The Adaptable Organization
Harnessing a networked enterprise of human resilience
The Adaptable Organization is a fundamental shift in operating and management philosophy that enables large-scale global organizations to operate with a start-up mindset and drive modern people practices that enable enterprise agility through empowered networks of teams.
The ecosystem

In stable organizations, competitive advantage can be achieved using internally focused strategies. In unpredictable times, organizational survival depends on understanding a broader external ecosystem where purpose and goals are targeted to customer missions which become a north star to rally leadership and teams around.

Ecosystems that leverage external communities, collaborations, and alliances can better sense shifts in the environment to remain competitive.

Historically, organizations have looked within themselves to drive market relevance and competitiveness, scanning the market infrequently and rarely leveraging talent within the organization for real-time insights.

In an Adaptable Organization, understanding the external environment becomes a continuous activity that fuels constant efforts to evolve the business.

Adaptable Organizations embed themselves in external networks and position workers to take on the role of “active sensors,” always detecting, scanning, and adapting to fluctuating customer needs.

Building a culture of constant environmental sensing helps people inside the organization to be open about what they are seeing and how they believe it will impact the organization. It is a stark contrast to the “set it and forget it” strategy and organizational design that traditionally occurred every three to five years.

Yet this expansive system can easily become misaligned and requires a greater purpose to remain connected. Figure 3 highlights the Adaptable Organization at the core of the ecosystem, driving the focus, continuity, and strategy of the organization; the flexible contingent workforce that occupies roles with fluctuating demand; the outsourced specialists or vendors that provide specific services to the organization; and the community/crowd – a modern form of workforce linked to the world. All are connected through shared purpose. Organizations are beginning to adjust their culture to engage the external talent ecosystem.

The broader ecosystem increases the surface area of the traditional organization, providing more space to predict the needs of customers and citizens.

Figure. 3: An ecosystem is an open, worker-led organization that includes increasing use of external flexible workers and ongoing input from customers and the crowd to help stay ahead of market shifts.
A shared purpose connects the ecosystem; defines success through the eyes of customers, stakeholders and society; and helps motivate people to succeed.

Not only are Adaptable Organizations able to respond quickly to changes, but they also take their role as a social enterprise seriously, moving away from being solely a “business enterprise.” These organizations aim to engage and connect with the hearts and minds of their workers, customers, communities and societies-at-large. Adaptable organizations are grounded in social purpose and bring teams on a journey while responding to changes with agility, speed and ease.

A shared purpose is the ‘glue’ that holds the ecosystem together. In the absence of a strict and controlling hierarchy, a purpose becomes the North Star, reducing the need to constantly seek direction from superiors. By bringing a purpose statement to life and connecting the dots for workers through storytelling and meaningful narratives, workers are more likely to commit to the organization’s strategy and execution.

Research indicates that focusing on purpose, rather than only profits, builds business confidence. According to research by Bersin™, Deloitte Consulting LLP, 82 percent of employees who work for an organization with a strong sense of purpose are confident their organization will continue to grow.

When organizations define their success through the eyes of their customers, stakeholders, or society, people come alive.

To capture this success, organizations must be able to translate their purpose into a set of customer-focused missions.

Purpose-driven companies have 30 percent higher levels of innovation and 40 percent higher levels of retention, and tend to be first or second in their market segment.

A bold organizational purpose cascades through the organization using customer-focused missions.

Missions decompose customer focused strategies into outcomes that teams can organize around. Missions should be revisited and refreshed constantly, in concert with changes in the ecosystem.

Characteristics of effective missions include being:

- Linked to measurable outcome(s) to inspire focus on a common goal
- Aligned around a differentiator for the organization in the marketplace
- Inspirational and motivating
- Independent and discrete from the missions of other teams
- Organized around closeness to the customer
- Focused around a goal/organizational unit that is under particularly intense competition or market disruption

Mission-based design leverages the natural human tendency for teams to self-optimize by keeping missions independent from other teams but still connected to the organization’s purpose. In this model, every team directly benefits the organization without impeding the success of another team.

In its design, an Adaptable Organization balances customer-focused mission teams and centralized functional capabilities to deploy agility and efficiency appropriately.

For example, a recent Adaptable Organization redesign with a banking client used components of the customer experience to define missions (e.g., “help me invest for the future,” “help me manage my lending accounts”). Teams were organized around specific things that mattered to “every day” people looking to build nest-eggs, saving for a first home or paying for their children’s education. It’s a lot easier to understand the role you play in delivering against your company’s strategy when your day-to-day work revolves around what makes customers happy.
End notes

Authors

This paper has been developed through a global open network of cross-functional Deloitte team members.

