HITACHI
Inspire the Next

Organizational strategy and design

Business need

In order to survive and thrive in today's competitive landscape, an organization must possess a clearly articulated strategy and align its people and processes to achieve business objectives. The overarching strategy provides a road map, and the organizational structure is the vehicle that enables success.

Best-in-class organizations are able to identify the right strategy and design the solution for optimal execution.

Effective organization

- Align the organizational structure to the business strategy
- Measure organizational capabilities, enabling sound decision making and market responsiveness
- Evaluate and map core business processes to the organizational model
- Clearly define roles and responsibilities and establish appropriate performance metrics

The right strategy isn't enough; even the best business strategies will fail if the organizational structure is not in place to support execution. Symptoms that may indicate misalignment between strategy and organizational design include:

- Core business processes are inefficient and/or do not flow through the organizational structure
- The size of the organization is encumbering the ability to adapt and respond to changes in the market

- "Additional resources" is the perpetual answer to departmental bottlenecks and under performance
- People playing "out of position" in multiple roles, resulting in redundancies and poor employee morale
- Bureaucracy and red tape impede production and employee achievement; employees rely on institutional knowledge and relationships in order to get things done

Solution offering

Hitachi Consulting's Organizational Strategy and Design (OS&D) brings proven experience and thought leadership to help our clients align people, processes, organizational capability and structures with strategy and culture to optimize execution capabilities. We recognize this work as both an art and a science.

Value delivered

Aligning the organizational structure with the business strategy facilitates execution, cost efficiency, and achievement of business objectives. A well designed organization adds value to the business, its people and customers. An effective design:

- Increases productivity and operational efficiency
- Establishes clear accountabilities, interdependencies and processes that directly enable the strategy
- Removes operational impediments and refocuses the organization on the right things to enable strategy

ART

ASSESS · REFINE · TRANSFORM

- Defines performance metrics that motivate and reward desired employee behaviors and skillsets
- Creates a scalable organizational model that accommodates and facilitates growth

Our approach

Hitachi Consulting's OS&D solution leverages our ART Methodology, with three phases - **Assessment, Refinement and Transformation**. It begins with an evaluation of the current state — strategy, organizational capabilities, formal and informal structures and culture. We work closely with leadership to articulate the business strategy and evaluate organizational opportunities, leverage points and critical boundaries that will define the future-state design criteria.

The **Assessment** phase will provide an understanding of what, if any, changes are required to achieve the business strategy. This phase will generate:

- A foundation for building a strong business case for change and obtain stakeholder buy-in
- Leadership and employee input that will shed light on the current state and help identify key opportunities and leverage points for a new organization model
- Clear design criteria that will galvanize leadership vision and provide boundaries and guide posts for the organization design process

With a sound understanding of the business strategy and existing model, we construct a future-state conceptual framework that leverages key organizational capabilities, resources and industry best practices to achieve strategic objectives.

Organizational models must stand-up to rigorous scenario testing and comprehensive impact assessments to ensure success on multiple planes — process integrity, financial performance and cultural stability. The **Refinement** phase will produce:

- An organization model that is aligned with core business strategy
- Clear role definitions that may include categories and job descriptions and performance metrics
- An organization structure that outlines scalable resource allocation and sourcing processes

