

SECTION 2 TAKES YOU THROUGH THE ORGANISATIONAL STRUCTURING PROCESS STEP BY STEP. IT CONTAINS THE FOLLOWING:

- **CHAPTER 6: GIVES AN OVERVIEW OF THE PHASES IN THE ORGANISATIONAL DESIGN PROCESS AND TOOLS THAT CAN BE USED. EACH PHASE IS THEN DISCUSSED IN DETAIL IN THE SUBSEQUENT CHAPTERS.**
- **CHAPTER 7: PHASE 1: DIAGNOSIS**
- **CHAPTER 8: PHASE 2: DETERMINING ORGANISATIONAL REQUIREMENTS**
- **CHAPTER 9: PHASE 3: DESIGNING THE STRUCTURE**
- **CHAPTER 10: PHASE 4: DEVELOPING THE BUSINESS CASE AND PLANNING THE IMPLEMENTATION**
- **CHAPTER 11: PHASE 5: IMPLEMENTING THE STRUCTURE**
- **CHAPTER 12: PHASE 6: MONITORING AND EVALUATION**
- **CHAPTER 13: PLANNING AND MANAGING THE ORGANISATIONAL STRUCTURING PROJECT**
- **CHAPTER 14: MANAGING CHANGE AND TRANSITION**

(NOTE: BEFORE YOU EMBARK ON AN ORGANISATIONAL STRUCTURING PROCESS, IT IS ADVISABLE TO FAMILIARISE YOURSELF WITH CHAPTER 13: PLANNING AND MANAGING THE ORGANISATIONAL STRUCTURING PROJECT)

CHAPTER 8

PHASE 2:

