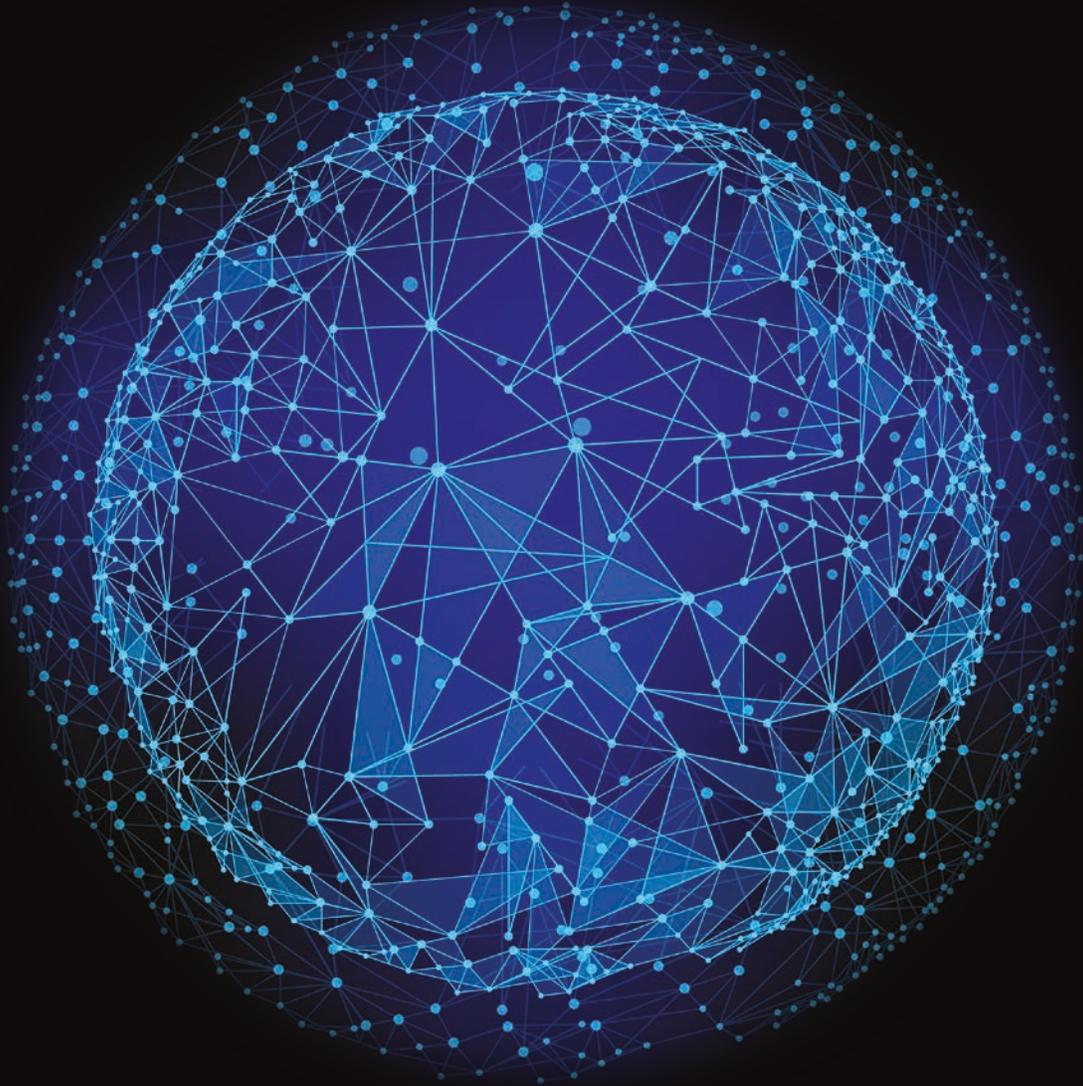


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The Adaptable Organization
Harnessing a networked
enterprise of human resilience

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.⁵

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.⁵ 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.⁶

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.⁷

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

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