

Analyse before you reorganise: organisational analysis as a launch pad for improved organisational structures

That changes in organisational structures should be preceded by analysis rather goes without saying. But what kind of analysis is required in order for the reorganisation to pan out? The answer is that it should be systematic and comprehensive, and that it should be centred on the corporate value chain. What follows below is my plea for an approach that adopts an overall perspective, along with a model that may assist in implementing such an approach.

By Dr Andreas Wenger, Partner and co-owner Transforma Ltd.

Why an overall view?

Temporal and other resources are rarely abundant. An analysis that is “comprehensive” and takes an “overall perspective” sounds laborious and expensive – or in any case not like a mean feat. It is bound to lead to conflicting objectives. Nevertheless, I can think of three reasons why a comprehensive organisational analysis will pay off.

First point: “maps” are needed

Making changes to organisational structures presupposes clearly defined points of reference – “landmarks”, or “beacons”. A clever organisational analysis is all about **ensuring orientation**:

- What exactly is our intended objective?
- How is this objective situated in the terrain at hand?
- In what kind of terrain are we moving about in the first place?

Making In addition, a good analysis also clarifies **purposes**:

- Changes in organisational structure are demanding and require stamina. The people involved and affected will show greater endurance if they can clearly grasp the actual point of the changes.
- However, such understanding of purposes usually arises not from looking at details, but from an overall perspective.

Therefore, we need “maps”: a systematic and comprehensive organisational analysis establishes common points of reference and clarifies purposes.

Second point: “embedding” is needed

Changing an organisational structure by means of small-scale individual measures can be effective, provided these measures are not taken in isolation. A good organisational analysis makes sure to **identify interconnections**:

- Corporate systems are complex and will keep becoming more so.
- If we intervene anywhere within such systems, the consequences on all parts must be carefully monitored.

A good analysis is furthermore aimed at **avoiding less-than-optimal solutions**:

- With individual measures, we hope to enhance parts of the system;
- However, they might have negative consequences elsewhere in the system!

Therefore “embedding” is a must: a systematic and comprehensive organisational analysis identifies interconnections and helps avoid suboptimisation.

Third point: a “common sense of reality” is needed

Where changes are made to organisational structures, one time and again can observe that **not all of those involved and affected share the same perception of what is going on**:

- You’ve surely made the experience: you’re convinced that you know precisely how the facts present themselves
- ... and you can’t imagine how anyone could possibly take a different view.

But this is just what happens very often in phases of transition: different attitudes and beliefs engender different perceptions. A good organisational analysis makes sure to **take account of different perspectives and strives hard to arrive at a complete understanding of the entire organisational microcosm**. After all, reorganisers can’t do their job on their own.

