

Organizational Restructuring

The Challenge

- Facilitating better alignment between technology and the business units
- Focusing organizational strengths on delivering business value despite frequent distractions
- Helping top management to understand tradeoffs and be willing to make tough decisions
- Determining how to avoid duplication of effort in order to increase efficiency
- Increasing the percentage of successful projects

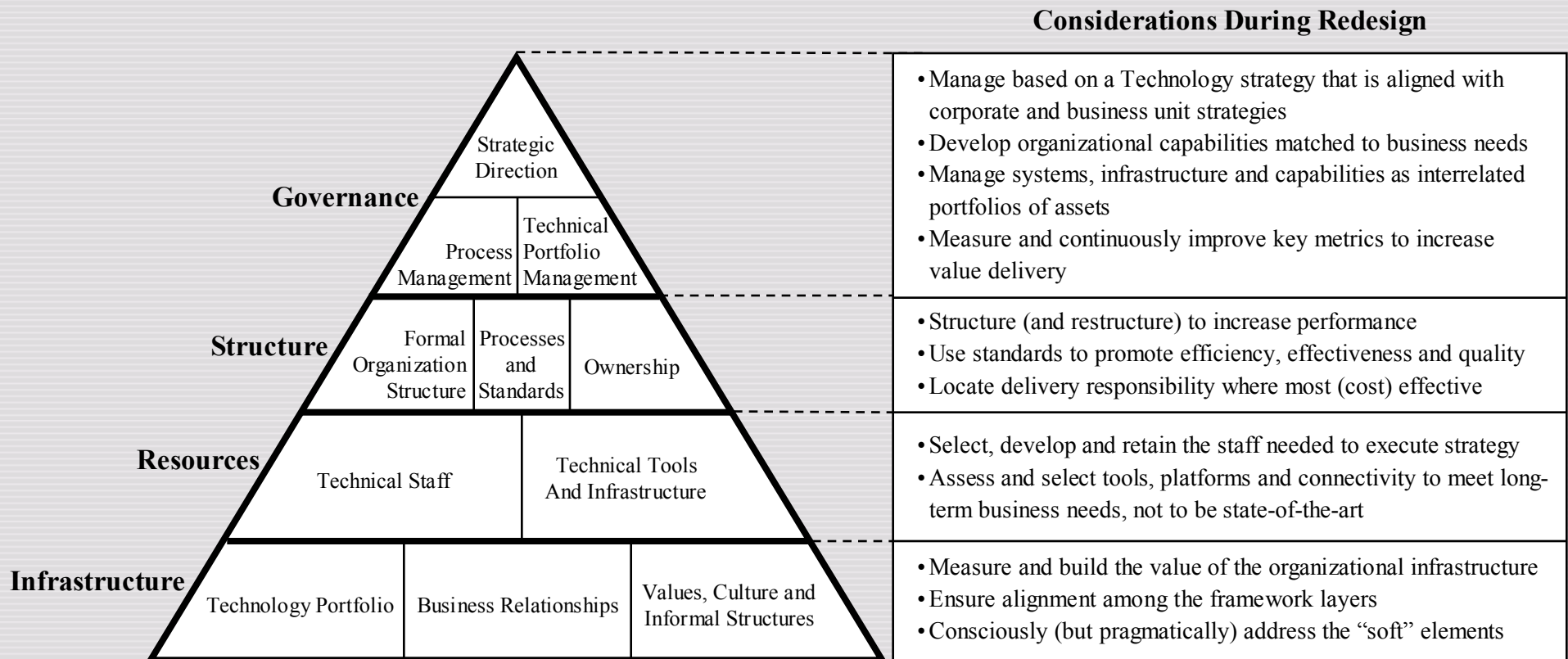
Our Approach

- Develop organization structures and procedures that support the business strategy and requirements
- Structure migration to minimize disruptions in efforts and client relationships

Organizational Design Framework

In assessing and redesigning a technology organization, it is critical to understand the interrelationships among diverse structural, procedural and interpersonal elements

