



# **Want Better Products And More Business Value? Design Better Organizations!**

**Matt Barcomb | @mattbarcomb | @WIADkent**



Derbyshire  
Farm & Stables  
Concord Township, Ohio

intentionally  
adaptive



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A background image showing a group of knights in medieval armor standing in a field. A priest in a white and black robe is visible in the upper center. The scene is set outdoors with tall grass and some rocks.

# Great products do 3 things

**Intuitively** meet customer needs

**Achieve** business goals

**Sustain** for the long term



When products aren't great  
it's often due to some  
aspect of organization design

Products are a reflection  
of their organization

A close-up photograph of a baby's face, wearing a white shirt and a dark tie. The baby has light skin and blue eyes, looking directly at the camera with a slightly open mouth. The background is a soft-focus green, suggesting an outdoor setting. Overlaid on the image are five horizontal dark grey bars with thin blue borders, each containing white text. The top bar is the largest and contains the main title. The other four bars are smaller and stacked vertically below the first one.

# But what *is* Organization Design?

Social Systems Design

Strategy Design

Work Design

Etc, etc, etc...





1760 Industrial Revolution: scale, centralization

1854 The first Org Chart was created

1945 End of WWII: decentralization

1962 *Strategy and Structure* ~ Chandler

Matrix Mgt. Popularized 1970

Star Model by Jay Galbraith 1977

*The Socio-Technical Perspective* ~ Trist & Murray 1993

Holacracy created by Brian Robertson 2007

A collection of brass dice with blue numbers is scattered on a dark surface. One die in the center is highlighted with a red hexagonal border. The die shows the numbers 2, 20, and 8 on its visible faces. Other dice show various numbers like 12, 2, 3, 9, 30, and 4.

Strategy

Ethos

Structure

Rewards

Process

People



# Ethos

The background of the slide is a textured, aged parchment-like surface. In the center, there is a large, dark, semi-circular graphic. Inside this graphic is a detailed compass rose with eight points and various directional labels (N, NE, E, SE, S, SW, W, NW). Overlaid on the bottom half of the compass rose is the profile of a classical bust, likely representing a philosopher or leader, facing left.

A company's ethos is  
the set of moral constraints,  
modeled by leaders,  
that govern how work gets done.



# Strategy

The background of the slide is a photograph of a telescope. The telescope is in the foreground, slightly out of focus, with its lens and brass-colored ring visible. In the background, a city skyline is visible across a body of water under a clear sky. The overall tone is professional and strategic.

Customer-centric Vision

Financial & Operational Guardrails

No more than 3 ranked challenges

A close-up photograph of a spider web on a green plant. The web is covered in dew drops and is positioned in front of several green buds. The background is a soft, out-of-focus green.

# Structure

Definition of work groups

Roles within groups

Connections between groups





# Rewards

Explicit/Implicit

Positive/Negative

Intended/Unintended





# Process

## Strategy Deployment

## Budget Allocation

## Feedback & Improvement



A background image of a handball game in a gymnasium with green block walls. Several players are visible, including a woman in a red shirt on the left and a woman in a purple shirt on the right. A blue and yellow handball is in the air. Overlaid on the image are four horizontal text boxes.

People

Incoming

Growth

Leaving

# A Few Org. Design Tools

A human skull is positioned on the left side of the image, resting on a white surface. To the right of the skull, a hammer with a wooden handle and a metal head is visible. The background is a plain, light-colored wall.

Strategy Design Canvas

Rewards Analysis Canvas

Customer-centric VSM

Organization Netmap



## Customer-centric Vision

Distilled narrative about how people's lives are improved if your company is successful.

## Constraints & Targets

- Financial constraints & targets
- Operational constraints
- Investor goals

## External Landscape

Competition  
& Alternatives

Market &  
Consumer

Technology  
& Innovation

Political &  
Regulatory

## Internal Assets & Status

- Value generators
- Product and service lines
- Key partnerships

- Operational advantages
- Improvement opportunities
- Time sensitive opportunities

## The "Big 3" Challenges

### Challenge 1

The biggest thing preventing your vision.

### Challenge 2

The next biggest thing preventing your vision.

### Challenge 3

The last biggest thing preventing your vision.

## Metrics & KPIs

- Balanced set of metrics for the Big 3
- Key measures for constraints & targets
- Standard biz health indicators

# Strategy Design Canvas

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### Customer-centric Vision

Distilled narrative about how people's lives are improved if your company is successful

### Constraints & Targets

- Financial constraints & targets
- Operational constraints
- Investor goals

### External

Competition  
& Alternatives

### Internal

- Value Proposition
- Processes
- Key Resources

### Challenges

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### Metrics & KPIs

- Balanced set of metrics for the Big 3
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- Standard biz health indicators

## The "Big 3" Challenges

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## Desired Outcomes

The results or behaviors you would like to encourage.

