



Simply Effective

How to Cut Through Complexity in Your Organization and Get Things Done

by Ron Ashkenas

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224 pages

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Take-Aways

- Complexity, which is everywhere but difficult to see, affects your bottom line.
- You must rip it up from the roots – by diagnosing four common sources of complexity.
- Cut “structural complexity” by first focusing relentlessly on strategy.
- Strategy should dictate the way you build your organization and processes.
- Cut “product proliferation” by eliminating products that are not necessary or enthralling.
- Your customers can help you define necessary and enthralling offerings.
- Cut “process complexity” by collecting and applying best practices, mapping internal routines, or developing a Six Sigma or Lean approach.
- As a leader, attack your own “complexity-causing behaviors” by setting realistic strategies and establishing clear goals for your team.
- The simplification process must become the life of your business; it’s not a one-shot deal.
- But simplicity starts with you.

Rating (10 is best)

Overall

9

Applicability

9

Innovation

8

Style

8

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Relevance

What You Will Learn

In this Abstract, you will learn: 1) How to spot complexity in your firm and in your actions, 2) How to tackle complex processes and “product proliferation,” and 3) How to drive simplicity.

Recommendation

As it should be, this book on simplicity is straightforward. Ron Ashkenas, a teacher at heart, mixes informative bits of the history of organizational management with incisive descriptions of top companies. He knows some of these companies intimately and helped them apply the strategies he articulates. He moves smoothly from the corporate level to the individual level. Sure, Ashkenas wants firms to do better, but that also requires managers to buck up and fix their own bad habits. This book is descriptive and pragmatic, outlining “what is wrong with your system” and “how to fix it.” Ashkenas’s diagnostic tools will help those who want to start productive dialogues at work. Chapter 5, on “curbing complexity-causing behaviors” is worth the price of admission. You could readily convert its detailed description of what managers should or shouldn’t do into a developmental continuum to help measure your firm’s progress toward simplification. *getAbstract* recommends this book to managers at every level because it really might make the world a better – or, at least, a simpler – place while improving the bottom line.

Abstract

“Managers run their organizations...in ways that they honestly and deeply believe are already simple, straightforward, logical and right. They have no idea that they are unintentionally creating complexity, that they are part of the problem.”

“The forces and sources of complexity never sleep.”

The Complexity Trap

Whether you are the CEO of a large multinational corporation or a middle manager at a small firm, you cannot afford to allow complexity to flourish in your organization. It compromises results, hampers your employees and confuses customers. Since complexity often is rooted in leaders’ behaviors and aspirations, executives can work strategically to undo it. That task begins with recognizing the four factors that drive complexity:

1. **“Structural mitosis”** – When you tweak a structure within your organization, you start a chain reaction. The ways people communicate, use time and find comfort in their work all will shift. With these shifts come new problems, costs and layers of complexity.
2. **“Product and service proliferation”** – When you add a product or service, you create to-do lists for other people, such as marketers, lawyers and designers.
3. **“Process evolution”** – When managers change a process without having a complete internal understanding and without negotiating goals and intentions, complexity generally increases. Why? Because a process affects everyone who uses it.
4. **“Managerial behavior”** – If you manage people, you shape their work. You determine what’s due and when. If you’re not incredibly careful (for example, if you don’t clearly define the task or timeline), you will generate complexity.

Spotting and Solving “Structural Complexity”

When you add a department to your organization or make changes in an existing department, you contribute to structural mitosis. Complexity doesn’t come out of the air;

While “simplicity will not guarantee success, too much complexity will certainly increase the chances of failure.”

“Either you can add to complexity and make things more confusing, or you can simplify work and make it easier for people to get things done.”

It “takes a special kind of intelligence to counter design complexity and create simple designs with fewer features.”

“It also takes humility to start with the customer’s perspective rather than your own and to really listen to what people need.”

bosses build it into an organization’s design. Executives, in spite of their best intentions, often make three fundamental errors when designing their companies:

1. **Putting “structure before strategy”** – Setting up clear reporting paths is the right thing to do. Making “tactical adjustments” during the course of business seems logical. But both actions risk causing more complexity if they don’t align with the strategy that will actually help your firm thrive. Strategy is job one.
2. **Bending for “people and personalities”** – When you design a position or a structure within your organization, you have the opportunity to increase clarity. Often, though, managers tend to reshape jobs or structures to suit their current staff. If you design positions to help employees compensate for their shortcomings, rather than to help them stretch and improve, you build in adjustments now that will cause trouble later.
3. **Choosing “mechanical rather than organic designs”** – If you coordinate your firm around a traditional organizational chart, chances are your ideal plan won’t match the reality of how your company really works. A firm is not a “machine with a static blueprint.” Design for movement as needed and simplify your plans accordingly.

