Chapter 1 : McKinsey 7 S Framework â€" Tom Spencer

The McKinsey 7-S model shows why you can't change any one aspect of an organization in isolation. Find out what the Ss stand for, and how to use the model.

Skills Shared Values Strategy is a plan developed by a firm to achieve sustained competitive advantage and successfully compete in the market. What does a well-aligned strategy mean in 7s McKinsey model? So the key in 7s model is not to look at your company to find the great strategy, structure, systems and etc. For example, short-term strategy is usually a poor choice for a company but if its aligned with other 6 elements, then it may provide strong results. Structure represents the way business divisions and units are organized and includes the information of who is accountable to whom. In other words, structure is the organizational chart of the firm. It is also one of the most visible and easy to change elements of the framework. Systems are the area of the firm that determines how business is done and it should be the main focus for managers during organizational change. They also include capabilities and competences. During organizational change, the question often arises of what skills the company will really need to reinforce its new strategy or new structure. Staff element is concerned with what type and how many employees an organization will need and how they will be recruited, trained, motivated and rewarded. Style represents the way the company is managed by top-level managers, how they interact, what actions do they take and their symbolic value. Shared Values are at the core of McKinsey 7s model. They are the norms and standards that guide employee behavior and company actions and thus, are the foundation of every organization. The authors of the framework emphasize that all elements must be given equal importance to achieve the best results. Using the tool As we pointed out earlier, the McKinsey 7s framework is often used when organizational design and effectiveness are at question. It is easy to understand the model but much harder to apply it for your organization due to a common misunderstanding of what should a well-aligned elements be like. We provide the following steps that should help you to apply this tool: Identify the areas that are not effectively aligned During the first step, your aim is to look at the 7S elements and identify if they are effectively aligned with each other. Determine the optimal organization design With the help from top management, your second step is to find out what effective organizational design you want to achieve. By knowing the desired alignment you can set your goals and make the action plans much easier. This step is not as straightforward as identifying how seven areas are currently aligned in your organization for a few reasons. First, you need to find the best optimal alignment, which is not known to you at the moment, so it requires more than answering the questions or collecting data. Decide where and what changes should be made This is basically your action plan, which will detail the areas you want to realign and how would you like to do that. Make the necessary changes The implementation is the most important stage in any process, change or analysis and only the well-implemented changes have positive effects. Therefore, you should find the people in your company or hire consultants that are the best suited to implement the changes. Continuously review the 7s The seven elements: A change in one element always has effects on the other elements and requires implementing new organizational design. Thus, continuous review of each area is very important. The company is new, so its structure is simple and made of a very few managers and bottom level workers, who undertake specific tasks. Alignment So far the 7 factors are aligned properly.

Chapter 2 : Using the 7s model to increase the chance of successful change

McKinsey 7s model is a tool that analyzes firm's organizational design by looking at 7 key internal elements: strategy, structure, systems, shared values, style, staff and skills, in order to identify if they are effectively aligned and allow organization to achieve its objectives.

The McKinsey Consulting Firm identified strategy as only one of seven elements exhibited by the best-managed companies. The 7Ses can be divided into two categories: Companies, in which these elements are present and aligned are usually more successful at the implementation of strategy. Does the firm have a clear strategy? Is the strategy known to and understood by the staff in the organisation? Is it communicated to everyone as appropriate in a way that accords it the right amount of attention? Is everyone aligned behind the strategy? Is the strategy acted on and implemented? Is it actively applied in the making of decisions on a day to day basis? All too often, a strategy is a document which sits on an executive shelf while the organisation continues to act as it would have done, regardless. Do key individuals continue to pursue their own strategies and agendas, contrary to the strategy? Is the organisation opportunistic or is it inclined to develop detailed plans and stick to them? Is strategy formulated by an elite group strategic planning group or senior executives and handed down from the top, or using an inclusive, participative bottom-up process? Is the strategy transformative large and structural changes to the firm or industry or incremental smaller adjustments? Is the strategy reviewed and cast in stone once a year, or more regularly or even continuously? The 5 Levels of Strategic Orientation. It is a truism of strategy that " structure follows strategy ", and the structure of an organisation, along with its policies and processes, has a direct bearing on how well it will perform. There are a number of dimensions to consider. Is it flat and broad or deep and hierarchical? How many layers are there between the CEO and the front line? What are the typical spans of control for managers? Is it organised around brand, products, channels, customer segments, geographic or functional lines? Is decision-making authority devolved or highly centralised? Are there clear lines of accountability? Do key elements of its strategy span or fall between multiple decisions makers at the senior level, or are accountabilities clearly established? Systems Systems include both computer systems, manually systems and informal practices. The decision-making systems within the organisation can range from management intuition to manual policies and procedures, to structured computer systems, to complex expert systems and artificial intelligence. The level of rigour of systems can range from rigid and bureaucratic, to more laissez-faire and flexible. Are the systems modern and efficient or out of date? Are they fit for purposes? To what extent are systems formally controlled by a central IT department or reliant on end-user-computing? Are systems bespoke or off-the-shelf? If bespoke is the development in-house or outsourced. If off-the-shelf, how heavily are the systems customised? What are the licensing and support arrangements? Can they easily adapt to changes in the environment and strategy? What is the quality, in terms of errors, exceptions and downtime, etc? Are people generally relaxed and informal, or more formal? Is the culture collegiate and consensus driven, or more hierarchical and individualistic? Are leaders authoritative, or persuasive? Do they lead by example, or by fiat? Are leaders visible and available or remote? Is there a culture of busy-work, or is it more results based? How does the organisation reward and celebrate success? How politically charged is the environment? Do staff respect or fear their colleagues and leaders? Is the culture one of leadership and transformation, or managerial and weighted towards the status quo? Are people open to change and transformation, or do they prefer to stick to "the way it has always been done"? Staff Staff means that the company has hired able people, trained them well and assigned them to the right jobs. Selection, training, reward and recognition, retention, motivation and assignment to appropriate work are all key issues. Is the selection, training and reward of staff all aligned to the strategy? Are job responsibilities clear up-to-date and aligned to the strategy? How are different people matched to different roles? How does the organisation manage under-performance? How does the organisation identify and treat high performers? How is training done: How are role modelling and mentoring used? What is the ratio of fixed to variable pay? What is the degree of variation in variable pay between high and low performers? Skills Levels of skill and knowledge required can range from the PhD level qualifications