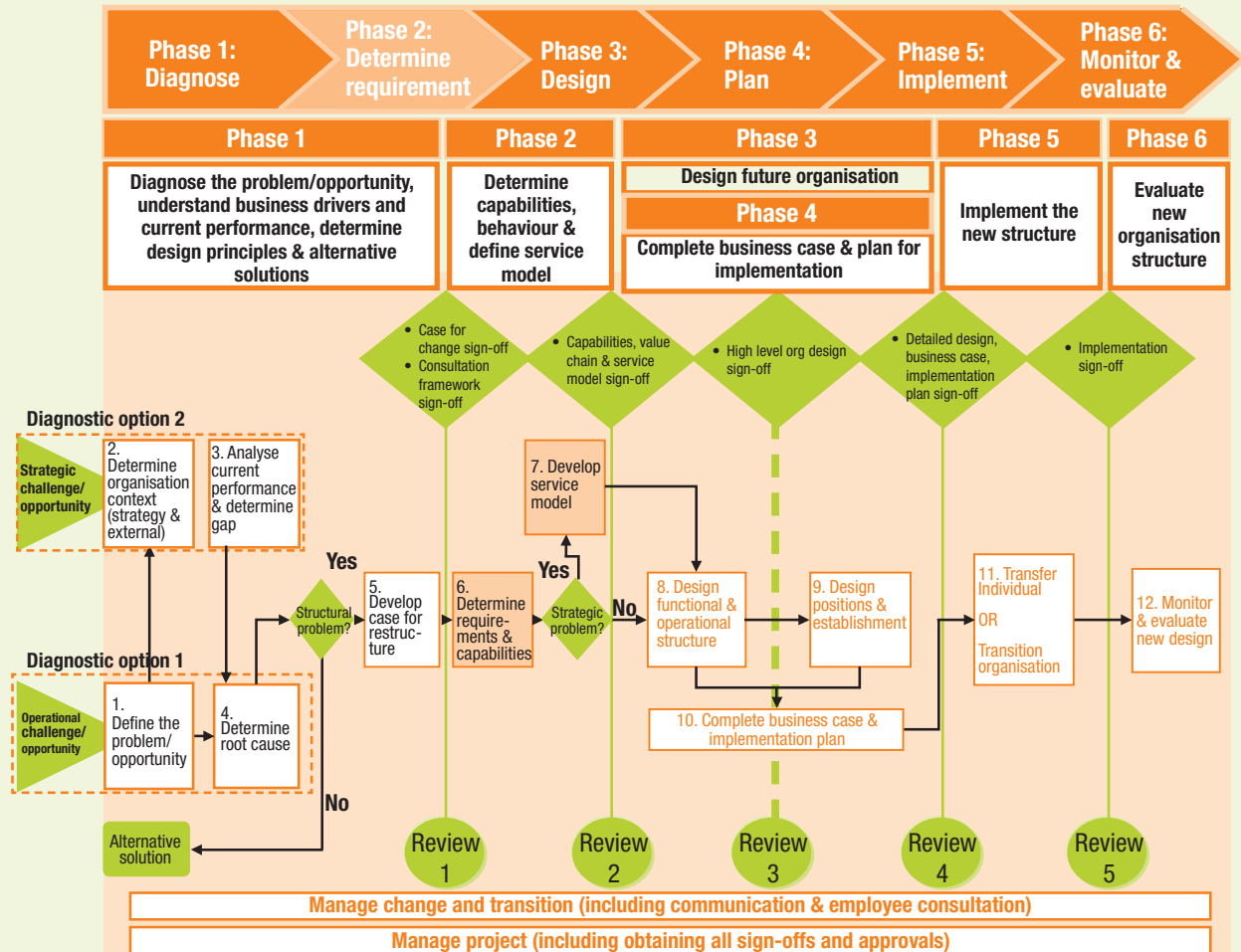
DETERMINING ORGANISATIONAL
REQUIREMENTS



CHAPTER 8

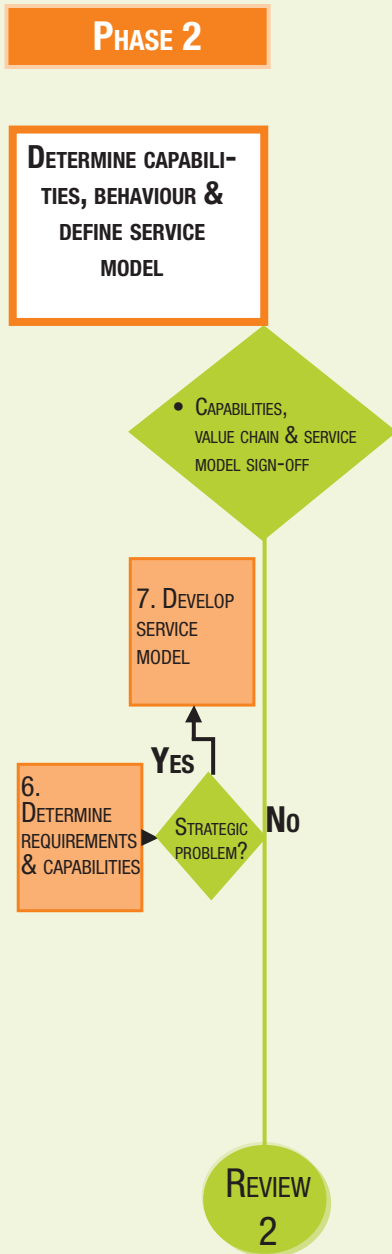
8. PHASE 2: DETERMINE REQUIREMENTS

8.1 OVERVIEW OF PHASE 2



Phase 2 consists of the following:

- Steps 6 and 7 of the overall organisational structuring process.
- Decision point 2.
- Review point 2.



Purpose

The purpose of this phase is to collect as much information as possible to determine the capabilities, behaviour and service model that the structure needs to support in order for the organisation to be successful in the future.

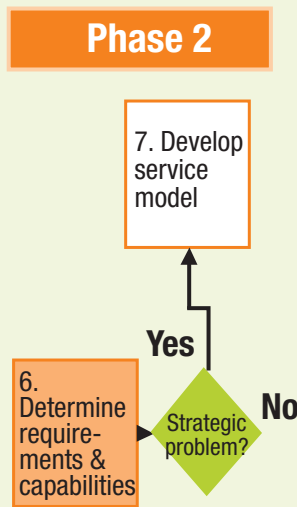
Objectives

- To identify all the requirements for internal and external performance.
- To define the most appropriate service model for the organisation given the capability requirements and constraints.

