

Outperform in Uncertain Times: Four Principles for Leaders Rethinking Their Organisation

As Boards and CEOs, the task is clear: To lead organisations – teams – that will outperform in uncertain times. Leaders know that an organisation that succeeded in an old situation has no given right to do so in a new one. Some change will be required. As Albert Einstein is widely credited with explaining – foolishness is “doing the same thing over and over again while expecting different results”. Disruption creates a golden opportunity to rethink how we should organise, from outside to in. **But how do you know the most important considerations which will influence how you should organise?**

Today we know the principles that underpin effective and healthy organisations. Beyond zeitgeist, these principles give a valuable provocation and guide to rethink afresh. Here are the most important 4 principles to apply when you rethink your organisation:

The Way Ahead Series, by Mercuri Urval

Our team advise and support thousands of leaders across all sectors, as they find their organisations Way Ahead. In this series of articles our CEO, Richard Moore, distils practical advice from real leader successes and challenges. Advice focussed on how leaders can ensure their organisations – teams – outperform, through and beyond whatever uncertainty lays ahead.

1.

Your Organisation Needs Ruthless Focus

Results come from a moment or point of value being created – where a need is addressed, and revenue or service is initiated. Is the value you provide a product, a service or a relationship – or a combination of all three? Is it changing over time?

If you design your organisation around your future value creation point, where you meet the customer, you will have proper focus. And this generally leads to a simpler, leaner and more focussed organisation.

The first principle to apply is to have **ruthless focus**, to know what you must be great at and place it at the heart of your organisation. Only when your resources are concentrated on where you create value, is your organisation set up for success.

2.

Extreme Flexibility Is a Must

Full flexibility demands speed and ready adaptation in your cost base, supply chain, people, strategy and organisation structure. An organisation that cannot rapidly change will become weaker because technology and competition move customer and supplier realities faster than ever before. If you need to move from just-in-time to just-in-case; from face to face value creation to digital; from Europe to Asia. Can you learn fast enough?

Businesses fail where their ability relative to others to adapt is the lowest. There is no reason for that weakness to be in organisational agility. Fewer layers, devolved decision making, smart use of technology all increase flexibility. And selecting leaders that can adapt, act fast to achieve new results is vital. Flexible organisations need leaders that make things happen through influence and relationships rather than formal hierarchical power. The second principle therefore is **extreme flexibility**.

3.

If You're Not Completely Sustainable You're Temporary

A focused and flexible organisation may survive for some time. But long-term prosperity requires sustainability. The bedrock of sustainability is economic strength and resilience. This requires the ability to create and control financial performance and manage cash and resources through the highs and lows of economic cycles.

Sustainable organisations also require an intent – a clear vision and values – that give meaning to employees and stakeholders beyond financial performance.

Finally, clear governance and leader accountability is also needed to create stability. Only sustained and responsible management of engagement, performance, strategy implementation and risk control will ensure longevity. The third principle to apply is **complete sustainability**. This requires resilience in economy, a meaningful purpose and effective leader accountability.

4.

Your Organisation Is Already a Network of Teams – Encourage It

Team based set-ups cope well with rapid change in the environment – better than traditional functionally based bureaucracies. New opportunities and challenges are normally best reached with teams. Small teams are the most close and agile but lack resources and connections that bring power to solve problems. Large teams can become distant with members disconnecting. And ineffective teams can be opportunistic, lose focus and become prone to weak cost control without enough governance.

Effective teams have shared goals and purpose, well-selected specialists, the right dynamic and are well led toward measurable results. Trust within teams is vital – but so is trust between teams. Trust between teams enables collaboration, effective specialisation for a given situation, rapid deployment and empowered problem solving. Networking across teams reduces silos, accelerates learning, allows knowledge to flow more freely and creates more opportunities. The fourth principle to apply in organising for success is **well networked teams**.

All of us operate amidst unique opportunities, challenges and constraints right now. And tomorrow. Even so applying these 4 principles that underpin effective organisation to your situation – ruthless focus, extreme flexibility, complete sustainability and well networked teams – will increase your organisation's success.

Extract from the “Way Ahead” article series by Mercuri Urval CEO, Richard Moore