required for highly technical or scientific work to relatively unskilled labour such as supermarket shelf stacking. The levels of skills required by different functions within the same business may vary significantly. Does the organisation promote specialisation and focus, or generalisation and rotation? Does the firm nurture skills internally, or hire them in? Does the firm have ready access to a market of skilled resources? How do staff stay up-to-date with developments in their fields? What is the mix of skilled versus unskilled or less skilled work and staff? Are the skills and knowledge required generic to the industry or field, or specific to the firm? Shared Values Values are things that you would strive for even if they were not demonstrably profitable - things that are worth doing in and of themselves. Shared values mean that the employees share the same guiding values. Does the organisation have clearly articulated values? Are those values a laundry list of the usual keywords "Integrity", "Teamwork", "Putting the Customer First" or has the organisation imbued them with real and personal meaning? To what extent do all staff and leadership align with and practice the values? Is it evident that the values influence decisions on a day to day basis? Does the organisation value "hard heads" rational thinking, value maximisation, etc. To what extent do people outside of the organisation customers, suppliers, distributors recognise those values in the organisation?

Chapter 3 : McKinsey 7s | SMI

The McKinsey 7S Framework was designed by former employees like Tom Peters, Richard Pascale and Robert Waterman jr, formers consultants of McKinsey, the American consulting firm and is applied in organizations all over the world.

The 7S model and change: It is based around seven key elements of any organisation, with the view that in order for it to operate successfully, all the elements in this model must align synergistically together. The factors are split into two groups: The hard elements are those that can physically be seen when in place, whereas the soft are more intangible and cannot readily be seen. Notice that all elements are interrelated. Shared values are the pinnacle of the model and therefore in any organisation. They form the underpinning culture, strategy, effectiveness and performance, linking to every other element in this framework. They link all that is of the organisation: Getting this balance right means getting the culture right. In addition to the Central Values alignment, each of the other six elements has an important role in designing the correct organisation and is just as important as the next. The line of reporting, task allocation, coordination and supervision levels Strategy: The top level plan top create competitive advantage Systems: The supporting systems and process of the firm, like Information systems, financial reporting, payment systems, resource allocation etc Shared Values: These are the core values of the company and form the underpinning culture and how the business behaves and is perceived to behave in the wider context of the community Style: The framework can be used to understand where gaps may appear in the organisation, which is creating imbalance and what areas of the business to align and improve to increase performance. It can be used as a tool in a variety of corporate situations, like: Remember, this model is based around the theory that for an organisation to perform well and achieve its objectives, all seven elements must be aligned, mutually enforcing progress towards the objectives of the firm. It comes as no surprise, therefore, that, if you understand the goal of the organisation, then the next step is to look at each element and work to realign them to create synergy. You can use the 7S model to help analyze the current situation, a proposed future goal and then identify gaps and inconsistencies between them. Example The following example acts as an overview to reinforce the use of the 7S model, but in reality, a more detailed analysis should be carried out for each element. But in this example, we will look briefly at the future state of an organisation trying to drive a Lean Culture Structure: A small hierarchy is needed, which encompasses self directed work teams. Daily interdepartmental stand up meetings to be held daily. A bonus system which supports Lean improvement and the new ways of working, a pay grade structure that is aligned to the new team structure. Develop new team skills, problem solving, waste elimination and process analysis skills, empowerment to make decisions, the ability to run and close out Kaizens Styles: Leadership that is trained in Emotional Intelligence and the courage to delegate and empower subordinates. Leadership that leads by example and can coach and mentor employees in Lean techniques. Team players, goal sharing, acting as change agents and driving improvements on an individual level. Creating an organisation that respects each and every employee, committed to the environment and continuously strives for waste elimination and perfection in everything it does. The 7S Model in Practice To help with successful organisational change, the 7S Model is a good tool to use, especially in the following sequence: Understand the current state â€" Where are we now? What is our current strategy? How are we performing? Understand the Future State â€" Where do you want to go? What is the strategy? How competitive will you be? Create a 7S Model review on the current state â€" Understand all the current elements with the organisation at present. Create a 7S Model review on the future state â€" What would the seven elements look like if they were all in tandem to suit the new direction? Compare the future Framework with the current state and create a plan to address the actions to fill the gaps in each of the 7 elements.