Possible approaches

- The process should ideally be highly interactive with subject experts participating in the process mapping and identification of capability requirements.
- The service model can be drafted by the project team.

8.2 STEP 6: DETERMINE REQUIREMENTS AND CAPABILITIES



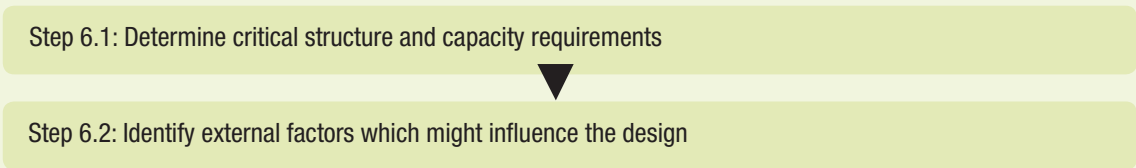
Purpose

To determine the internal and external requirements for the organisation to be successful in future, taking into consideration the problems and opportunities.

Objective

Determine what we need to incorporate into the structure to ensure that it addresses all the requirements for future success.

8.2.1 PROCESS FOR STEP 6



8.2.2 TOOLS FOR STEP 6

Tools	Highly recommended	Recommended	Nice to have
Backward process analysis and engineering (SIPOC)	X		
Service recipient requirements analysis		X	
Process-structure alignment requirements		X	
Business process maps	X		
Quick structured map			X
Process analysis and optimisation		X	
Dependencies map	X		
Process-supplier matrix	X		
External requirements analysis	X		
Risk analysis	X		
Service capacity planning		X	
Organisational capability analysis	X		
Behaviour enabler identification	X		

Tools	Highly recommended	Recommended	Nice to have
Behaviour/structure analysis framework	X		
Structure constraints review		X	
Maturity analysis		X	
Structure assessment questionnaire	X		

Tool	Explanation	When to use it
Backward process analysis (SIPOC)	This involves the fundamental review and redesign of an organisation's business processes. It aims to move from traditional division of labour towards the creation of integrated cross-functional work processes. The underpinning philosophy is that integrated work units are more flexible and can respond more readily to service recipients and service demands.	Suggested standard tool for structure changes.
Service recipient requirements analysis	An analysis of the different service recipient groupings and their requirements in terms of speed (time), volume, quality (convenience, accuracy, first time right), cost (direct and indirect – e.g. having to return to the same place more than once, wait for long periods of time, actual payments to be made, etc.), safety, morale (nation building, transformation, peace, stability, etc.).	If the service user requirements have not been identified yet, this tool is an important mechanism for doing this. This tool forms the basis for value drivers and process analysis.
Process-structure alignment requirements	A list of questions to assist with the identification of process alignment issues, i.e. what is enabling the process and where are the constraints and barriers?	Use as a tool to support the process analysis. Use if the team needs to confirm their findings on any other requirements analysis tools.
Business process maps	This involves the development of a process architecture from value chain processes down to actual activities and finger movements if required. This includes developing the value chain and mapping the major processes to support process level. The process requires specialised skills, but is one of the best tools to identify dependencies, bottlenecks, constraints, flow of information and work issues and to ensure standardisation of work.	This forms the basis for the service model and for capacity analysis. It is a very important tool in the whole structuring process. Not required if the restructuring does not impact a whole department or unit.
Quick structured map	Quick structured mapping provides for a high-level process analysis with a view to identifying resources, skills, standards, procedural and input requirements.	An alternative to process flow charts. This tool is useful for analysing a process for the sake of information and confirmation of time and sequence of activities.