We design and implement strategies that manage the individual and organizational transitions to ease adoption and sustainability. The **Transformation** phase ensures that the following elements are in place:
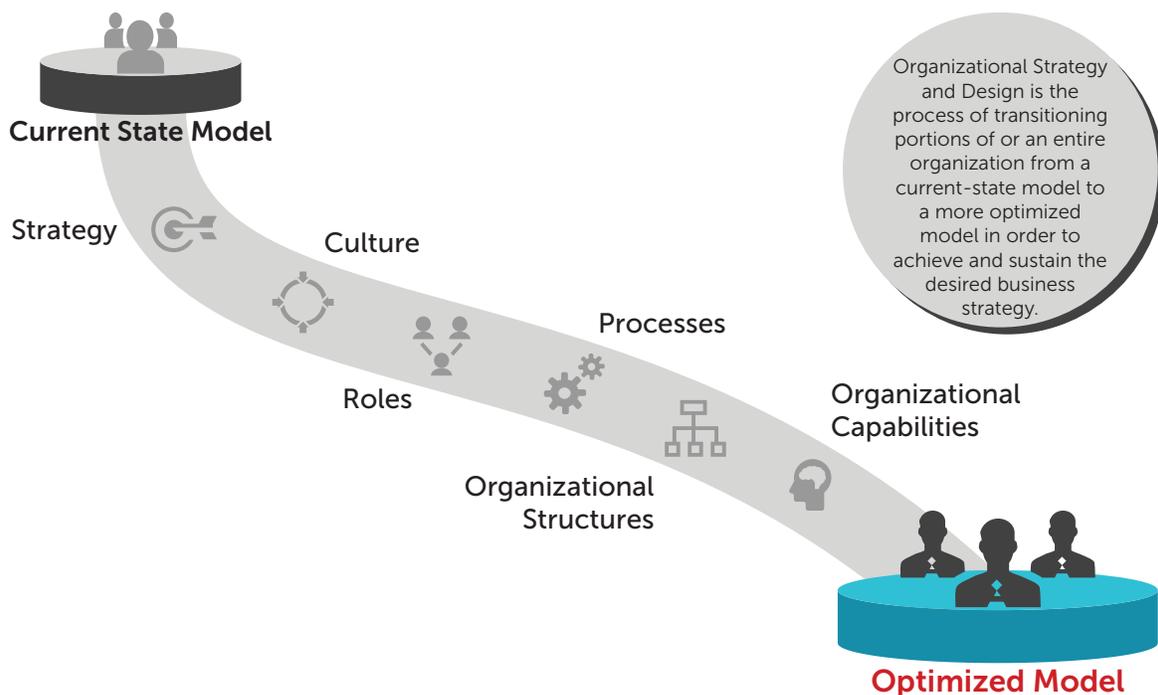
- Governance framework— performance metrics for implementation to be measured against desired reorganization outcomes
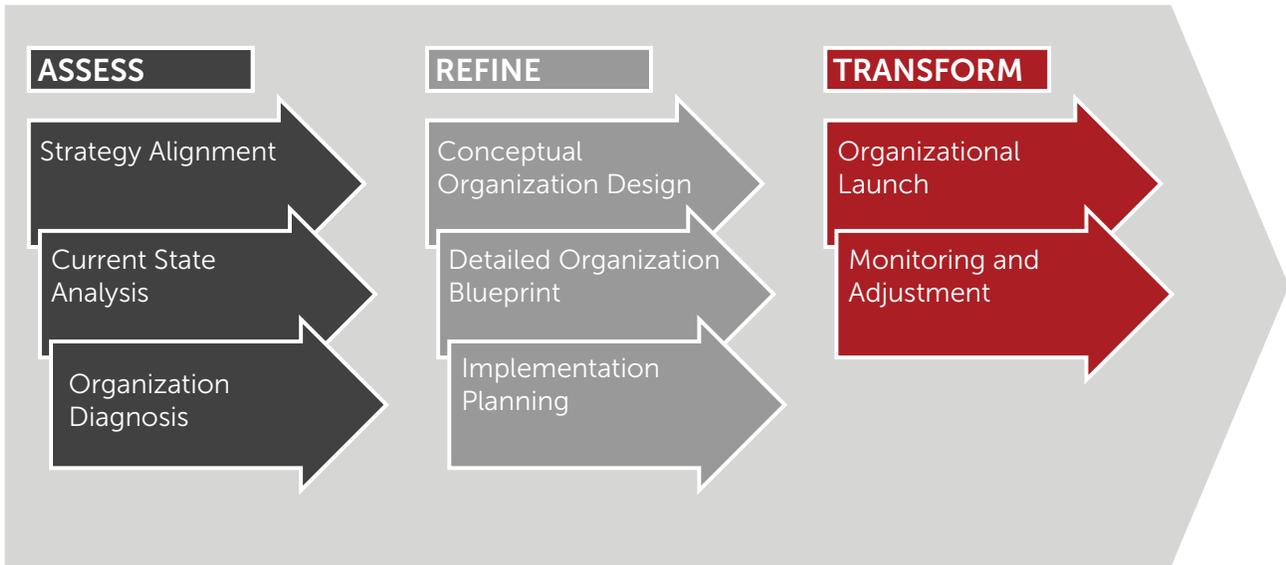
- A tailored approach to implement the new organization structure with an emphasis on adoption and sustainability

An effective change-management program across all three phases of the OS&D project life cycle ensures successful implementation.

"Best-in-class organizations choose effective designs based on how work is performed, rather than relay on standard templates. These organizations implement the design by involving key leaders and communicating changes effectively to managers. They also continually evaluate their design to ensure it aligns with their strategy and to support employee performance.**"**

Corporate Leadership Council

Current State Model

Strategy

Culture

Roles

Processes

Organizational Structures

Organizational Capabilities

Organizational Strategy and Design is the process of transitioning portions of or an entire organization from a current-state model to a more optimized model in order to achieve and sustain the desired business strategy.

Optimized Model

ASSESS

- Strategy Alignment
- Current State Analysis
- Organization Diagnosis

REFINE

- Conceptual Organization Design
- Detailed Organization Blueprint
- Implementation Planning

TRANSFORM

- Organizational Launch
- Monitoring and Adjustment

We strongly recommend that **organizational change management** support be tightly integrated with each phase of the project lifecycle.

About Hitachi Consulting

Hitachi Consulting is the global solutions and professional services organization within Hitachi Ltd., a global innovation leader in industrial and information technology solutions and an early pioneer of the Internet of Things. Hitachi Consulting is a business integrator for the IoT era and a catalyst for digital transformation. Using our deep domain knowledge, we collaborate with clients to help them innovate faster, maximize operational efficiency and realize measurable, sustainable business and societal value. As a consulting-led solutions company, we can help you leverage data as a strategic asset to drive competitive differentiation, customer loyalty and growth. To learn more, visit www.hitachiconsulting.com.

Hitachi Consulting