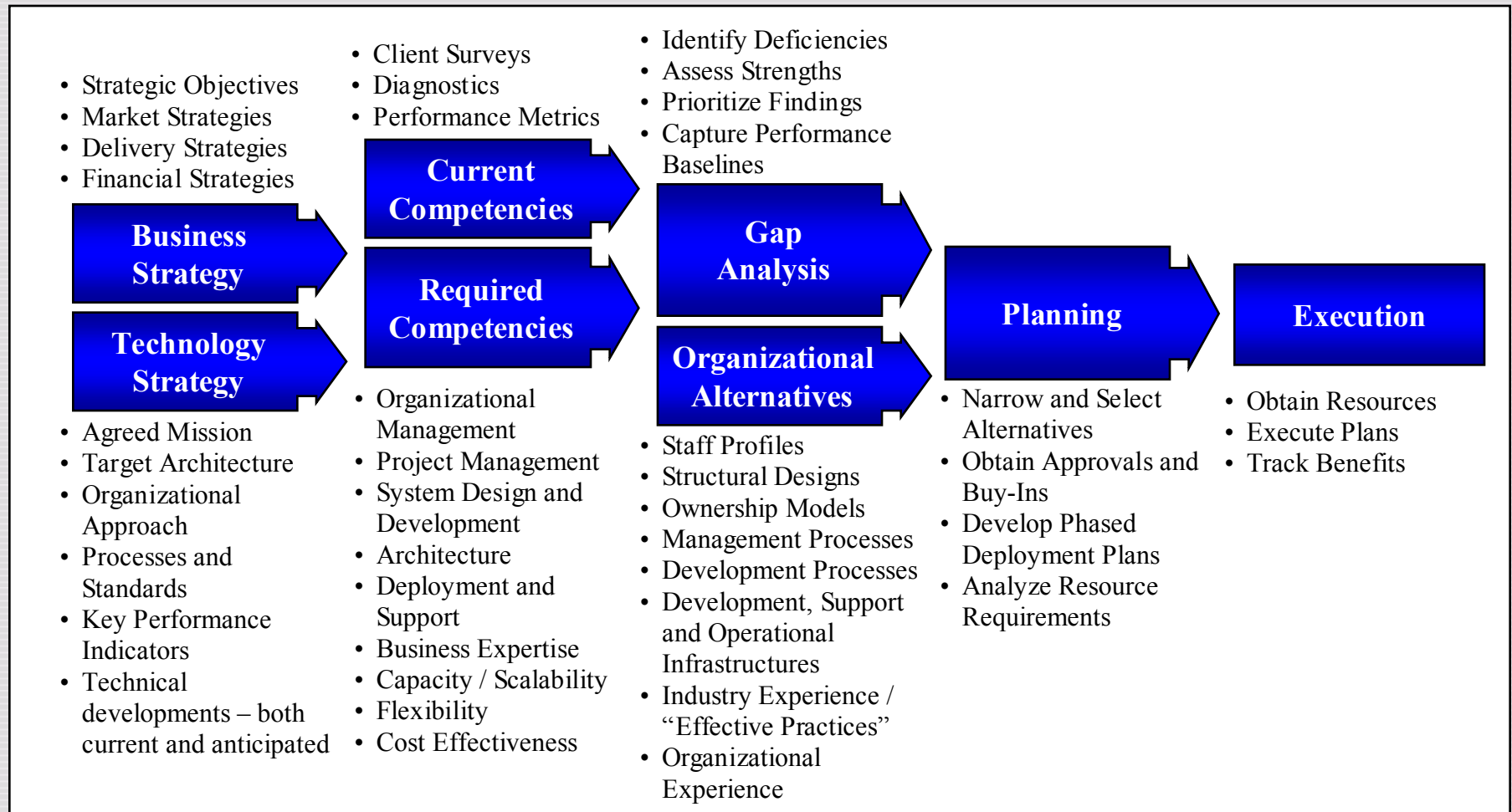
Organizational Analysis Framework



Organizational Redesign

Structural change in a technology organization must accommodate the demands of both the business organization and the professional discipline of IT

