

## Organization Model Health Check

### Organization

“An organization’s ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage.”

...Jack Welch



### Overview

At various points in the evolution of a Product Development & Management (PD&M) team, it is important to take a hard look at the organization model versus business objectives for purposes of tuning and optimizing the current organization and to update any long term organization plans

### Tuning the Organization Model

Ensuring that the PD&M group is staffed and organized appropriately to be successful in the medium to long term – both in terms of numbers of people, appropriate mix of jobs and job functions and in terms of adequate skills represented by staff – should be on the table. Normalizing and establishing guidelines for “service and quality” that PD&M provides its internal vendors (often IT or R&D) and its customers (the business lines, sales and marketing) are important to reputation, credibility and ultimately impact on the bottom line. Clearly defined roles as mapped against any existing or desired product development process will help to ensure accountability for each initiative. A communications plan that addresses and educates staff, internal as well as external stakeholders is key to continued traction and demand for the PD&M function. Finally, having a realistic view of the cost of and benefit from Product Development and Management (now and in the future) as well as a realistic take on dependencies and obstacles to success will better enable management to make an educated decision about future objectives and resource requirements.

While the creation and implementation of a plan to evolve the organization should be championed by the management team, it can be helpful to engage an outside third party or internal stakeholder from a different group to facilitate the process and ensure objectivity. At 1,000 feet, such a project can be thought about in three parts:

**Planning:** Take an inventory (who/what exists, what is working/not working, what is our impact etc), analyze the situation, create a roadmap for the future and an executable plan to get there— then, establish metrics for success

**Implementation:** Start working through the evolution/tuning of the organization and the internal and external communications (and lobbying) that will be required for the group to be successful and have impact. Prioritize any changes and execute discrete steps.

**Skills development:** Establish a program for training, education and skills development of the people in the PD&M team.

### Roles and Responsibilities

A critical factor in the success of any organization change is a clear understanding of which other parts of the organization and existing processes need to change for the PD&M team to have maximum impact. Then, make an assessment whether these changes are realistic or not.

One important question to consider is whether the development process for “product and technology solutions” needs to be different from the existing core IT or R&D development process. Typically, IT & R&D groups are led by different people, have different management models and have different organization models. Sometimes they share development resources but it is difficult, if not unfair, to ask the individual responsible for core development who aspires to deliver 100% quality, to be comfortable delivering partial functionality and sub-100% quality so that product managers can work with customers to refine the functionality of a product.

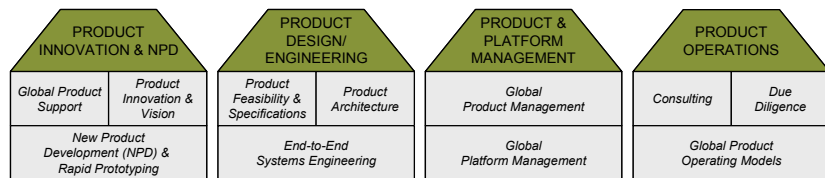
Organization Model Health Check

"In the end, all business operations can be reduced to three words; people product, and profits. Unless you've got a good team, you can't do much with the other two..."

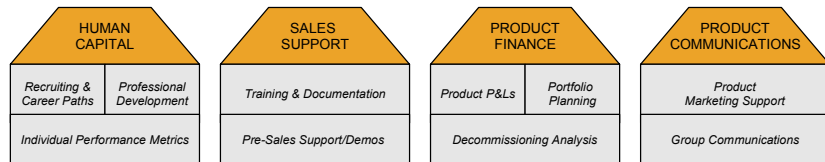
.....Lee Iacocca

For example, it is best practice to assemble a new product development team that consists of someone acting as "product champion," someone acting as "development champion," someone representing "operations" and someone representing the end "customer" and sales/delivery to that customer. A process that separates the requirements gathering team, from the functional specification team, from the technical specification team, is destined for inefficiency, increasing cost and unhappy customers.

Core PD&M Functions



Support PD&M Functions



In each phase (requirements gathering, functional specification, technical specification, development, and commercialization), the individual with primary responsibility will likely shift, while the overall team typically stays intact until the product is delivered. How each role is defined and staffed are key considerations and will have a direct impact on repeatable success.

It is more typical to see agile development and rapid iterative prototyping in development related to new products or new capabilities, than it is in the development of new technology that is related to infrastructure and operations. In the case of new product development, cycle times should be shorter and functionality and quality should improve with each cycle – in contrast with delivering 100% functionality and quality at the end of one structured waterfall process. The "right" development process for your organization and how you can best match the process with the type of project are important things to consider.

⋮ Organization Model Health Check ⋮

**41 Question Health Check**

As a starting point for initiating the organization “tuning process,” MIDIOR has developed a 41 question checklist that helps organize and then assess the health of their PD&M organization and what needs to change.

**Organizational Model**

- Is our model the right one? Do we cover all of the functions with the roles as currently defined?
- How does each function relate across the organization?
- How does our organization relate to other groups at the company?
- Does our structure support growth and professional development?
- Is PD&M a desirable stopping ground on the career path for the superstars?

**Jobs, Job Functions & Service Levels**

- What are the jobs?
- Do we have or can we create detailed job descriptions?
- How do the jobs relate to each other and what do we want to achieve as a group?
- What is “in scope and out of scope” for these jobs?
- How do we normalize the service level provided by people in these jobs?
- What are the boundaries of the Product Manager role?
- What about the Platform/Technology Manager role?

**Skills & Resource Requirements**

- What is the right mix of skills?
- What will it take to have the right mix of skills matched to the appropriate needs?
- How technical do the skills need to be?
- How much experience with the business is necessary?
- What is the right number of people?
- Where should they “live”? (physically and within the organization)

**People & Career Path**

- Where do we find the people?
- How do we keep those people and how long can we expect to keep them?
- What are the career paths for Platform Managers? Product Developers?
- What are the career paths for Product Managers?
- How do we develop those people?
- How do we set objectives for people? For sub-groups?
- How do we make people accountable?
- Do we know what success looks like? How do we recognize it? Acknowledge it?
- Will we need to change supervision and compensation bonus plans?
- Do we have any “best practices”? Which best practices can we adopt?

## Organization Model Health Check

Contact MIDIOR Consulting  
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### 41 Question Health Check (Continued)

#### Operating Model, Processes & Tools

What is working and what isn't working from the perspective of the business (our internal customers) and IT/R&D (our internal vendors)

Do we have defined processes for product development? What about technology development?

Is our product development process a help or a hindrance?

Does our group understand how to use the processes that are in place? Do they also know how to fast track an initiative or "get around the process" if required for cycle time?

Are our processes detailed enough to ensure a quality result but flexible enough to accommodate exceptions?

Are there changes to existing processes that need to be made? Requirements gathering? Product development? Management reporting? What is the benefit of any change to our organization?

Do we have tools? Do we use them? Can we further leverage them?

#### Communications Strategy

What is the common language we should use within our group? Outside of our group?

Who are the stakeholders in our success?

What are the key messages, and who delivers them, to those stakeholders? On what frequency and through what mechanism?

#### Success Metrics & Outcomes

What are the parameters of our success?

What are the metrics that we can use to measure our progress provide insight into how to tune the organization and help us to report on success (or failure)?

What are the different formats and level of detail for "reports" to the various stakeholders?