Chapter 4 : MCKINSEY 7S ANALYSIS by marie Bianca Napat on Prezi

The McKinsey 7S Framework is a management model developed by well-known business consultants Robert H. Waterman, Jr. and Tom Peters (who also developed the MBWA-- "Management By Walking Around" motif, and authored In Search of Excellence) in the s.

After reading this article you will understand the basics of this powerful and effective management tool. What is the McKinsey 7S Framework? In order to be successful it is useful for every organization to have a good understanding of the internal organization and to find out how work can be done more effectively and efficiently. According to Tom Peters , Richard Pascale and Robert Waterman jr , the condition is that the internal relationships between these elements are well-organized and that the elements steer the organization in the same direction. The soft elements are present in an organization in a more abstract way and can be found in the organizational culture. You can find these elements in the strategic planning of an organization. Structure How is the organization structured and which hierarchical layers are there. Systems Systems are all formal and informal methods of operation, procedures and communication flows. Soft elements Style is all about leadership and management styles. Shared values The standards and values and other forms of ethics within an organization in which vision, corporate culture and identity are the key elements. Skills These concern both the skills of the organization and those of the employees. Staff This soft element is about the employees, their competences and job descriptions. With a blueprint or photo of these performance problems, several elements could be put to use in a targeted manner. In practice In practice a number of questions could be asked using the 7S Framework because of which a clear picture of the organization arises. After having listed these questions, it is important to provide answers to a number of obstacles such as: Is everyone within the organization supported in the area of the hard elements? Are the hard elements sufficiently supported within the organization? Which means are necessary to bridge the identified discrepancies in this analysis? How can a plan be realized and implemented as well as possible? McKinsey 7S Framework example A practical example regarding the use of the the 7S model McKinsey is a commercial training institute that focuses on employees who want to obtain an MBA degree. Strategy The commercial education provider is fully focused on adult MBA education. They offer a series of courses and aim to be largest provider in the Netherlands. Structure Given the size of the organisation, it is important that there is a proper structure, and so a product classification has been made; each branch has its own training managers, representatives and subject teachers. This hierarchy is clear to both employees and students. In addition, there are many supporting departments such as ICT, administration and planning. Systems The organisation uses an internal Customer Relationship Management system to keep up-to-date with student progress, contracts and internship agreements. Style The organisation was founded 10 years ago by a passionate pioneer and has a friendly and open atmosphere right from the beginning. As a leader, he considers it important that work is done according to procedures and legislation, but everyone can further determine their own goals and are thus self-governing. This creates a pleasant working environment and a good mutual understanding. The student always remains top priority, both in and outside the office. Skills The organisation only works with teachers who have made their mark in the industry; as representatives, they can present study material very well. Employees are expected to know the exact guidelines issued by the Ministry of Education and how to integrate them into the lesson program. Staff In addition to skills, it is also important that the staff knows what their responsibilities are and dare to take it. Problems in class or with individual students must be reported to the head office in order to cooperatively find a solution. Do you recognize the practical explanation of the 7S Framework or do you have more suggestions? What are your success factors for the good McKinsey 7S Framework set up? Share your experience and knowledge in the comments box below. If you liked this article, then please subscribe to our Free Newsletter for the latest posts on Management models and methods. Focusing leadership through force field analysis: Structure is Not Organization. Business Horizons, 23 3 , How to cite this article: Retrieved [insert date] from ToolsHero: Your rating is more than welcome or share this article via Social media!

Chapter 5 : McKinsey 7S Framework - Wikipedia

Therefore, I think that if an internal analysis is necessary, the McKinsey 7S model is the best choice, especially to analyse differences that expected or planned changes can make in the organisation`s elements connexion.