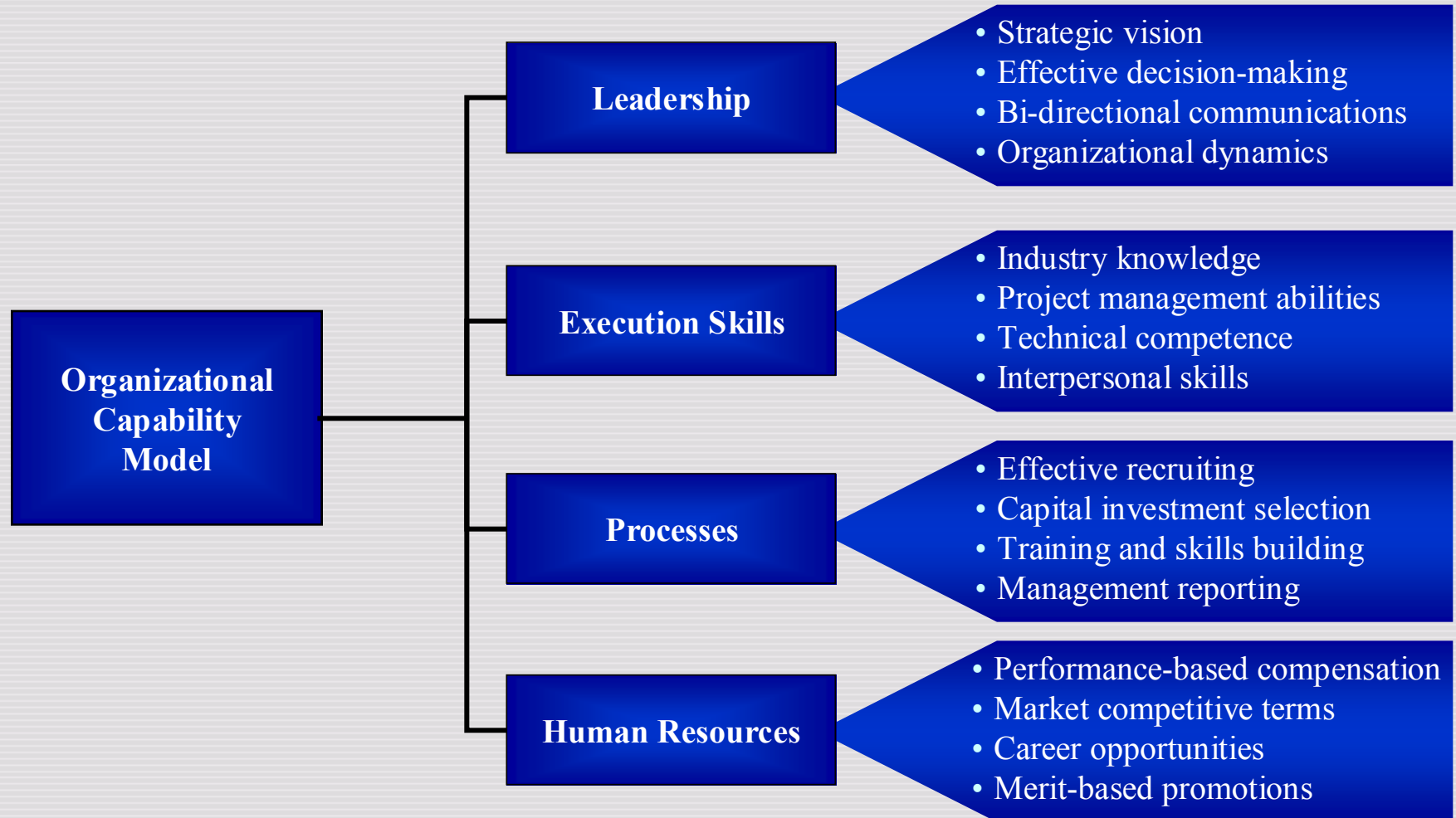
Our Approach



Organizational Capabilities

The current competencies in an organization represent a short-term constraint and a long-term opportunity for improvement