Tool	Explanation	When to use it
Process analysis and optimisation	Analysing the current performance of a process and identifying ways in which the process can be improved.	An optional tool to review process effectiveness. Can provide useful information for identifying capability.
Dependencies map	A tool to determine process dependencies and how these dependencies impact on the performance of the organisation.	Important tool to identify dependencies between business processes, which might be important for the service model design.
Process-supplier matrix	A tool to identify the inputs and suppliers required for each process and to determine the impact on the structure of using the different suppliers. The tool provides for a horizontal process-supplier analysis and for a vertical supplier involvement analysis.	Should be used as a standard tool to ensure that all processes are aligned.
External requirements analysis	External requirements analysis includes the review of geographic requirements, political imperatives, economical realities, social imperatives. The most widely used method is the PESTE analysis which reviews the political, economical, social, technology and environmental requirements.	Should be considered a standard tool for ensuring that there are no unintended resistance from outside parties to the new structure.
Risk analysis	Identifying and categorising risks to determine the high-impact risks which need to be managed more urgently and prioritise the management of the other risks.	A useful tool to determine the risk for the implementation of the structure.
Service capacity planning	A powerful tool for detailed planning of new processes/ units/departments down to the layout of the physical setting.	Very useful tool for the design of new structures or significantly adjusted mandates and output targets.
Organisational capability analysis	The matrix reviews the skills, resources, standards and procedures which are required for effective execution of the transformation process (taking an input and transforming it into something more valuable).	Useful to prepare for service model design and work design. Very important to ensure that the structure makes provision for all the required organisational capabilities.
Behaviour enabler identification	Identifying the enablers and constraints for required employee behaviour.	Very good generic tool to be considered regardless of the type of structuring initiative.
Behaviour/structure analysis framework	A process of identifying and aligning organisational infrastructure processes with new processes and the required organisational characteristics and employee behaviour.	Alternative to the behaviour enabler identification.

Tool	Explanation	When to use it
Structure constraints review	A tool to identify constraints or certain givens which are not going to change in the short to medium term.	Alternative to identifying the constraints in the diagnostic phase. Very important to complete for any large-scale restructuring.
Maturity analysis	Provides an indication of how mature the organisation is based on key processes and practices that are employed in the organisation.	Useful tool for a reality check especially on large-scale restructuring interventions.
Structure assessment questionnaire	A structured questionnaire to review the current organisational structure against four generic requirements for effective structures.	Suggested use for every restructuring exercise.

8.2.3 HOW TO EXECUTE STEP 6

Step 6.1 Determine critical structure and capability requirements

Capabilities are the key things that the organisation needs to be able to do in order to deliver on its mandate and achieve its strategic objectives. In order to determine all the relevant capability requirements of the organisation, you will need to define what the business processes of the organisation need to be capable of doing in the future. Examples of capability requirements could be “To manage relationships with service recipients in remote rural areas” or “To develop new products or services”.

These capability requirements do not automatically imply a particular structure at this stage – you are simply identifying the capabilities needed by the organisation to deliver on its mandate. You need to take the opportunity to consider the future organisation without being influenced or limited by existing structures, roles or employees.

The Guide provides a number of tools for determining capability requirements and you should use the tools that best meet your needs. There are two tools that are very useful, if not essential for this analysis.

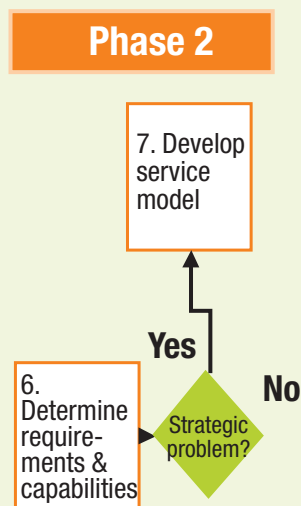
- The first tool is the backward process analysis or *SIPOC* (Supplier, Input, Process, Output, Customer) tool which guides the analysis of all requirements from the citizen’s (service recipient’s) point of view. By following this process you will be able to confirm the key processes, the process requirements and the inputs for overall organisational success. If you have already completed the value chain for the service model, the next step is to map the next level of processes supporting each of the value chain components. A matrix-type process map will assist you in linking process with responsibility and time. (Refer to the *Process Flow* tool is explained on page 18-26 in Section 3 of the Guide.)
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- The second tool which you can use is the *Capability analysis* tool in order to categorise the organisation’s capabilities for each of the core organisation (macro-operational) processes. The tool will guide you in this process and will provide you with a list of capabilities which will be core to the success of the organisation.

