in human behavior and a resonant appreciation of human aesthetics.

Co: Communication

Human-centered organizations rely on collaboration, not control, to get things done and effective dialogue is the key to successful collaboration. Winning organizations thoughtfully develop appropriate channels, content, and characters to tell stories, share information, and build relationships. The result is a well-connected, highly focused, and passionately inspired membership who tap into their collective power to accomplish great things.

Further Inspiration from The Human Body Analogy:

Leadership is the sensory system:

The sensory system receives and processes information that generates an individual's awareness of their environment. Various sensory perceptions then influence voluntary and involuntary motor activity to facilitate interaction with the world.

Talent is water.

The body is made up of 50 to 75% water. Water forms the basis of blood, digestive juices, urine, and perspiration, and is contained in lean muscle, fat, and bones. As the body can't store water, we need fresh supplies every day to make up for losses.

Culture is the musculoskeletal system.

The musculoskeletal system provides the body with structure and the means for movement, the musculoskeletal system acts as an endocrine system, stimulated by exercise, interacting through biochemical signaling with other organs in the body.

Communication is the nervous system.

The nervous system includes the brain, spinal cord, and a complex network of nerves. This system sends messages back and forth between the brain and the body. The brain is what controls all the body's functions.

Standards of Excellence for Human-Centered Organization:

There is ample research demonstrating what makes humans tick and what conditions they need to achieve their full potential. These conditions are complex and can seem overwhelming when considered individually, but assembled under one set of standards, they become a simple set of benchmarks to evaluate organizational excellence.

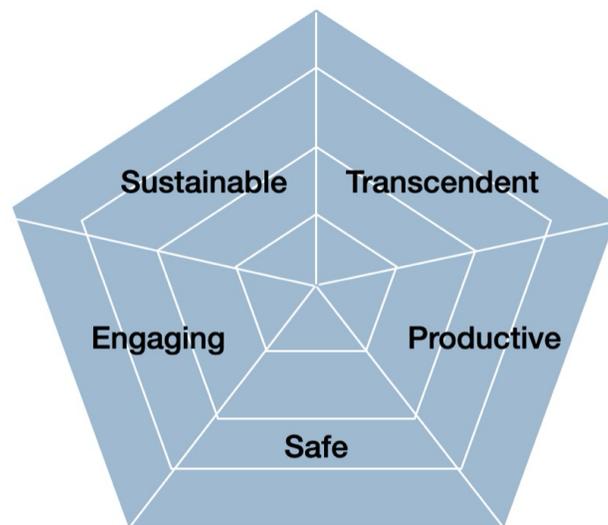
These standards are not hierarchical, and most organizations have some progress toward each standard simply by operating in the status quo. But that's not enough to be a winning organization that unlocks the full potential of its people.

Use this framework to identify the current levels in your organization and determine which and how much you'd like to improve. From there you can set priorities, conduct improvement activities, and track progress in each effort with the unified framework to correlate with business objectives.

Use the link below to access a comprehensive set of assessment questions to guide your initial evaluation:

Organization Assessment Form: <https://forms.gle/Wtoy5AnhwGrnHKSD6>

Five Standards of Organizational Excellence



Safe

At the base of any modern organization, people need to experience the absence of physical threats just to be present and pay attention. This is a bare minimum for businesses today and is mandated by law in most countries.

Safety in a Human-Centered Organization (HCO) goes beyond the bare minimum to provide an environment where people can feel respect and thrive creatively. A HCO establishes psychological safety that enables better risk-taking so people will be open and vulnerable when sharing radical or "stupid" ideas that ultimately evolve into breakthrough thinking.

With perceived risk, including social risk, our bodies react as if we are in physical danger and prepare for an attack autonomously. Our heart rate increases, our muscles tense, and our brains release cortisol to heighten our attention. Biologically this "fear response" was meant to quickly avoid sudden threats, but if a fear response is triggered all day long we get exhausted and burn out. For further insight into this concept, see *The Fearless Organization* and *The Right Kind of Wrong* by Amy Edmondson.

Productive

Productivity is having the right people doing the right work, at the right time, in the right way. The best way to ensure productivity is to set clear expectations for priorities and timelines and manage outputs, not inputs. Leadership must be ruthless in prioritization; ensure proper measurement and reporting practices are in place for distributed decision-making; and provide proper support, tools, and information to complete the work efficiently and effectively. Nothing kills discretionary effort like spin, waste, and lack of appreciation. For further insight on this concept see *The Progress Principle*, by Teresa Amabile.

Engaged

Left to self-preservation, it's natural for most people to conserve effort and withhold energy. To achieve *high* performance, winning organizations must build trust with dedicated managers, visible leaders, and reliable processes and tools. Extensive research shows that people quit managers, not companies, so it pays to have dedicated, professional management capabilities as outlined in the *Gamut Engaging People Playbook*. Also, refer to the *Gallup Q-12* for a deeper understanding of the research and recommendations for engagement.

Sustainable

Achieving excellence on this standard involves strategic investment over longer time frames and is considered a "higher order" talent management objective. Performance sustainability is about creating conditions for multiple high-engagement cycles and is measured using an Employee Lifetime Value (ELV) calculation that considers costs over time and is recovered through systematic efficiencies related to culture, leadership, and customer loyalty.

Transcendent

Purpose is an essential element of human drive and the key to unlocking full human potential. People thrive when doing meaningful work that aligns with their values and makes a difference beyond the delivery of customer value. Winning organizations provide social or global impact in addition to their customer value proposition and go beyond the business of creating shareholder value to have positive effects on public health, social issues, and/or the environment.

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