

DESIGNING *the* OPTIMAL ORGANIZATION



UNDERSTANDING ORGANIZATION DESIGN

*A powerful tool for
implementing and
executing strategy*

Every senior executive knows that these are challenging times - the faster pace of change, the greater complexity and uncertainty, and the higher expectations and demands.

Business as usual is not an option.

Senior executives must ensure that every strategic angle has been considered. There is less margin for error and every key decision is amplified in an increasingly competitive and global business environment.

How do you ensure that your strategy is well executed, that employees are focused and performing, that customers are satisfied and that shareholder value is increasing?

“Everything that we measure has improved markedly. I can say with just absolute conviction that getting the organization design right ... has been fundamental to the improvements around this place.”

Robert W. Pearce
President and CEO
Personal and Commercial Client Group
BMO Bank of Montreal

For optimal organization performance, you need the strength and agility of a powerful organization design. It needs to be customized to help you meet your strategic and operational goals, including financial performance, customer satisfaction and employee commitment. It needs to be robust enough to take you into the future, but also flexible enough to meet changing market and competitor threats and opportunities.

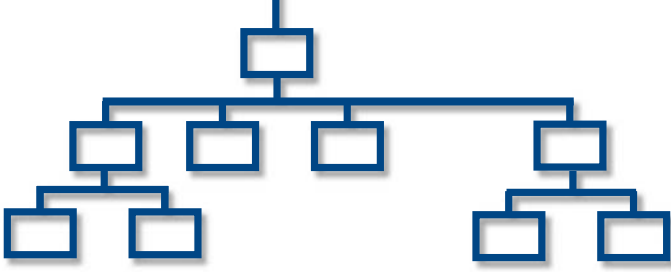
Our research and client testimonials show that an optimal organization design is a powerful driver of your performance and success.

KEY BENEFITS

- Research and client experience show that better organization design is related to better financial performance, better customer satisfaction and better employee satisfaction.
- Unleash better quality of work and higher employee satisfaction by creating a framework for employees to take actions that will drive your vision, strategies and objectives.
- Enable unique value added contributions from each organization level, eliminate silos, and enable the smooth flow of work across the organization.
- Improve project management and increase the quality of results.
- Develop a robust, flexible organization to better deal with uncertainty and better integrate acquisitions and mergers.
- Identify redundant roles for a potential average annual savings of over \$2,500 per employee; align tasks within roles for a potential average annual savings of over \$12,000 per professional position.

www.capelleassociates.com





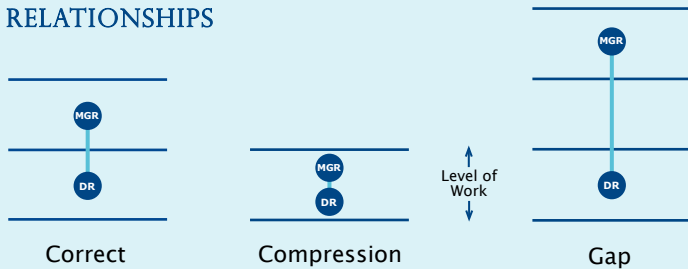
MANAGER-DIRECT REPORT ALIGNMENT

The single most important factor in Organization Design

Organization design is about how work gets done. This includes clarity and alignment in terms of positions, accountabilities, people and tasks at each organizational level and within each function. Getting this alignment right provides a major opportunity for an organization to improve performance.

Our research shows that the single most important factor in organization design is that every employee should have a manager exactly one level (or *stratum*, to use our technical term) above, considering both the complexity of work done and the capability of the individual to work at that level. This sounds simple, but our research also shows that only half of manager-direct report relationships meet this critical requirement for high levels of organization performance.

MANAGER-DIRECT REPORT RELATIONSHIPS



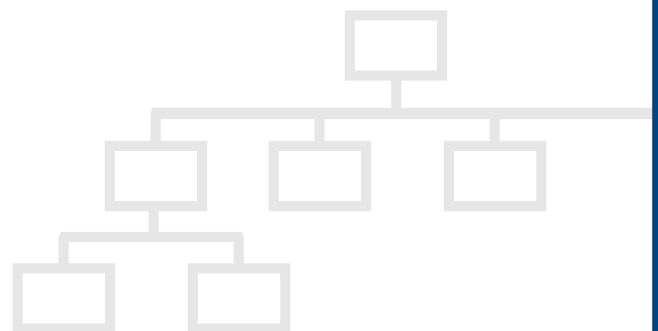
Over a third are too close. We call this *compression*, which results in micro managing, reduces the value add from the manager, and doesn't allow direct reports to use their full capability. Approximately one time in ten there is a *gap* - the relationship is too distant. A gap situation results in poor management, lack of direction, and often poor work output from the direct reports.

This is a significant waste of human resources.

The costs of misalignment are real in both human and financial terms. It is one of the most significant barriers to success and has a direct negative effect on employee satisfaction and performance, customer loyalty, and operational and financial performance.

“Organization design does not appear to be on the agendas of many Boards of Directors and CEOs. Since it has been shown to be a driver of organization performance, it deserves a higher profile. CEOs should be accountable for developing, implementing and maintaining superior organization designs. Boards of Directors should be accountable for ensuring that this happens.”

Claude Lamoureux
President and CEO
Ontario Teachers' Pension Fund



PARTNERS IN ORGANIZATION DESIGN

“This is the best value for money I have ever experienced from any consultant.”

Issy Sharp, Chairman and CEO
Four Seasons Hotels and Resorts

Working with Capelle Associates

We specialize in helping senior executives to improve organization performance by improving organization design. We have proprietary methods, based on over 50 years of research, to help us help you. We have worked with many organizations - private and public sector, large and small - and we can help you determine the solutions that work best for your organization.

UNDERSTANDING YOUR NEEDS

The first step is meeting with you to understand your unique situation, and in particular the current and future desired state of your business. We then develop a proposal that is tailored to your requirements.

PROVIDING THE RIGHT SOLUTION

We will provide you with a comprehensive, fully documented assessment of your current organization design, and a proposed optimal organization design. Our management report has detailed analysis, clear recommendations and a roadmap which equips you with a decision making framework and the methods to build the most effective organization.

DETERMINING A COURSE OF ACTION

We meet with you and your executives to review the recommendations, and facilitate discussions on the organization design changes to be made. We provide advice and counsel to help you identify the high-yield interventions and develop an effective change strategy.

SUPPORTING IMPLEMENTATION

We have the skills, experience, materials and methods to help you implement the new design. We will ensure that systems are in place for sustaining it by transferring methods, materials and skills to your organization.



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