Step 6.2: Identify external factors which might influence the design

The new or revised structure for the organisation has to incorporate external factors, such as dependency on information from other departments, the ability of the citizen to complete or understand the application process and the dependency on an expert partner to provide critical support to the organisation (for example, maintenance of police vehicles or delivery of medication on time). The recommended tools for this step are the *Process-supplier matrix* or the *External requirements analysis*. For a new organisational structure it might be useful to develop a detailed plan for the service requirements using the *Service capacity planning* tool.

Once you have identified all the requirements, you need to consolidate them into a capability statement for management, and internal and external stakeholders who might have an interest in the new structure.

8.3 DECISION POINT 2: IS IT A STRATEGIC PROBLEM?



Purpose

To decide whether to skip step 7: Develop a service model and proceed directly to step 8: Design organisational architecture, or not.

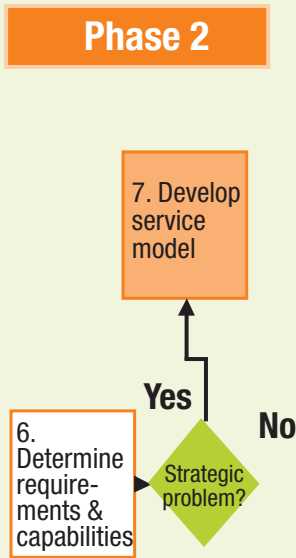
Objective

Review the problem or challenge and determine whether it is a strategic problem/challenge or an operational problem/challenge.

A **strategic problem/challenge** can be defined as one that impacts on the entire organisation. Addressing this problem/challenge requires a significant change in the way in which the department provides its services and therefore the total or substantial part of the organisational structure has to be changed. An example of a strategic problem/challenge would be the introduction of a new core function into the organisation by virtue of new legislation or policy.

An **operational problem/challenge** can be defined as a subdirectorate or smaller unit/team which needs to make some adjustments to the structure in order to be more effective or efficient. An example would be the Human Resources directorate which decided to centralise or decentralise its expert services.

8.4 STEP 7: DESIGN THE SERVICE MODEL



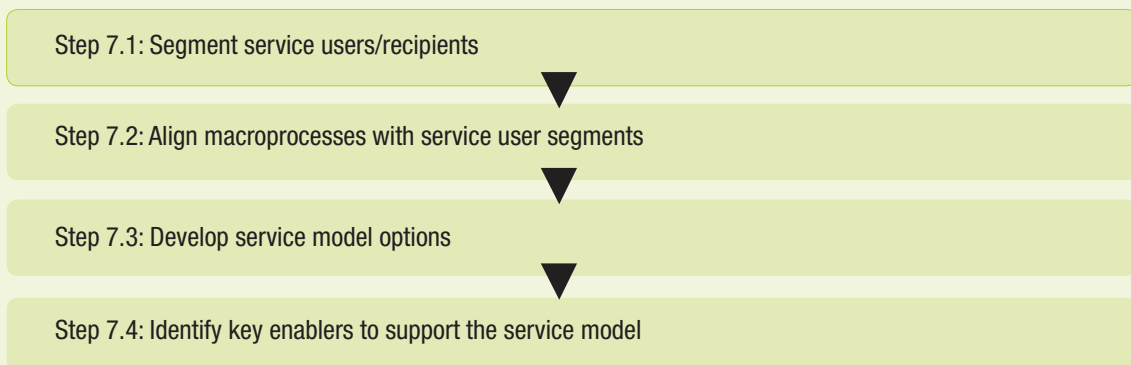
Purpose

- To develop a pictorial representation of the future organisation that shows the key groups, how they will interact and how they will interface with internal and external service recipients in order to deliver the strategy.
- To help management or organisational structuring project sponsor to agree to key groupings without being limited by current structures, people and politics and without getting involved in the detail of roles and reporting lines.

Objectives

- View the organisation from the perspective of operating blocks (divisions/units/macroteams/ types of roles).
- Consider different options for how these operating blocks could be arranged.
- Determine how they could interact in future – with one another and with service recipients.
- Reach agreement on the key principles represented in the operating model before beginning to develop the detailed design.