Organizational Capability Breakout

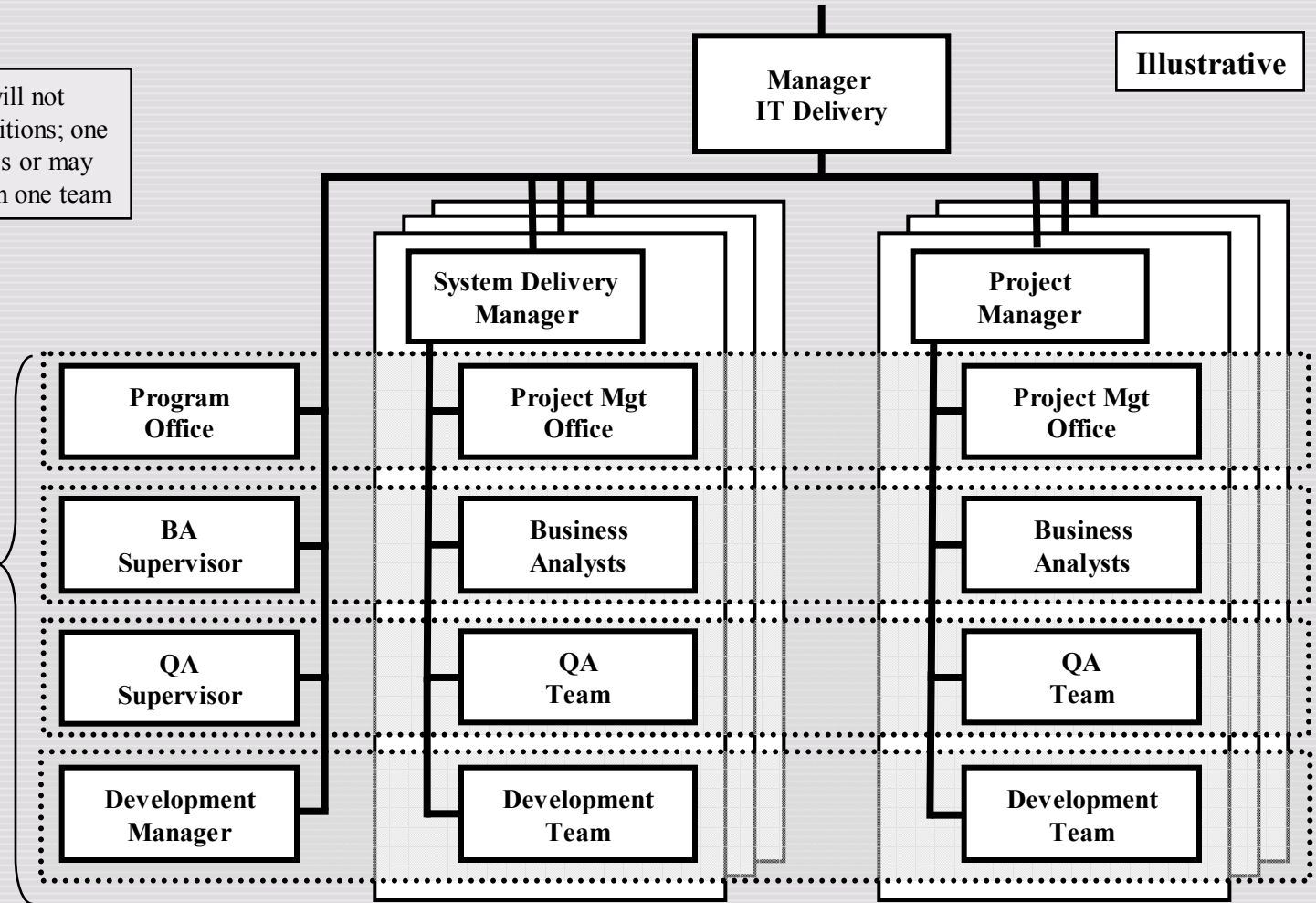


Roles, Responsibilities and Structure

While a variety of organizational structures can succeed, it remains essential that all critical roles are appropriately assigned and subject to strong oversight and coordination

Note: The roles shown will not necessarily correspond to positions; one person may fill multiple roles or may fill the same role on more than one team

Resource Providers
 Oversee resource pools, set standards, find opportunities to share efforts, drive skill development, handle HR functions (include recruiting, rotation /career pathing, evaluations, promotions)



System Support Teams
 (One per major system)

Ongoing teams to support routine updates, bug-fixes, customer requests, etc. and to execute smaller projects

Major Project Teams
 (Where requested by Sponsor)

