



NEW WORLD ORGANISATION INSIGHTS

**DRAFT VERSION
FOR DISCUSSION ONLY**

We live in a business world which changes faster than our capacity to learn. This NewWorld™ forces us to cope with more and more complex situations, whilst leaving us with less and less chance to 'predict' or even 'imagine' our future. In such circumstances, the rational way forward doesn't consist of trying to foresee the future but in deciding which one you want and acting so that it becomes the most probable scenario.

In such complex and uncertain situations, people do not feel engaged, emotion often overcomes logic, traditional planning doesn't work anymore, budgeting processes are made obsolete, risk management becomes the main factor of success, rigid strategies do not make sense, leadership styles must be interchangeable, teams need to be seen as virtual entities, etc. More importantly for senior managers, "doing what we've always done" doesn't imply anymore to "get what we've always got".

Organisations cannot operate efficiently anymore on the same basis as before in terms of hierarchy, management, decision making, teamwork, expertise, etc...

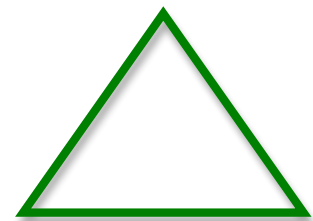


The OldWorld Organisation: The Hierarchical Pyramid

- The world around you is reasonably predictable (budgeting makes sense, for example)
- The name of the game is mainly about ‘doing more with less’ (350 car manufacturers in Europe in 1920, 120 airlines in the USA, ...)
- What you learn has a long shelf life and certain knowledge becomes ‘dogmas’ (You work based on certain ‘truth’)
- You have time to take ‘good & documented’ decisions (Decisions are based on past experience & knowledge: the famous ‘best practice’)
- Expertise grows along with your career. (Knowledge has no ‘sell by’ date. You pile it up as you go)
- The older you are, the more knowledgeable you are. (if you have been in a job for 2 years, you know more than the guy who has been in the same job for 1 year)
- Some decisions can be considered as good some as bad, before even seeing the effects of them (remember, we live in a predictable Oldworld)
- Credibility comes from expertise and you create around you communities of ‘clones’ (from the same educational background, same social context, ...)
- ...

Imagine: You start an organization with 3 people, for example: a production person, a marketing person and a sales person. Your organization grows (Yes! You made your budget!). In order to grow, you have to hire new sales people, where do you put them in your organisation? Under the marketing person? No? Under the existing sales guy? Yes? Why? Because when they go to the canteen, they will go with their sales fellows, they will talk ‘sales’, they will become experts at sales ...! Magic! You just invented the pyramidal organization! The best one ever designed by human beings. Perfect, based on expertise, self- maintenance, focused on ‘more of the same’, and indeed very efficient. It was invented by religions and militaries 4000 years ago And still operating today!

The older you are, the more knowledgeable you are, so that the higher in the hierarchy you are. This is a wise & rational decision! The famous pyramid is a pyramid of hierarchy (the one at the top knows more, so can take better decisions), of ages (The one who knows more is the oldest one), of reporting (I ask help to my boss, not to another silo because he was in my job before), and of communication (Why communicating cross functionally in a world where tasks are clearly planned and allocated?) ... All of this makes a perfect sense ...

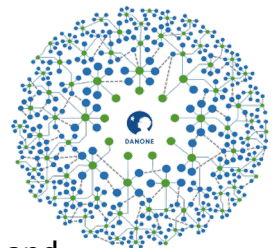


BUT We are not living anymore in this ‘predictable’ world, in which what you learn has a long shelf life, and in which you can make ‘documented/ decisions

The NewWorld™ Organisation: The Networked Virtual Teams

- The world around you is fast changing & highly uncertain (Does budgeting still make sense for you?)
- The name of the game is mainly about ‘doing differently’, innovate and differentiate: the only way to survive.
- What you just learned from experience yesterday can be obsolete tomorrow
- There is no more ‘truth’
- You have no time nor stable information to take ‘documented’ decisions
- Decision making is now a matter of risk management rather than experience
- The meaning of the word ‘Expertise’ has changed. Who can still pretend to be an expert in such a fast changing environment?
- You most likely will not find ‘someone who has the solution because he met the situation already in 1973’ ...
- You start observing ‘young & inexperienced’ managers at the top of multinational companies
- You are frightened to take a decision because you have no clue of what will happen next

- The latest young guy you hired may bring more value to the company than all the ‘experienced’ manager all together
- The ‘solution’ (or the ‘knowledge’) comes from groups of people, from different silos, different backgrounds, different hierarchical levels.
- There are less and less borders between local and central, between ‘them and us’, all are on the same boat
- There are less and less best practices. The best practice is now the one invented when facing a new situation, by people from the front. The ‘front’ (different from ‘the top’) is where information, innovation, learning happens the most
- Who cares about your age and experience?
- What do you mean by “A stable and clear strategy?”
(A stable and clear strategy in a fast changing world means ‘death’!)
- Who can still ask for a ‘clear job description’?
(A clear job description in a fast changing world also means ...‘death’!)
- ...



The name of the game has drastically changed...

The solution seems to be linked to:

- Virtual teams (Built like project teams), operating as ‘commandos’, and evolving ‘organically’ (ie: created hadhoc, then evolving, being split, etc)
- Diversity embedded in order to derisk decisions (remember: decision making in the NewWorld™ is about risk management, not expertise)
- Managed by the people who are the best ‘facilitators’, not the highest in hierarchy
- Quick failures, in order to learn rapidly from them, and then succeed
- Communication to engage (vs communication to inform). Remember Obama who can! (Yes we can) but never said what he could nor how? He was focusing on ‘engaging people’ A key for the new world!
- ...

It is time to learn what others do not know yet, and start operating differently