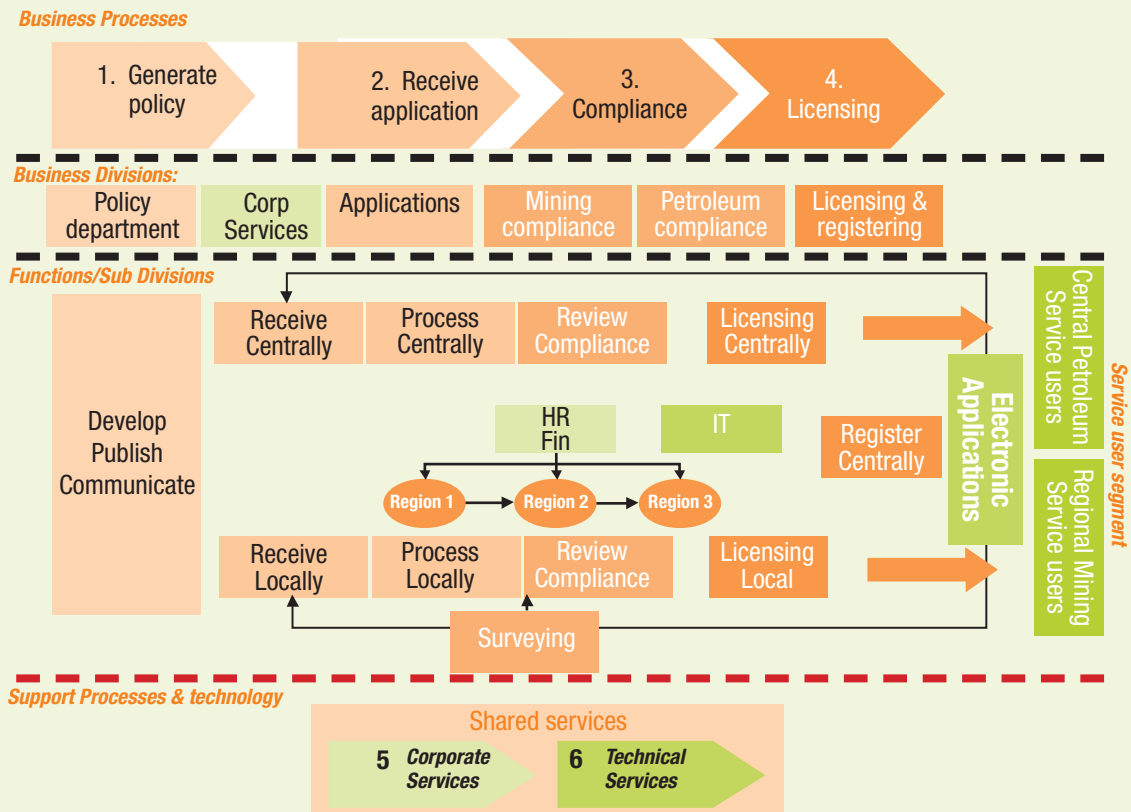
8.4.1 PROCESS FOR STEP 7



8.4.2 TOOLS FOR STEP 7

Tools	Highly recommended	Recommended	Nice to have
Service model design	X		

Below is a service model you can use as a guide. The service model is explained in greater detail on page 17-28 in Section 3 of the Guide.



8.4.3 HOW TO EXECUTE STEP 7

Step 7.1 Segment service users/recipients

- Review the service recipient requirements, for example geographical, preferred mode of interaction, speed, quality, and safety.
- Segment the users into groups which make sense to the organisation (for example geographic groups, demographic groups, socio-economic groups).
- Arrange these groups at the right-hand side of the page. (Refer to the Service model design tool for step 7 on page 17-28 in Section 3 of this document.)