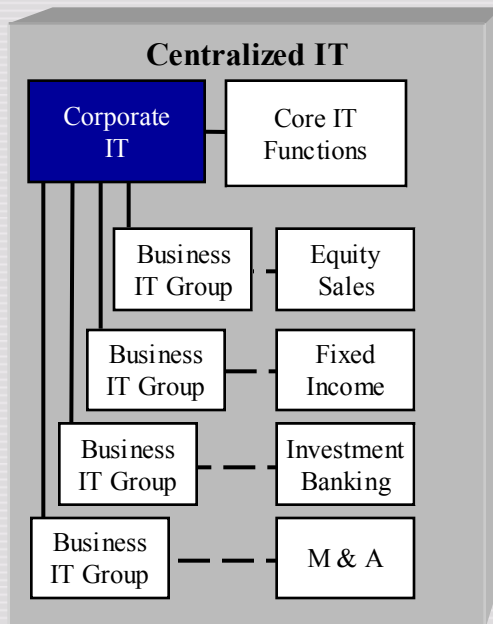
Finite duration teams formed to achieve specific objectives exceeding the capacity of the Support Teams

Illustrative

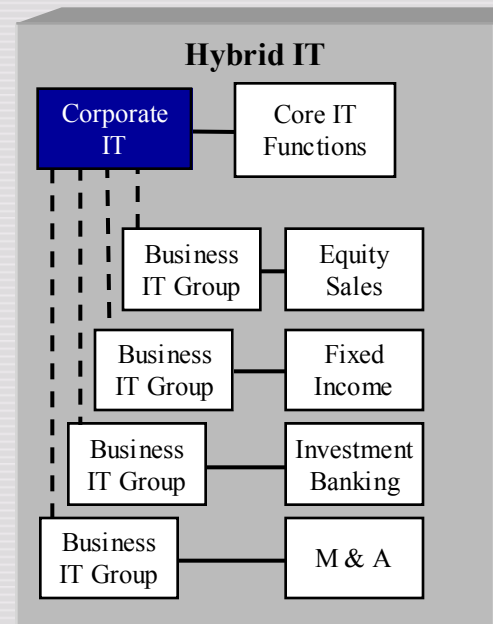
Organizational Models

The degree to which IT organizations are centralized has varied widely across firms and across time on the Street

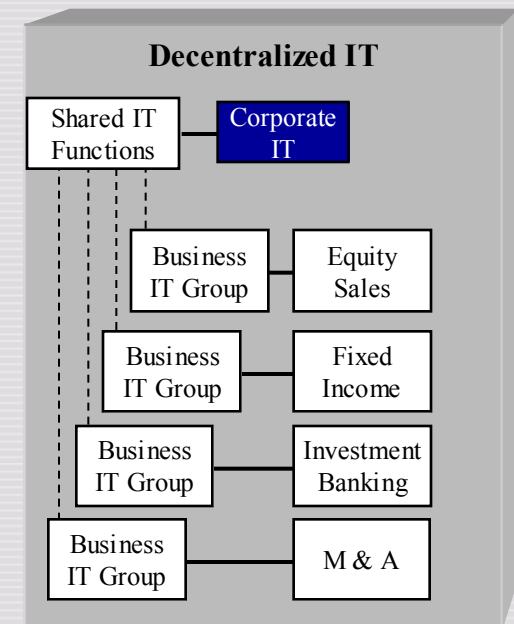
Models of IT Centralization



| Advantages |
|------------------------------------|
| Simplifies coordination |
| Fosters integrated systems |
| Potential for shared development |
| Enforceable standards and policies |
| Centralized cost management |
| Disadvantages |
| Divorced from business planning |
| Promotes us vs. the m mentality |
| Budgeting separate from benefits |



| Advantages |
|---|
| Can share best of both |
| Effective organizations balance features to their advantage |
| Can adjust to meet changes |
| Disadvantages |
| Can share worst of both |
| Confusing for unit IT heads |
| Forces IT to negotiate standards |
| Can exacerbate confrontations |



| Advantages |
|-------------------------------------|
| Closely aligned with the businesses |
| Flexible in responding to needs |
| Easier to link costs and benefits |
| Simplified lines of management |
| Disadvantages |
| Discourages sharing / reuse |
| Leads to undisciplined approaches |
| Inconsistent methods and designs |
| Hard to deliver integrated systems |

A regimen of periodic adjustment across the spectrum of centralization also can be used to balance the benefits of each extreme