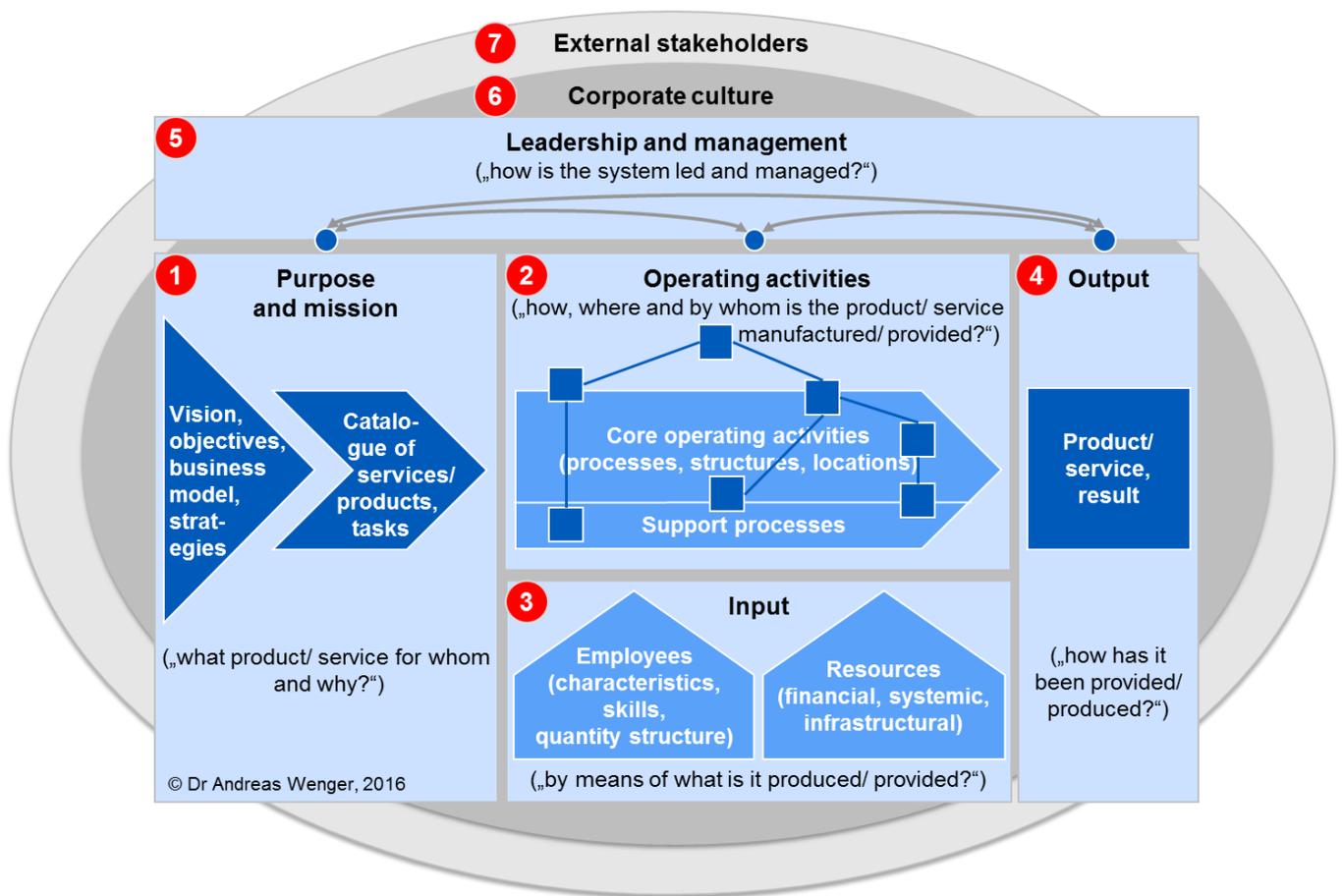
Thus a “common sense of reality” is needed: a systematic and comprehensive organisational analysis helps enormously when it comes to identifying different perceptions and creating mutual understanding.

How can organisational analysis do justice to these demands?

Over the past few decades, a number of approaches to organisational analysis have emerged from corporate practice which are potentially able to meet the above demands. Since both the motives for carrying out such analyses and the contexts in which they are made vary widely, one is well-advised to select an approach with a sharp view to the specific situation at hand.

One option that rests on experience with numerous analyses in a wide range of contexts is the **“focus on value added” approach** depicted in the diagram below. As its name indicates, the method is centred on the corporate value chain by foregrounding the value-adding process and conceiving of it in the easily remembered terms of a simple input/output schema.

The approach distinguishes seven areas of analysis that serve the systematic description and assessment of the overall situation. These seven areas at the same time provide points of departure for interventions and thus constitute fields of action for measures and solutions.



Benefits of the “focus on value-added” approach

Why use an approach centred on the value chain?

- Because by improving organisational structures we hope to achieve better target effects or to achieve the same effects with greater efficiency;
- and these effects have their causes in the operational processes – that is, in the value chain – of the organisation or unit.

The approach furthermore offers concrete advantages in its application:

- There is an **effect in the minds** of those affected: they automatically concentrate on the value-adding processes and not on rigid hierarchical structures (and thus on persons).
- There is an **effect of transparency**: due to the set of distinct areas of analysis, the procedure is easy to document and transparent for everyone.
- There is an **effect with regard to acceptance of results**: thanks to its transparency and systematic design, results of the analysis are rarely called into question – and if they are, they are easy to defend.

Systematic, comprehensive and with a focus on the value chain: **an organisational analysis with these properties provides an ideal point of departure for optimising organisational structures.**

Sources

A more detailed treatment of organisational analysis (in German) is provided in:
Wenger, Andreas P. and Ritz, Adrian: "Organisationsanalyse – Konzept und Vorgehensweise". In: Praxishandbuch Public Management, published by Andreas Bergmann et. al., WEKA Business Medien AG 2016, pages 734 - 750.

Transforma Ltd.
Hottingerstrasse 17
CH-8032 Zürich
Switzerland
Phone +41 43 222 58 48
info@transforma.ch
www.transforma.ch

Aline Dénéreaz
Phone +41 43 222 58 42
aline.denereaz@transforma.ch

Dr. Andreas Wenger
Phone +41 43 222 58 40
Mobile +41 78 635 88 84
andreas.wenger@transforma.ch