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Let me now give you a couple of real life examples of how I apply the McKinsey 7S Framework. In the light of 2020 tragedies in the US, the company I was working with assembled a task force to come up with a strategy and a plan to truly integrate equity, diversity, and inclusion into the fabric of the company culture and its business model. Not an easy task. I have seen companies undertake diversity initiatives before, only to find out that the main focus of such initiatives was to meet a certain quota and gain a tax benefit as the result. This effort was different. It was focused on analyzing who we were as a company and adjusting in almost every single aspect of what we believed in, and how we did business. A changing diversity, equity, and inclusion primarily belongs to the shared values category in the McKinsey 7S model. When we looked at what elements it would impact, we identified five, strategy, systems, style, staff and skills. Structure could be impacted in the future, so we decided to keep a close eye on it as we continued the work, but did not include it in our primary file. As you've probably guessed, the scope of work of this project is broad. This type of initiative requires a multi-year commitment. We formed a committee and divided the work between groups who would focus on different stakeholder groups. For example, employees and suppliers. For each group, we designed a plan that would address each of the elements of the 7S model, strategy, systems, style, staff and skills. Now, as we're taking action toward executing each of the plans, we come together to check for directional alignment between different categories of stakeholders, course-correct when we get off track, and make sure we're not missing anything. The 7S Framework helps us develop a robust plan for an otherwise complex and broad change, identify how it would impact the rest of the organization, and understand what action we needed to take to reach our goal. Another example of how I use the 7S model is a smaller-scale team level change. When the organization I was working with made a decision to transition to data-driven decisions, every team had to find a way of supporting this change. Prior to this change, we had an anecdotal understanding of how our business was performing, even when we collected data. It lived in different spreadsheets, was collected in an inconsistent manner, and had such a low level of integrity that any analysis would lead to inaccurate results. Leadership developed a set of metrics and metric based goals, which we had to transition to within a year of our operations. By completing a 7S matrix, we were quickly able to identify that within our team, skills element would be impacted first by this change. About 70 percent of our team had very little understanding of how key metrics are determined, why it's important to collect and analyze data and how to perform the analysis. It became our top priority to support the team in developing the necessary data in the analytical skills, by sending them through a series of training sessions on the foundations of data analytics. Systems, was the second element that was going to be impacted by this change. A few people on our team had an advanced level of data analytics skills, so they became our subject matter experts to determine an appropriate system for collecting and analyzing data at the team level. They developed a set of requirements needed for our team, which were shared with a corporate team and became a part of the broader enterprise requirements. Shared values was a third category we identify as a priority. We had to change our perception of data within our team. By conducting a survey to understand people's sentiment about data, we discovered that people in our team saw metrics as a form of control. They also feared that data would be used against them and they feared they would fail at picking up this new skill because they were never good at math. To address these fears, we developed a series of team workshops. We brought the team together to explain the benefits of data, to understand main concepts, and to get everyone comfortable with it through simple data games. It took about eight months for us to reach the tipping point of change and see the results of applying 7S model. Most people became to support the new way of doing business and were comfortable with it. At 14 months, the change was fully adopted. It's important to know that not everyone on our team supported the change. Five out of 27 people left the organization. From a change management perspective, switching roles in the midst of organizational change, is also a way of coping with change by adding certainty. The process of applying and interviewing for a job can serve as an anchor of certainty. If an individual sees organizational change, it is more dramatic and advanced in comparison. To summarize, McKinsey 7S Framework identifies seven critical elements. Together, these elements have determined the success of an organization. If something in your organization is not working, there's most likely a misalignment between two or more elements. By performing a 7S analysis at the appropriate stakeholder level, you will be able to identify where misalignment happens and what to do about it. In the next video, we will review the key concept of module one. I'll see you there.