



The Seven-S Model

A framework to guide and evaluate organization development to achieve vision and produce desired performance results.

Framework

- ◆ The 7 – S model has its origins from the classic, 'The Art Of Japanese Management', by Richard Pascale Tanner & Anthony Athos during the early eighties. Over the years it has become a widely accepted tool for understanding how a high performing organization must be managed.
- ◆ The model has evolved in practice beyond the OD world and is now a common model utilized by many firms such as McKinsey as a diagnostic tool.
- ◆ When applied to an organization it can be a most effective tool for identifying and targeting those areas which need attention and focus. By gaining better alignment between the 7 S's, the organization can more effectively execute on its mission and vision.
- ◆ In ABC Company, the model is used as a tool for assessing organization performance and targeting areas for OD intervention.
- ◆ Over the years, the leadership team has made significant changes in all of the S's in order to be better aligned with Headquarter and with customers.
- ◆ The ABC company systematically uses this model and tool to guide the development of the OD strategy, supported by Larcen Consulting
- ◆ In the following slides the 7S's are defined and lesson learned



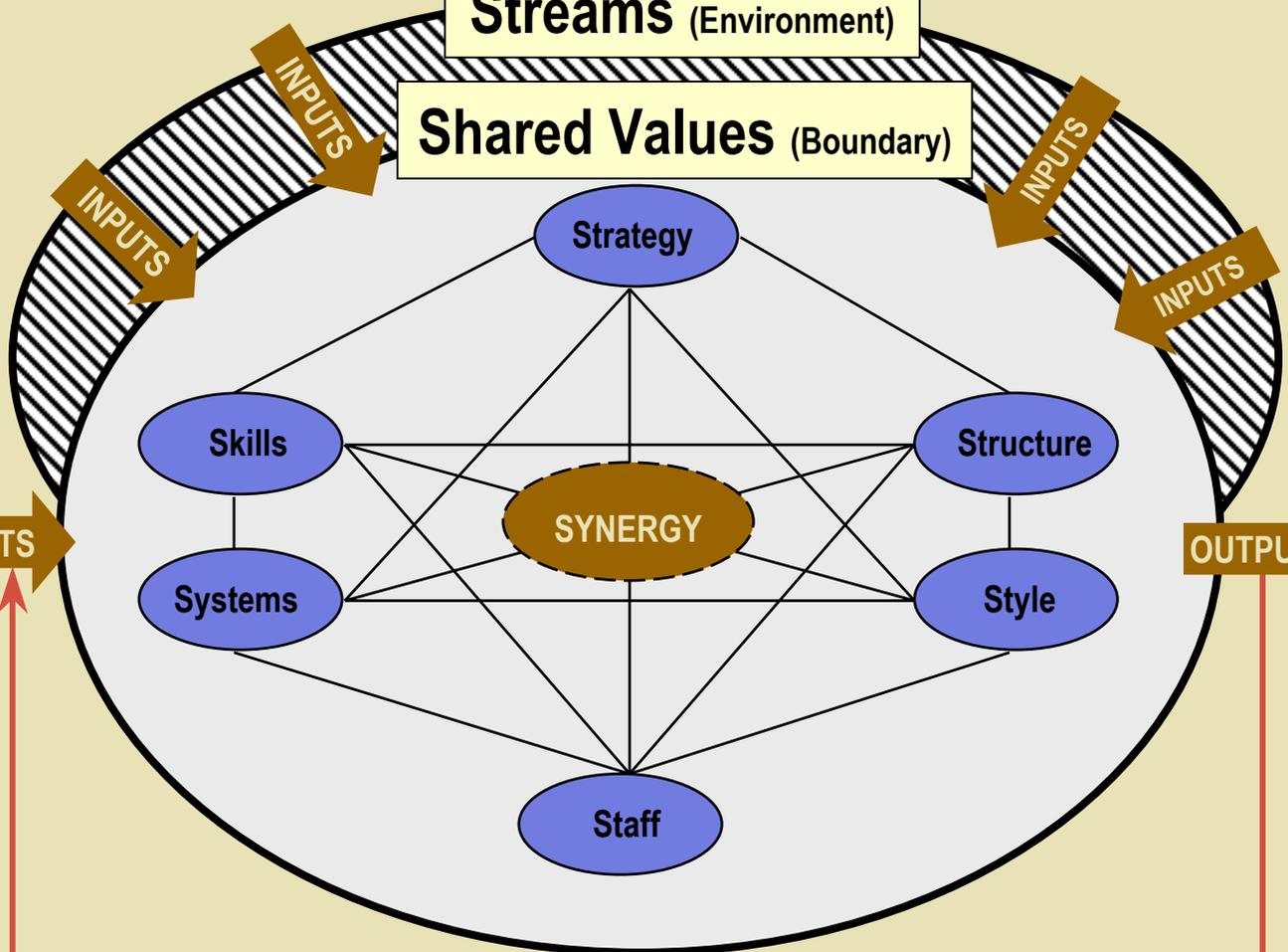


Streams (Environment)

Shared Values (Boundary)

Vision

INPUTS



OUTPUTS

Performance

Through Puts

FEEDBACK

Through Puts



Overview of the 7S Model

STREAMS

The external environment that impacts the organization's formulation of strategies, systems, structure, style, staff and skills

SYNERGY

Synergy results from alignment throughout the organization with regard to strategies, systems, structure, style, staff and skills

VISION

- The organization vision formulates the foundation and precursor to the development of the organization strategies, systems, structure, style, staff and skills.
- Vision may need to be adapted based on external and internal dynamics.

