

Corporate Planning Stage 3

Conducting Functional, Structural and
Process Reviews



Ground rules



Turn off your mobile phones



Listen to each other



Keep to your time



Think about the questions



Do not speak over each other



Work cooperatively together



Have a go at your exercises, you'll learn more



Functions

- **A function** is a core process or set of activities carried out within a department or areas of an organization; divided into:
 - Core functions and
 - Support functions.
- Core business functions are activities of an organisation yielding income e.g. the production of final goods or services intended for the market or for third parties. Common functions include operations, marketing, human resources, information technology, customer service, finance.

Importance of Functional & process reviews

Looking at (and analysing) the organization through different critical lenses or from different perspectives,

and

Reconciling these analyses to achieve the optimum arrangement (of tasks, resources and people)

Contents



- Functions and processes reviewed, analyzed and refined;
- Organizational structure redesigned (to optimally deliver);
- Human resource reviewed and staffed and developed;
- Action Plan developed.

Key Questions & Issues with Functions



- Is the MDA carrying out the right functions?
 - Are some inappropriate?
 - Could some be dropped?
 - Should others be created?
 - Could some be outsourced or privatized?
 - Are some orphans?
- For the functions retained:
 - Are they organized and set up for optimal performance?
 - Is finance appropriate?
 - Are tasks/functions/tasks/activities in the most cost-effective manner?

Functional Review/Checks



- Where are which functions/activities/tasks?
- At what cost?
- What resources (especially human) are involved?
- What is the rationale for the domiciliation of which functions in which departments?
- How are the functions related to strategic objectives or priorities of departments?
- Do MTSS guide functions & processes?

Functional Review/Checks 2



- Any obsolete functions?
- Any orphan (not tied to mandate, yet essential) functions?
- Any irrelevant functions?
- Any need for policy strengthening in the Central agencies to assist departmental performance?
- Any need for new functions?
- Any need to redefine functions?

Process Review - 1



Processes are a sequence of logically related activities, tasks or procedures with clear objectives leading to an outcome/service.

Processes can cover a number of people in different departments.