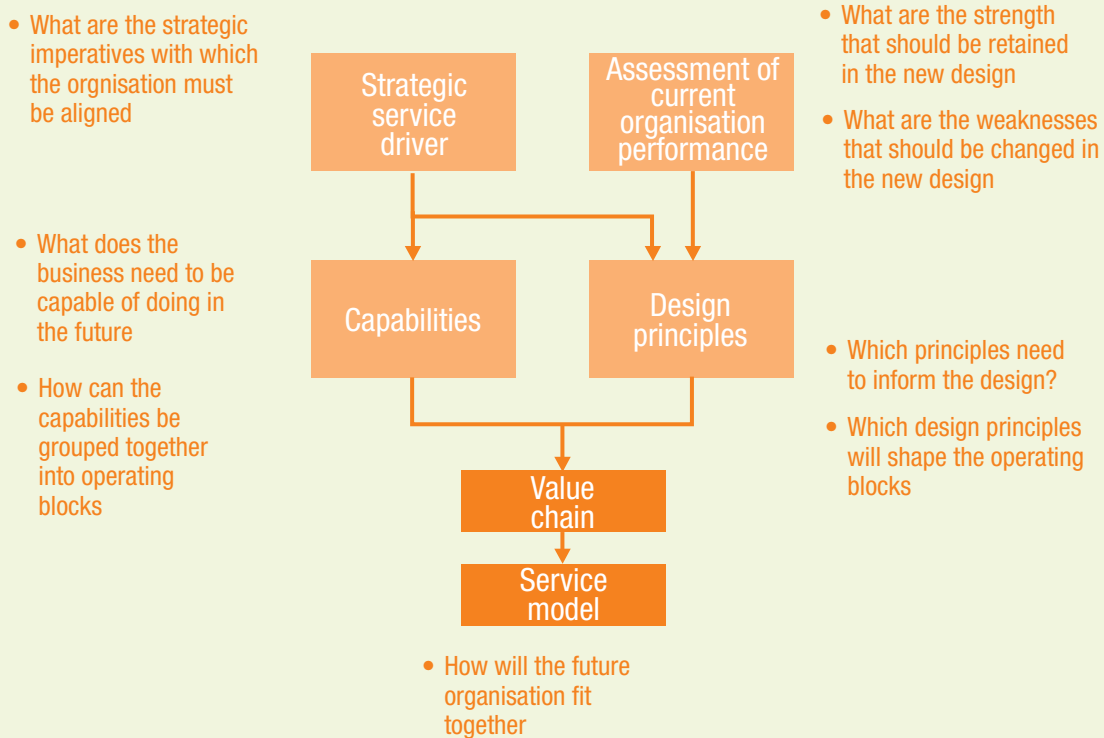
Step 7.2 Align macroprocesses with service user segments

The macro-operational processes have already been mapped, and the intention is not a detailed business process map yet. A broad macroprocess map is required because it will determine the design of the organisation’s structure. (Refer to the Service model design tool for step 7 on page 17-28 in Section 3 of this document.)

- Align the business processes with the various service recipient segments. For example, if service recipients are segmented on a geographical basis, the service processes are likely to be executed on a decentralised basis, while some processes may be executed on a centralised basis.
- Do a reality check with regard to the organisation’s mandate(s). (Are we flexible? Are we able to provide this service?)
- Identify the organisational structure components for the business or organisational divisions and subdivisions. This will enable you to move the different components around when developing the new service model.

Step 7.3 Develop service model options

The key inputs into the design of the service model are indicated in the model below:



The capabilities and the design principles have been identified and defined, and should provide useful information to identify potential alternative service models.

The alternative service delivery models available include the following: regional vs. central, outsourcing, in-sourcing, electronic interface, transfer/assignment of functions, public-private partnerships, networks, front office-back office split, one-stop services, and multipurpose community centres.