To counteract organizational design flaws, identify your firm’s core, the parts of the business most directly related to executing its strategy. Nurture that core. It is different from the elements of your work that play a supporting role and that you can move off the front burner or outsource if necessary. Pay attention to the customers who want your products or services. Determine how to simplify their purchase transactions. Take an “outside in” view to find and eliminate anything that comes between your customers and their wish to do business with your company.

Then, chop away at hierarchy, effectively “de-layering” your firm by increasing your managers’ “span of control.” This will give them more people to supervise but less control over them individually. With more staffers, supervisors can’t possibly micromanage everyone. Instead, they must influence and lead their staff. And their employees have to grow and take charge of their own work. De-layering also aids companywide communication. Every time you remove a layer, communications become clearer.

Spotting and Solving “Product Proliferation”

Reason would dictate that managers should try to please customers by continually tweaking products and services. After all, a company has to stay ahead of its competitors. However, “product-related changes” can hurt your bottom line by causing the following problems:

- **“Volume complexity”** – If you’re manufacturing or readjusting a large number of products or services, chances are those offerings are creating lots of motion in your company. For instance, if you change a product label so it will stand out, you activate a small army of designers, advertisers and analysts. The fact that firms are much more comfortable adding products than subtracting products further drives complexity.
- **“Support complexity”** – When your customers are alone with your products, unpacking them in their homes and getting ready to use them, they move through a critical moment when they try to assemble and employ your merchandise. If the assembly goes smoothly and the product works, you’re in luck. If not, your company has come down with a case of support complexity, because that consumer is going to want you to fix the problem.
- **“System complexity”** – Does your product play nicely with other products customers need to make it functional? Your product’s value is tied up with your buyers’ experience of it. If it doesn’t work with integrated products, the system is too complex.

“The inability to set solid, clear goals and follow up on them to ensure that they’re met creates enormous churn and complexity in organizations.”

“Every organization has a multitude of processes, big and small, that evolve over time without much thought or discipline.”

To “simplify processes... periodically challenge steps that have gone unquestioned for many years.”

“Effective communication... creates a central nervous system that allows an organization to get work done; poor communication creates enormous complexity as signals are blocked, misunderstood, or misdirected.”

- **“Design complexity”** – An engineer’s simplicity could be a customer’s complexity. If you design your product with an engineer’s eyes rather than a customer’s, you will design a product that only an engineer can love (and use).

Like structural complexity, “product-related complexity” is rooted in human choices. Since managers contribute to excess intricacy, they can rein it in. One approach is “portfolio analysis,” analyzing your products or services to reduce clutter. Regardless of the tools managers use, they need to see product “life cycles” as natural. This will help them make tough choices about eliminating or substituting offerings, choices often clouded by emotion or corporate traditions.

The SKU, or stock-keeping unit, is another place to reduce product complexity. This number is a tracking device for each product from birth to sale. The SKU is particularly useful in getting a handle on complexity because it is uniquely generated for every slight variation of a product or a service. Tracking SKUs can show you how out of control certain products or services have become as a result of tweaks or innovations. If you engage your marketing unit continually – to advertise each new variety of a product – and your finance department – to keep track of each variety – you want to be certain that your customers are enthralled by each choice. Consider inviting them to help design your products. Turn them into an “advisory board.” Get their feedback. Customer engagement can yield products that are streamlined to meet people’s actual needs – not your potentially complex interpretation of their needs.