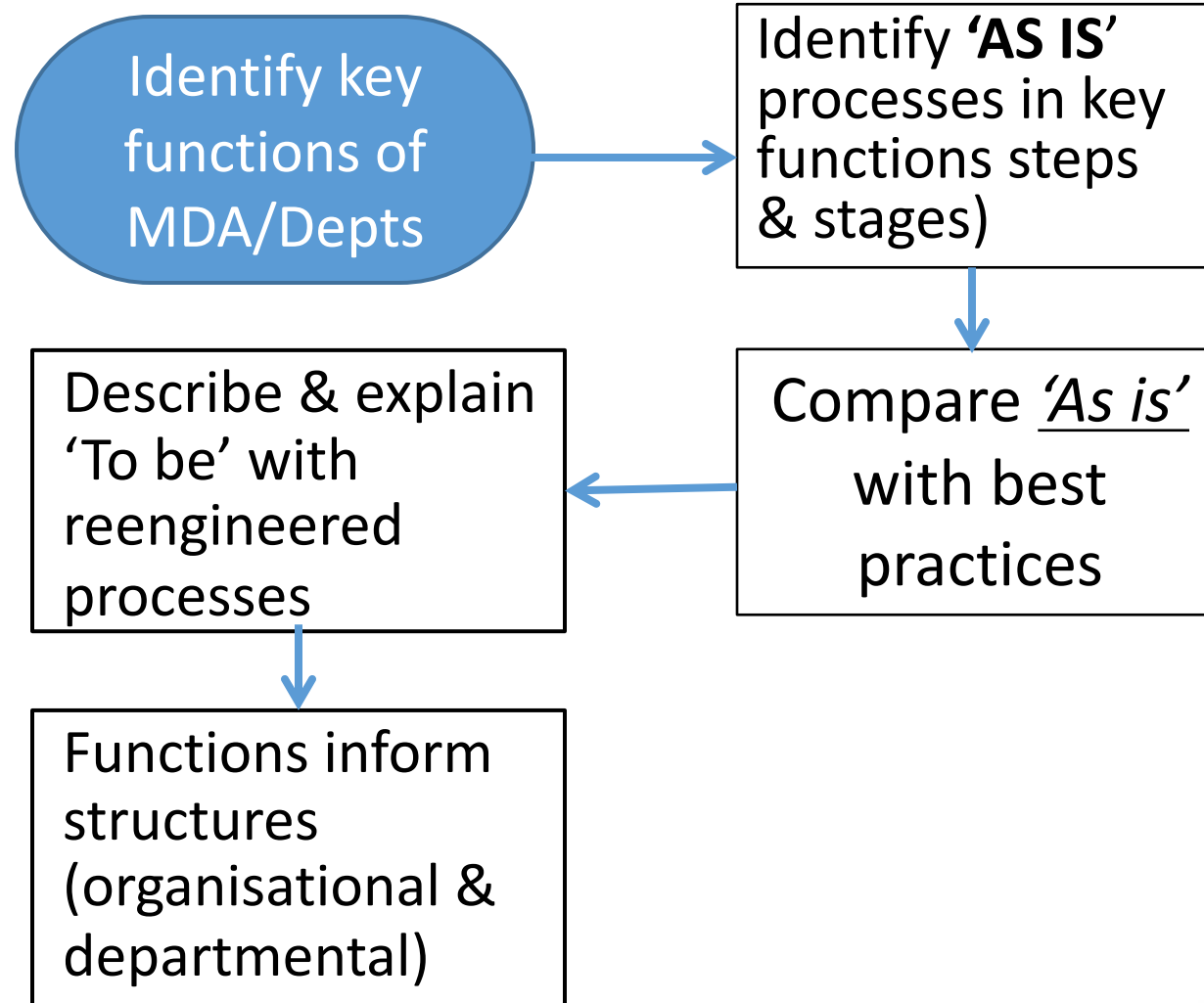
Goal of Process Review



To secure:

- Improved efficiency (use of resources);
- Improved effectiveness (achievement of defined goals);
- Improved economy (value for money in materials, man and time).

Tasks in Process Review



Organisational Structures

From Fighting Fires to Innovation: An Analogy for Learning

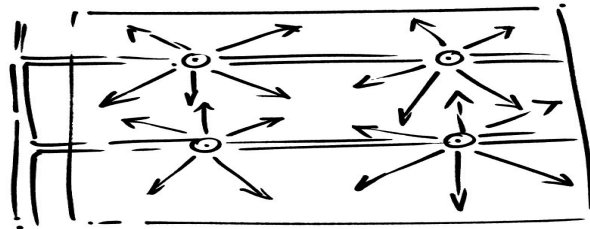
Learning is an essential attribute of high-performing organizations. Effective, well-deployed organizational learning can help an organization improve from the early stages of reacting to problems to the highest levels of organization-wide improvement, refinement, and innovation.

2



General improvement orientation (10–25%)
Install more fire hoses to get to the fires quickly and reduce their impact.

4



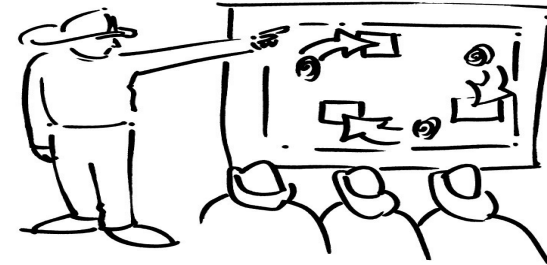
Learning and strategic improvement (50–65%)
Install systemwide heat sensors and a sprinkler system that is activated by the heat preceding fires.

1



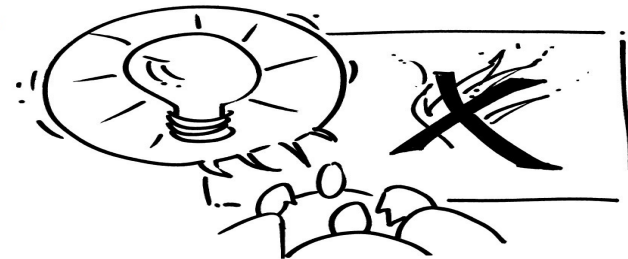
Reacting to the problem (0–5%)
Run with the hose and put out the fire.

3



Systematic evaluation and improvement (30–45%)
Evaluate which locations are most susceptible to fire. Install heat sensors and sprinklers in those locations.

5



Organizational analysis and innovation (70–100%)
Use fireproof and fire-retardant materials. Replace combustible liquids with water-based liquids. Prevention is the primary approach for protection, with sensors and sprinklers as the secondary line of protection. This approach has been shared with all facilities and is practiced in all locations.

Structures

Organizational structure:

- Defines the character of an organization, how it thinks and how it will react.
- Is a system that outlines how certain activities are directed in order to achieve the goals of an organization. These activities can include rules, roles, and responsibilities.
- Determines how information flows between levels within the organization.