Initiative Leads and Co-Authors

The Adaptable Organization initiative was guided under the leadership of Amir Rahnema and Tara Murphy who co-authored and edited the perspective.

Amir Rahnema | Deloitte Consulting BV

Amir is a Canadian Partner based in Amsterdam. He is Deloitte's global head of Organization Design. He is focused on working with organizations as part of large-scale transformation typically tied to shifts in strategy, new technology implementations and complex workforce transitions. He has spent the last few years working with consumer business companies, retailers, banks, energy companies and governments in exploring adaptability in leadership teams and operations.

Tara Murphy | Deloitte Canada

Tara is a Manager in Deloitte Canada's Human Capital consulting practice. She focuses on helping clients architect new organization designs to adapt to changing markets and shifts in business strategy. Tara has a keen interest in understanding and developing methods to help large organizations inject agility into their designs, capabilities and processes. She has worked on reorganizations and major operating model transformation initiatives across industries and leads Deloitte's global Adaptable Organization methodology development.

Expert Advisory Group and Co-Authors

An Expert Advisory group of cross-functional leaders from around the world co-authored the paper and brought their client experiences on Adaptable Organizations.

Dimple Agarwal | Deloitte MCS Limited

Dimple is a Partner in the London office and is the Global Leader of Deloitte's Organization Transformation & Talent practice. She has over 23 years of experience in organization and people consulting. Her functional expertise includes leadership, cultural change, talent strategies, change management, capability development, designing and implementing operating models and workforce transition in the context of large scale business transformations primarily in the consumer business sector.

Don Miller | Deloitte Consulting LLP

Don has more than 16 years of industry and consulting experience. In his current role, he serves as the US Analytics leader for Deloitte's Human Capital Organization Transformation & Talent practice and also serves on Deloitte's Global Organization Design and Decision Solutions Leadership team. Don is focused on helping clients improve performance by building operating models and organization structures to execute new capabilities through their people, aligning the capabilities, metrics, processes, and culture of a business to its structure, leadership, roles, and talent. Don also helps clients solve some of their top business challenges by creating tailored culture, leadership development, and employee engagement solutions to better execute organization transitions as well as mergers, acquisitions, and divestitures.

Jessica Eden | Deloitte Canada

Jessica is an expert in agile organizational transformation and a leader in Deloitte's Canadian organization design consulting practice. Her work focuses on helping clients decide on and implement organizational changes that elevate the customer experience and address the pressures of disruption. She has extensive experience bringing together leaders at all levels to re-imagine and transform how work gets done, by addressing customer, talent, process and technology issues from an integrated perspective.

Kat Lee | Deloitte Canada

Kat is a subject matter expert in Transformational Change, specifically in designing and sustaining Agile and Digital leadership, learning culture, mindsets and new ways of working within Financial Services in North America. She is also an accomplished business author and was the lead writer for the NY Times/USA Today Bestseller on leadership and culture, As One: Individual Action, Collective Power published in 2011.
We are indebted to a broad team of practitioners who contributed content and used their own Adaptable Organization experiences to help shape our thinking:

Ailish Kilmartin, Ally Hill, Corey Norman, Dale Camuyong, Damian Walek, Genesia Tang, Iksheeta Sha, India Mullady, Janette Yuen, Jared Simon, Jash Shah, Juliet Bourke, Justine Statham, Lindsay McCabe, Luisa Celis, Marc Abergel, Marie-Christine Joly, Mazen Maarouf, Michael Murphy, Natasha Abajian, Nate Paynter, Oliver Benton, Paula Nathwani, Sabrina Ling, Sebastien Gelus, Selina Facca, Sorubh Aggarwal, Stephanie Goyert, Tessa Van den Berg, Zach Fetters

Contributors

The Adaptable Organization | Authors

Persis Mathias | Deloitte MCS Limited
Persis is part of Deloitte’s Human Capital Practice in the UK and has over 20 years of in-depth experience consulting with organizations across the globe on various areas of Organization Design, Leadership and Talent. She has led large scale transformation projects for organizations going through mergers & acquisitions, organizational & cultural transformation. Persis is passionate about helping organizations explore and leverage opportunities presented by Future of Work to build and maintain adaptable, nimble and sustainable organizations that will enable them to better positioned to drive exponential growth, value and impact.

Peter Sloan | Deloitte MCS Limited
Peter heads up the Deloitte Leadership practice in the UK and works with large global organizations to ensure leadership is a key enabler of organizational performance. A chartered psychologist, he helps clients to ensure they have the leaders they need to deliver their strategy and he advises on succession planning, executive talent programs and leadership development. Peter’s current focus is on supporting organizations to develop ‘future leaders’ for a disrupted world, and on the pivotal role leaders play in enabling transformation.