## Explicit Incentives

- Salary
- Bonus
- Awards
- Promotions
- etc...

## Implicit Incentives

- Status
- Reputation
- Responsibilities
- Autonomy
- etc...

## Unintended Outcomes

Other results or behaviors that happen due to either explicit or implicit incentives.

## Short-term Impacts

Impacts from unintended outcomes that happen to tactical work.

## Long-term Impacts

Impacts from unintended outcomes that engrain behavior and become part of the culture.

# Rewards Analysis Canvas



## Rewards Analysis Canvas

## Desired Outcomes

The results or behaviors you would like to encourage.

## Explicit Incentives

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- Salary
- Bonus
- Awards
- Promotions
- etc...

## Implicit Incentives

- Status
- Reputation
- Responsibilities
- Autonomy
- etc...

## Unintended Outcomes

Other results or behaviors that may occur as a result of the incentives.

## Short-term Impacts

Impacts from outcomes that are tactical work.

## Rewards Analysis Canvas

## Desired Outcomes

The results or behaviors you would like to encourage.

## Explicit

- S
- B
- A
- P
- e

## Unintended

Oth  
imp

## Short-term

Impacts from unintended  
outcomes that happen to  
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Impacts from unintended  
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Impacts from unintended  
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# Sanitize Your Reward System