The key here is to find a service delivery model that is effective, efficient and empowering:

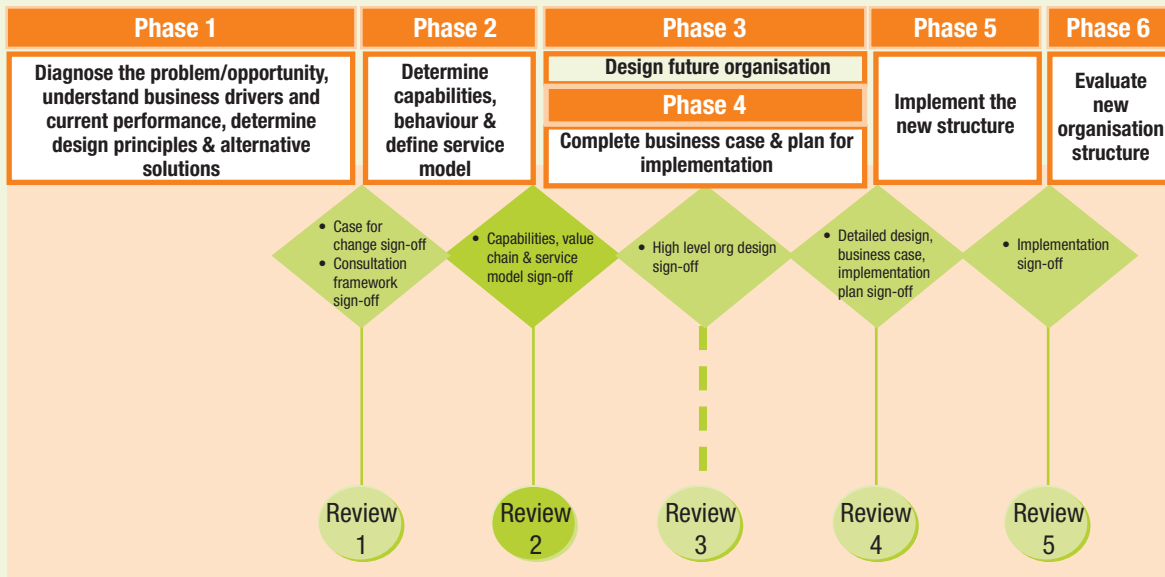
- Effective – ensure that the organisation’s mandate is executed and that the outcomes do, in fact, address the mandatory and stakeholder requirements. This means that the service delivery model must:
 - o Accommodate all the design principles identified (strategic alignment).
 - o Enable the organisation to execute the macro-operational processes effectively.
 - o Be aligned with the macro-environment to ensure a maximum degree of coordination and integration with other associated services to the citizen.
- Efficient – services should be delivered economically and in a manner that will ensure value for money, subject to the resource limitations of the organisation.
- Empowering – develops and uses the required capabilities of the organisation effectively.

Step 7.4 Identify key enablers to support the service model

The different service models will all require key technology, equipment, skills/knowledge, facilities or funding enablers, whether internal or external. The way in which information will flow, communication facilitated and data stored might be critical to the success of the service model. The availability and quality of equipment such as laboratory equipment, transport and protective clothing might be essential to the success of the business.

To complete the service model, you need to identify and indicate the use of key technology and/or equipment in delivering the service. For a highly specialised environment you might need to indicate the key skills and knowledge, or for project-oriented environments how the funding will be obtained. In other words, identify the infrastructure, core competencies or technology capabilities that will be needed to ensure that the service reaches the citizen/service recipient.

8.5 REVIEW POINT 2: SERVICE MODEL REVIEW



Area for review	Specific focus	Accepted, rejected or adjusted
Project management	• Have project risks been identified and planned for?	
	• Is a project team required and has it been established?	
	• Is a steering committee required and fully functional?	
	• Do we need external service providers and has the process of selection been initiated?	
	• Do we have the budget for the next two phases of the project?	
	• Do we have the schedule for the next two phases?	
	• Are there any project issues outstanding?	
Change management	• Is there a communication plan for the change?	
	• Does the structural change have a clear vision?	
	• Has a stakeholder analysis been performed and planned for?	
	• Have the required consultations taken place?	
	• Have all stakeholders been informed of the pending structural changes?	
Capability analysis	• Have all the capabilities been identified to ensure effective internal operations in future?	
	• Have all the capabilities been identified to ensure effective external service success in future?	
	• Have all the organisational processes been mapped in flow chart format?	
	• Have management capabilities been identified?	
Service model	• Is a new service model required and has it been developed?	
	• Does the model refer to “service user segments”, organisational processes, divisional and subdivisional structure, technology enablers?	