Read our Privacy Policy You can use the 7-S model to help analyze the current situation Point A , a proposed future situation Point B and to identify gaps and inconsistencies between them. Well, of course not: Whole books and methodologies are dedicated to analyzing organizational strategy, improving performance and managing change. Use them to analyze your current Point A situation first, and then repeat the exercise for your proposed situation Point B. How do we intend to achieve our objectives? How do we deal with competitive pressure? How are changes in customer demands dealt with? How is strategy adjusted for environmental issues? What is the hierarchy? How do the various departments coordinate activities? How do the team members organize and align themselves? Is decision making and controlling centralized or decentralized? Where are the lines of communication? What are the main systems that run the organization? Consider financial and HR systems as well as communications and document storage. Where are the controls and how are they monitored and evaluated? What internal rules and processes does the team use to keep on track? What are the core values? How strong are the values? How effective is that leadership? Are there real teams functioning within the organization or are they just nominal groups? What positions or specializations are represented within the team? What positions need to be filled? Are there gaps in required competencies? Are there any skills gaps? How are skills monitored and assessed? Remember you can use this to look at either your current or your desired organization. Click here to download our McKinsey 7-S Worksheet, which contains a matrix that you can use to check off alignment between each of the elements as you go through the following steps: Start with your Shared Values: If not, what needs to change? Then look at the hard elements. How well does each one support the others? Identify where changes need to be made. Next look at the other soft elements. Do they support the desired hard elements? Do they support one another? The end result of better performance will be worth it. For similar approaches to this, see our articles on the Burke-Litwin Change Model.

Chapter 6 : McKinsey and Company SWOT Analysis | Competitors & USP | BrandGuide | MBA calendrierd

"McKinsey 7s model is a tool that analyzes firm's organizational design by looking at 7 key internal elements: strategy, structure, systems, shared values, style, staff and skills, in order to identify if they are effectively aligned and allow organization to achieve its objectives.".

It was headed by Frederick Gluck , and despite promise, the project could not manage to effectively implement the new strategies. The second project was related to the problem of implementation: This project was headed by Cleveland-based James Bennet. Despite being described as "marginal," the project "had an infinite travel budget that allowed [Peters] to fly first-class and stay at top-notch hotels, and a license from McKinsey to talk to as many cool people as [he] could all around the United States and the world. There was no theory that I was out to prove. I went out and talked to genuinely smart, remarkably interesting, first-rate people. In a article, "Symbols, Patterns and Settings," Peters argued that "shifting organizational structure" and "inventing new processes" - structure and system, respectively - were only two tools of organizational change. Peters then outlined eight "mundane" tools that every manager has at their fingertips. He described this article as a "tentative presentation" and "the first public expression of these ideas. That provided the spur for Peters to create a slide two-day presentation. However, unlike the hyper-organised Siemens , the PepsiCo management required a tighter format than slides, so Tom Peters consolidated the presentation into eight themes. Each of these eight would form a chapter of In Search of Excellence. The primary "innovative" theme that undergirded what would become the well-known "In Search of Excellence book was that "structure is not organization. An organizational structure is not an organization. In December , Peters left the company after agreeing to a fifty percent royalty split with McKinsey. To analyze how well an organization is positioned to achieve its intended objective Usage Improve the performance of a company Examine the likely effects of future changes within a company Align departments and processes during a merger or acquisition Determine how best to implement a proposed strategy The Seven Interdependent Elements The basic premise of the model is that there are seven internal aspects of an organization that need to be aligned if it is to be successful Hard Elements Strategy - Purpose of the business and the way the organization seeks to enhance its competitive advantage. Structure - Division of activities; integration and coordination mechanisms. Systems - Formal procedures for measurement, reward and resource allocation. Style - Typical behaviour patterns of key groups, such as managers, and other professionals. Limitations[edit] This framework, though highly laudable, gives rise to a few vital points, like: Or what is the action triggered after putting your organization into this drill? Here too, a similar approach may be needed, as a tool, to really put this into action. But to improve each business process, such as Marketing, Finance, Manufacturing etc. The Theory and Practice of Change Management.

Chapter 7 : McKinsey 7S Framework, a great strategic management tool | ToolsHero

Amazon Inc. Report contains a full analysis of Amazon McKinsey 7S Model. The report illustrates the application of the major analytical strategic frameworks in business studies such as SWOT, PESTEL, Porter's Five Forces, Ansoff Matrix and Value Chain analysis on Amazon.

Chapter 8 : The McKinsey 7S Framework - Strategy Skills from calendrierdelascience.com

The 7S model, developed by Mckinsey Consulting, can describe how affectively one can organise a company, holistically. It is based around seven key elements of any organisation, with the view that in order for it to operate successfully, all the elements in this model must align synergistically together.

Chapter 9 : McKinsey 7S Model

The organization uses rational analysis strategy mean in 7s McKinsey model? In general, a sound strategy is the one

that is clearly articulated.