Spotting and Solving “Process Complexity”

Processes can be a great source of simplicity or a burgeoning swamp that is nearly impossible to navigate. Be aware of four kinds of process problems:

1. **“Local differences”** – An international company wants consistency; but for local branches to execute their work, their managers must apply standards that make sense in their onsite business climates. The differences cause complexity.
2. **“Multiplication of steps and loops”** – Managers must prevent errors from happening, especially more than once. However, reviewing processes that lead to mistakes can, unfortunately, often lead to new twists, new stopgap and additional steps that ultimately become the accepted way of doing things. This is how process complexity ossifies.
3. **“Informality of process”** – Some design is intentional, and some design just kind of happens when people apply a random or personalized process to a repeating task. When that becomes a way of life in your business, it can produce inefficiencies.
4. **“Lack of cross-functional or cross-unit transparency”** – If your teams commit only to their own parts of a process, without taking the whole routine into account, they might succeed in doing their tasks, but fail at achieving excellence in the larger process.

Optional strategies for simplifying your processes include learning from the best practices in your organization or at other firms. This may involve researching other firms’ approaches, inviting their managers in to brainstorm about processes and practices, sending your supervisors on site visits or hiring an expert. You could also map your processes to give insiders a clear view, so they can suggest changes. In some cases, your “procedural manuals” already outline step-by-step processes, but often these undertakings are altered over time. Mapping can lead to a more detailed analysis.

“If you can accomplish your mission with fewer steps, clearer processes, greater customer alignment, and less wasted motion, then you will be at a competitive advantage.”

“In many ways, rooting out complexity-causing behaviors is similar to attending Alcoholics Anonymous or other 12-step addiction reducing programs. You have to admit that you cause complexity and then have a support group that can reinforce your desire to change.”

“If you are serious about simplification, you need to be prepared to keep at it, over and over, for as long as your organization exists.”

Sometimes these call for the intense training needed to implement Six Sigma or Lean, which are “the full Monty” ways to craft error-free, time-efficient processes.

Opening stubborn process “logjams” may call for a “rapid results” attack: a surge of intense activity focused on blasting through process trouble points. This works in the short run, but needs to be part of an ongoing effort, not a one-shot deal. But a single focused push may give you a good start. The “Work-Out” approach combines initial, immediate improvements with establishing a “culture of ongoing process simplification for the long term.” Used by Jack Welch at General Electric, it relies on employee “town meetings” to find and eliminate unnecessary effort. You can use a Work-Out to intensify and expand logistical improvements suggested by best practice research, mapping and other strategies.

Spotting and Solving “Complexity-Causing Behaviors”

Leaders can cause or solve complexity with their decisions on organizational design, products and procedures, but the way they lead is also important. Over time, they may overemphasize strengths that once were fruitful – such as pushing individual accountability over teamwork, or being collaborative but vague about planning – but that are now irrelevant or even harmful.

The way you set strategy, for example, may be causing complexity. One potential pitfall involves the relentless search for the “perfect strategy.” You won’t find it. Business moves too fast. The quest for the ideal strategy can cause complexity if you try to collect too much data, make too many promises or insist on excess analysis. Managers also define goals – another common practice that can go wrong. Some lay out simple objectives that help motivate people. Others posit fuzzy or abstract ambitions. Your goal-setting can go awry if you promote a target and then allow it to slide, if you hint that you don’t care if it really happens, if you can’t penalize noncompliance, or if you shoot for an end that is too far off or immeasurable. You will also undermine your objectives if you negotiate them by letting people duck other work in exchange for completing the goals you’ve set.

Putting It All Together

All these ideas about simplicity can become overwhelming. To create a true “architecture of simplicity,” you must make it a priority by positioning it as a business imperative and explaining how vital it is to your firm. Once you make a clear case for simplicity, you should start with the root of your concern whether it is structure, products, processes or behaviors. Pursue activities that allow people to experience the benefits of simplification quickly. Showcase the results as they occur and provide incentives for more progress. Promote people who can make simplicity happen. Then start over. Drive simplicity as part of the way you and your firm do business.

As a leader, you can make simplicity an imperative – or let complexity drift. You can speak out about complexity that detracts from your mission or you can remain silent. Your actions matter. If you tolerate ineffective meetings and meaningless emails, if you ignore customers’ demands for simplification and don’t lead change, then you are tacitly approving complexity and rejecting simplicity. The move toward simplicity starts, simply, with you.

About the Author

Ron Ashkenas is a senior partner at Schaffer Consulting. He co-authored *The Boundaryless Organization*, *The GE Work-Out* and *Rapid Results*.