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Hi. In this lesson, we will cover the McKinsey 7S Framework, and look at when and how to use it. Let's get started. McKinsey 7S Framework was developed by Tom Peters and Robert Waterman in the late 1970s. It presents a unique perspective on leading and managing change. The 7S Framework offers a way to keep a close eye on how the ripple effect of any change would influence other aspects of an organization, a project, or a team. The 7S Framework consists of the following elements, structure, strategy, systems, skills, style, staff, and shared values. The idea behind this model is that the seven elements influence one another, so they have to be carefully aligned and balanced for the organization to be successful. The model can also be used to analyze the impact of a single, or multiple changes on the balance of the elements within an organization. The authors of the model separated the seven components into hard and soft. Hard components are, strategy, structure, and systems. These are usually clearly defined and they are easy to analyze. They are typically well understood by the organization and leadership can influence them directly. Soft elements are skills, styles, staff, and shared values. These are often intangible and can be difficult to understand. Together, they comprise the culture within an organization. Let's define each individual element. Strategy is your organization's plan of how to gain and keep market share, it's how to gain and maintain the competitive advantage. Structure, explains how your business is organized in terms of hierarchy, how decisions are made, and who reports to who. Systems are processes that your organization relies upon to keep business going, software, hardware, and standard operating procedures. Shared values are the core beliefs and values that are at the heart of the culture of an organization. Style, represents a leadership style adopted throughout the organization. Staff refers to the employees. Skills are employees' skills and competencies. You can use the 7S Framework to perform an analysis of your organization, project, or team and identify opportunities for improvement. To use the model, follow these steps. Step 1, identify where your particular change belongs within the 7S elements. For example, if the project is focused on retiring and the outdated talent management system in adopting new cloud-based solution, the change would belong primarily to the systems category. Step 2, analyze the alignment between this change in your organization's foundation, which has expressed their shared values. How will this new change influence shared values? What needs to change to support the alignment between the impact of change and shared values? Are shared values align with the other hard elements of systems and structure? If not, what needs to be done to align them? Step 3, analyze soft elements. Do they support the hard elements after we consider the impact of the change? Step 4, continue with the analysis until the desired state is achieved. McKinsey 7S model can be used as a tool for leading active change. It can also be used to perform our year and analysis of an organization and as a basis for strategic planning. In your supplemental materials, you can find that template for 7S analysis. If you have never used the framework before, I suggest, walking your team through an exercise of identifying a current state and future state. For this exercise to be effective, you need to bring appropriate, cross-functional stakeholders to the table. Company cross departmental, senior leadership, would be the most effective in completing the analysis and implementing any actionable outcomes at the strategic level. But if a change is smaller and limited in scope, the members of your team could be appropriate.