Decouple compensation from performance

Bonuses: either ditch or profit share

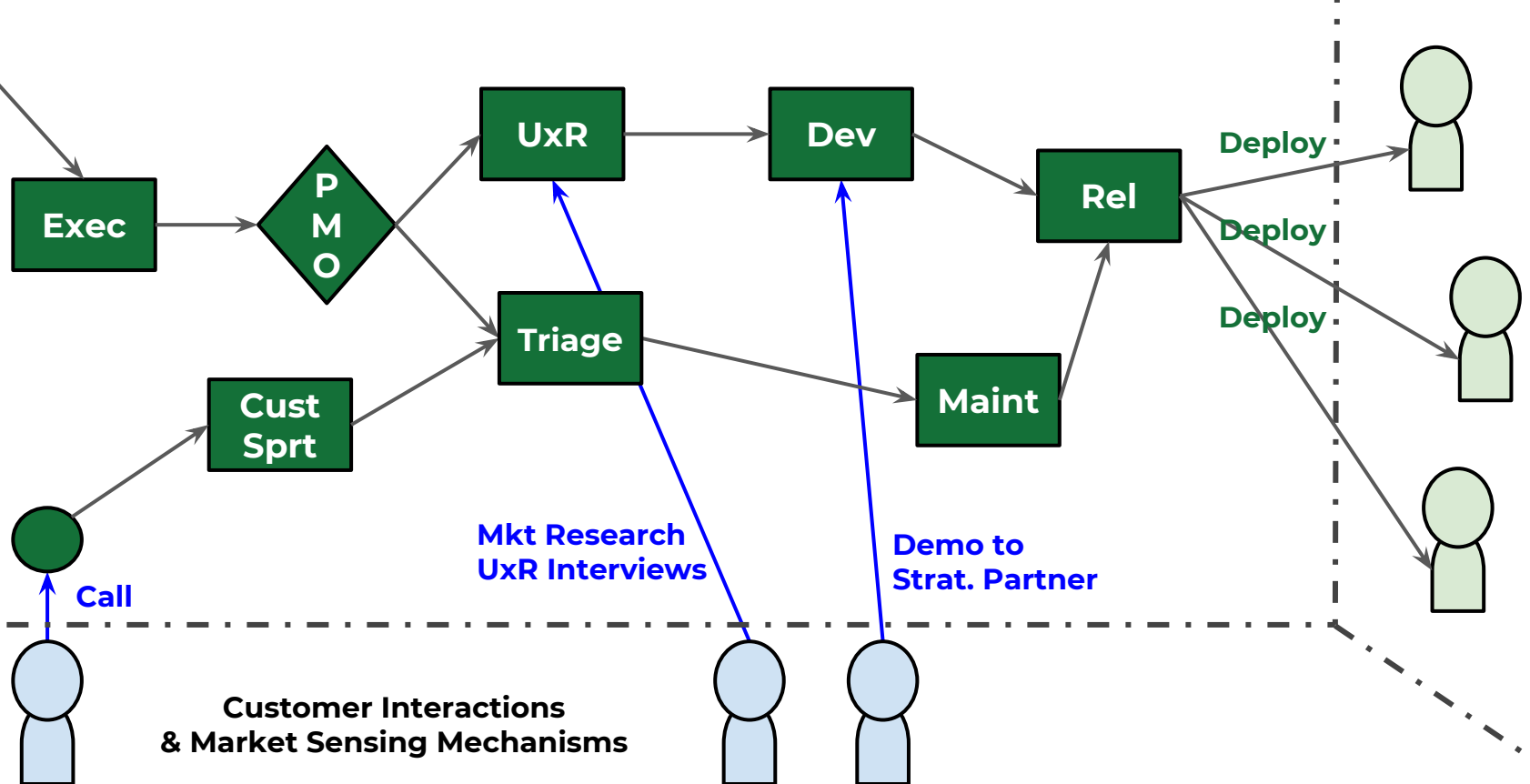
Create a level-based pay system

Consider a no-bosses structure

# Customer-centric VSM

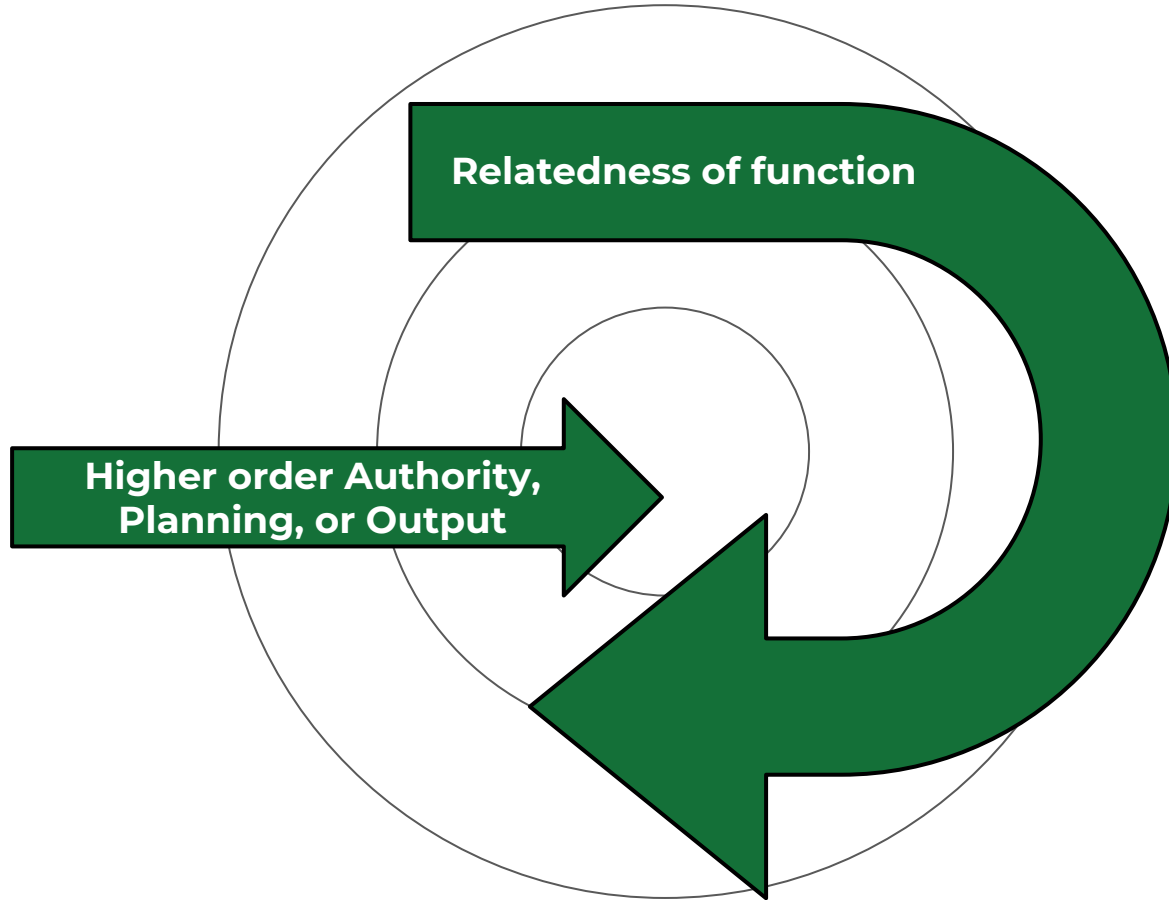
Workflow Activities

Customers & Users





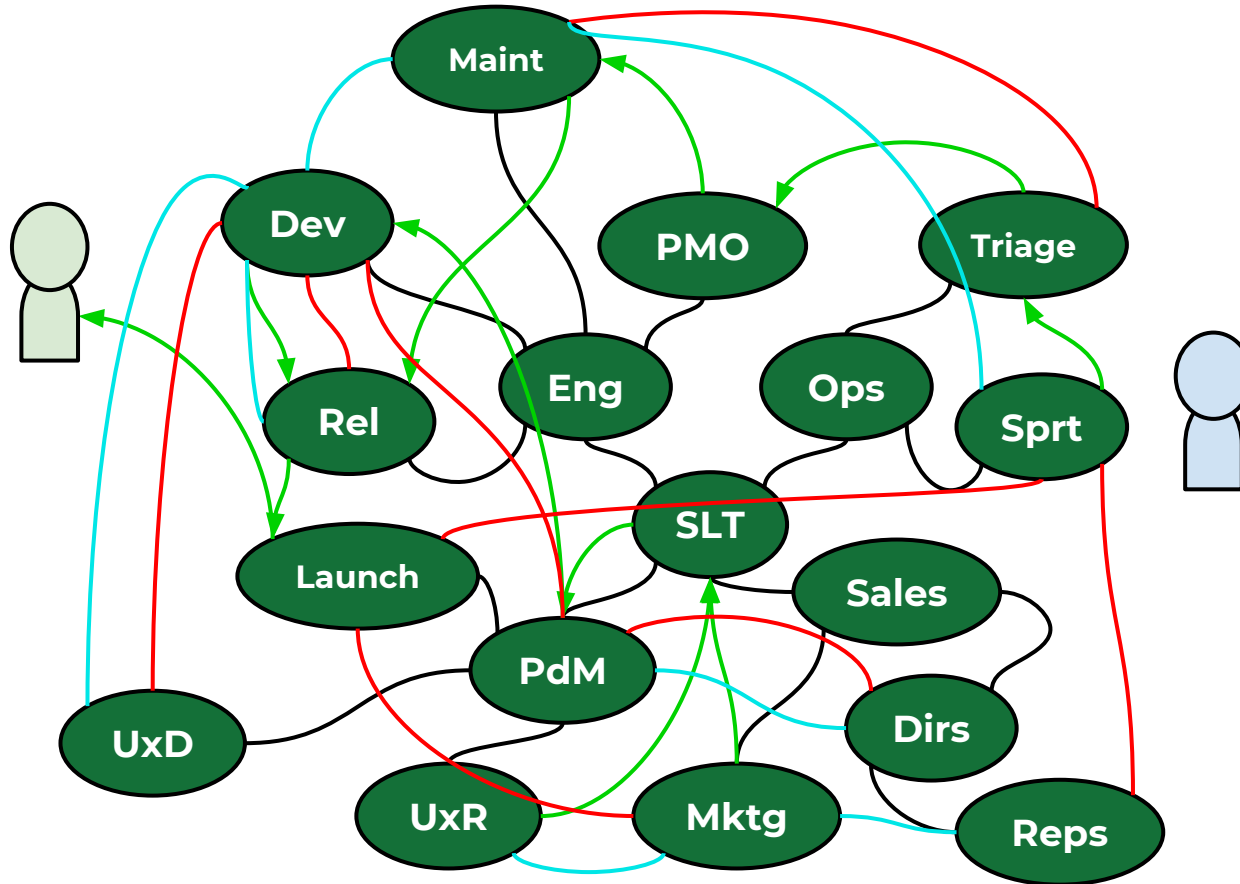
# Organization Netmap



## Connection Types

- Hierarchy (**black**)
- Value Flow (**green**)
- Dependency: (**red**)
  - Work
  - Decisions
  - Info
- Friction: (**purple**)
  - Goals
  - Communication
  - Knowledge

# Organization Netmap



## Connection Types

Hierarchy (**black**)

Value Flow (**green**)

Dependency: (**red**)

Work

Decisions

Info

Friction: (**blue**)

Goals

Communication

Knowledge/Skill

Power



A photograph of a massive sinkhole in a parking lot. Several cars are partially submerged in the earth. In the background, a person is standing on a tripod, possibly filming the scene. The sinkhole is a large, deep crater in the asphalt, with cars partially buried in the reddish-brown soil. The scene is a stark illustration of structural failure.

# Structure Considerations

Hierarchy: remove or align to value flow

Beware of “efficiency” in structure or talent

Remove or reduce dependencies & handoffs

Increase speed of information & feedback





Authority & Empowerments

Skills & Attributes

Mission of the group

Guiding Principle: Never hold a role accountable for something it doesn't have authority to control.

Role Design



A large fire is burning inside a metal trash can. Bright orange and yellow flames are visible, with a significant amount of white smoke rising from the fire. To the left, another metal trash can is partially visible, containing some crumpled paper. In the background, there is a wooden fence and a pile of sticks or branches. The overall scene suggests an outdoor waste disposal area.

# Any burning questions?

@mattbarcomb



mgbarcomb@gmail.com