Overview of the 7S Model

STRATEGY

- Derives from assessment of organization internal Strengths & Weaknesses, and external Opportunities & Threats (SWOT Analysis); includes environment influences; nature of competition; company distinctive competencies; company key success factors
- Strategy must be dynamic not static—responsive to the internal and external environment
- Strategy represents the major approaches adopted by the organization to achieve the vision and goals

STRUCTURE

- Represents how the company is organized to execute strategy
- Structure may be centralized or decentralized
- Structure may be “flat” and matrixed or organized in “silo’s”
- Structure should be designed to facilitate achieving corporate vision, goals & strategies

Overview of the 7S Model



SYSTEMS

- **Formal systems may include:**
 - ✓ **Measurement systems (including planning)**
 - ✓ **Performance management systems**
 - ✓ **Resource allocation systems**
- **Informal systems may include:**
 - ✓ **Meeting formats**
 - ✓ **Conflict resolution protocols**

STAFF

- **Staffing considerations may include:**
 - ✓ **Demographics makeup (diversity)**
 - ✓ **Selection criteria and promotion factors**
 - ✓ **Staff development programs & opportunities**
 - ✓ **Culture within the organization**

Overview of the 7S Model

STYLE

- The manner in which leaders and employees “behave” internally and externally
- The manner in which the company interacts with stakeholders, customers, regulators, etc.

SHARED VALUES

- The principles adopted by the company to guide its style & behavior
- The organization should be pro-active to define the corporate values and the desired behavior for leaders and employees consistent with these values
- Values and desired behavior must be communicated to and embraced by the entire organization

SKILLS

- Differentiating characteristics of the company’s products and services
- Core competencies required by leaders and other categories of employees in order for the company to effectively execute against the vision, values, goals and strategies.

Overview of the 7S Model

- ◆ The HR Business Partner should use this model as a “template” against which to assess the current organization.
- ◆ Questions can be formulated around each of the Seven S components that are relevant to the company or organization being assessed.
- ◆ The “results” of this assessment will provide data that can be used to formulate recommended interventions
- ◆ Action or Tactical Plans can then be developed and executed with involvement of the appropriate organization leaders and staff





7S Objective for ABC Company

- ◆ To optimize leadership and management effectiveness in ABC Company
- ◆ To develop capabilities and contributions in the context of the real work and real teams
- ◆ To build a reservoir of talent that can grow with the company and be ready to assume greater leadership responsibilities
- ◆ To build functional role clarity
- ◆ To support cross functional effectiveness
- ◆ To encourage a culture of initiative, leadership and contribution
- ◆ To design tools for accurately measuring and tracking leadership and functional effectiveness

History / Background

- ◆ 7S OD work has had a building block approach for over 10 years at ABC Company
 - ✓ Began initially with the President of sales office, with the goal to build senior team effectiveness
 - ✓ Evolved into a structured leadership development program focused first on senior team members and then transitioned to include action learning projects in which middle managers who were mentored by senior managers solved some key organizational problems while developing their own leadership skills
 - ✓ Work now focused on very clear measurement of performance tracking over time so that high potential leaders are supported to grow in effectiveness
 - ✓ In 2010, work will include the “up and comers” who have the potential to move into top leadership roles over time - Program has become more structured both in measurement but also in strategic intent





Key Elements

- ◆ Measurement tools including the 7S audit and leadership competency survey
- ◆ Structured coaching and mentoring (with content modules) by senior leaders (supported by Larcen Consulting)
- ◆ Succession Planning
- ◆ New Manager Assimilation/Orientation
- ◆ Cross Team Development for each Function (evolving the charter, purpose and capabilities of functional teams over time, example technical divisions)
- ◆ Internal and external customer engagement skill building
- ◆ Action Learning teams that solve real problems
- ◆ Self awareness tools including the HBDI, DiSC and 16pf as well as the EQI



Lessons Learned / Value

- ◆ 7S gives us a framework for understanding the issues and challenges a leader must master
- ◆ 7S provides a tracking mechanism to demonstrate that leaders are working more effectively and are solving problems
- ◆ Leaders can be effective change agents if they are developed
 - ✓ Intra-personal and interpersonal skill development
- ◆ Teams can achieve high level execution when they are coached and supported in new skill development and change management, including
 - ✓ Economic upturns and downturns
 - ✓ Reorganization
 - ✓ Challenging customer issues
 - ✓ Regional and Headquarter cross team communication