Robert Myatt | Deloitte Canada
Robert is a chartered business psychologist with over 20 years’ experience of enabling global companies to build the leadership they need to transform and achieve their strategic goals. He possesses a deep expertise leadership strategy, assessing leadership potential and developing leadership expertise for a wide range of organizations including financial services, public sector, utilities, construction, retail, pharmaceutical, technology and manufacturing companies.

Sarah Rogers | Deloitte Consulting BV
Sarah works with large global organizations to help them define and deliver their future workforce. She focuses on helping clients to define the critical capabilities and workforce investments required to deliver their business strategy in rapidly changing competitive environments. She works with organizations to ensure their talent system and enabling technology investments enable adaptability and responsiveness to future of work disruptors. Originally from Australia, Sarah has worked with clients across Europe and APAC regions, and currently leads the Netherlands Talent practice.

Shivani Maitra | Deloitte MCS Limited
Shivani is a Partner in North West Europe’s Organization Transformation and Talent practice. She leads the Organization Design practice in the UK and is the Life Sciences leader for Human Capital in the UK. Shivani is part of core team partners in Deloitte who are developing solutions for clients on Future of Work and impact of emerging technologies and ways of working on workforce.

Tiffany McDowell, PhD | Deloitte Consulting LLP
Tiffany has expertise in all areas of organizational behavior and leads Deloitte’s Organization Strategies Market Offering. Tiffany focuses on delivering operating model, organization design, talent strategies, and global change management solutions for large-scale transformation projects. She has recently brought organizational network analysis and adaptable organization design thinking to help her clients build networks of teams and unleash their organizations energy.

Tom Alstein | Deloitte Touche Tohmatsu
Tom is a global thought leader on Next Generation organizations. He guided multiple organizations globally on their journey to truly anchor their organization in customer centricity, adaptability and a digital world. He has extensive experience in designing and implementing strategies and transformations, designing high impact business and operating models, building (new) business capabilities and innovation programs and successfully deploying improvements and solutions to bring strategies to life and to deliver business benefits.

Yves Van Durme | Deloitte Consulting
Yves is a global leader in Deloitte’ Human Capital practice. He leads our global strategic change offering, EMEA organization transformation & talent practice and heads up the Belgian Human Capital team. After some 10 years of experience in high performance coaching in sports, he switched to consulting some 20 years ago to people & organizational matter where he built a track record on organizational and leadership development as vehicles for strategy execution with a specific affinity for a holistic approach caring for the balance between processes, structures and systems on the one hand and the more cultural and people-related elements on the other hand.
Leaders

Global Human Capital Leaders

Heather Stockton | Global Human Capital leader Deloitte Canada
hstockton@deloitte.ca

Jeff Schwartz | Global Human Capital Leader, Marketing, Eminence, and Brand
Deloitte Consulting LLP
jeffschwartz@deloitte.com

Dimple Agarwal | Global Organization Transformation and Talent Leader
Deloitte MCS Limited
dagarwal@deloitte.co.uk

Michael Stephan | Global HR Transformation Leader
Deloitte Consulting LLP
mstephan@deloitte.com

Darryl Wagner | Global Actuarial, Rewards, and Analytics Leader
Deloitte Consulting LLP
dawagner@deloitte.com

Human Capital Country Leaders

Americas

Verónica Melián | Americas
Deloitte SC
vmelian@deloitte.com

Erica Volini | United States
Deloitte Consulting LLP
evolini@deloitte.com

Jeff Moir | Canada
Deloitte Canada
jmoir@deloitte.ca

Asia Pacific

Jungle Wong | Asia Pacific & China
Deloitte Consulting Co. Ltd, Beijing
junglewong@deloitte.com.cn

David Brown | Australia
Deloitte Touche Tohmatsu
davidbrown@deloitte.com.au

Kenji Hamada | Japan
Deloitte Tohmatsu Consulting Co. Ltd
kehamada@tohmatsu.co.jp

Europe, Middle East, and Africa

Ardie Van Berkel | EMEA
Deloitte Consulting BV
avanberkel@deloitte.nl

Anne-Marie Malley | United Kingdom
Deloitte MCS Limited
amalley@deloitte.co.uk

Pam Maharaj | Africa
Deloitte Consulting Pty
pammaharaj@deloitte.co.za
About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

Copyright © 2018 Deloitte Development LLC. All rights reserved.