Functions inform structures

Five Principal Uses of Organisational chart

An organisational chart has five principal uses:

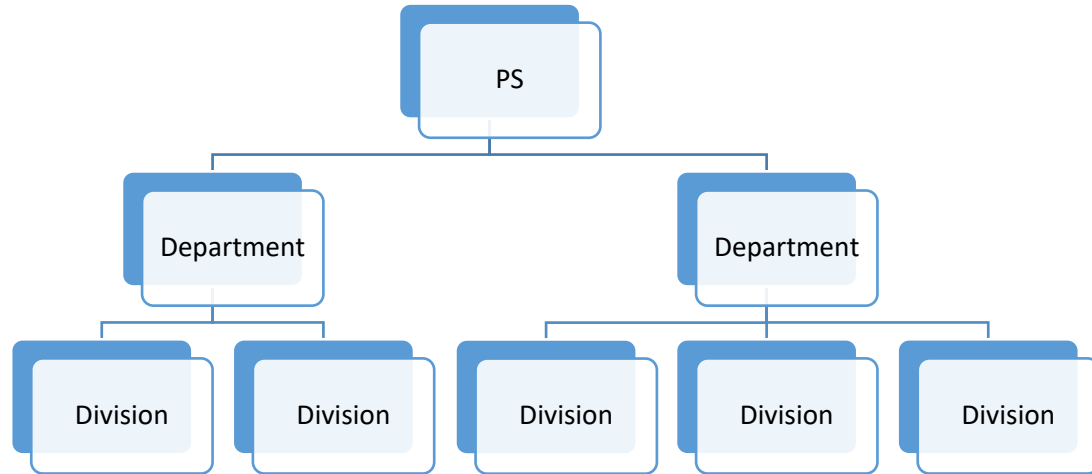
- Shows management structure at a glance including relationships between organisations with linkages or cross cutting issues.
- Shows other organizational structures e.g. other hierarchies.
- A planning tool - used to visualize and plan reorganizations.
- An employee reference - provides a reference for employees to enable them understand their reporting roles/chain of command.
- An employee directory - includes other information e.g. headshots, telephone numbers and email addresses...

Four types of Structures

Four types of organizational charts:

- Functional top-down.
- Divisional Structure.
- Matrix Organizational Chart.
- Flat Organizational Chart

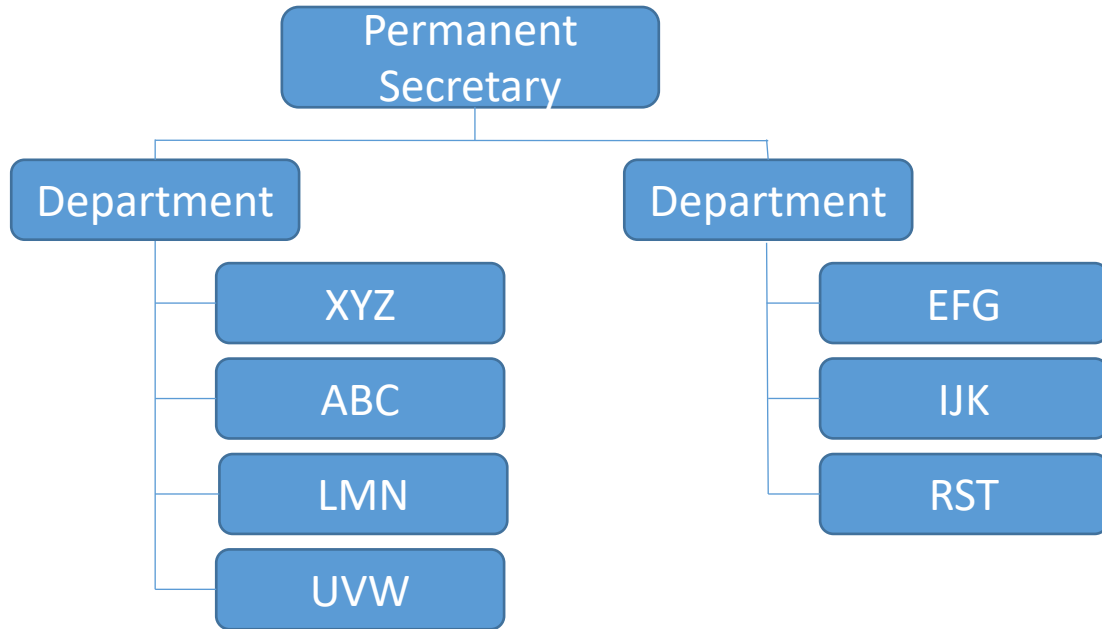
Functional Top - Down



- A functional, top-down organizational chart reflects a traditional business structure
 - Shows the PS/ES/DG at the top, followed by senior & middle managers, etc.
- The structure is divided into functional depts and support departments: Admin. And F&A based on functional roles
- Groups employees with similar skillsets and specialization are grouped together

Disadvantage: staff often suffer from lack of visibility and communication with other departments

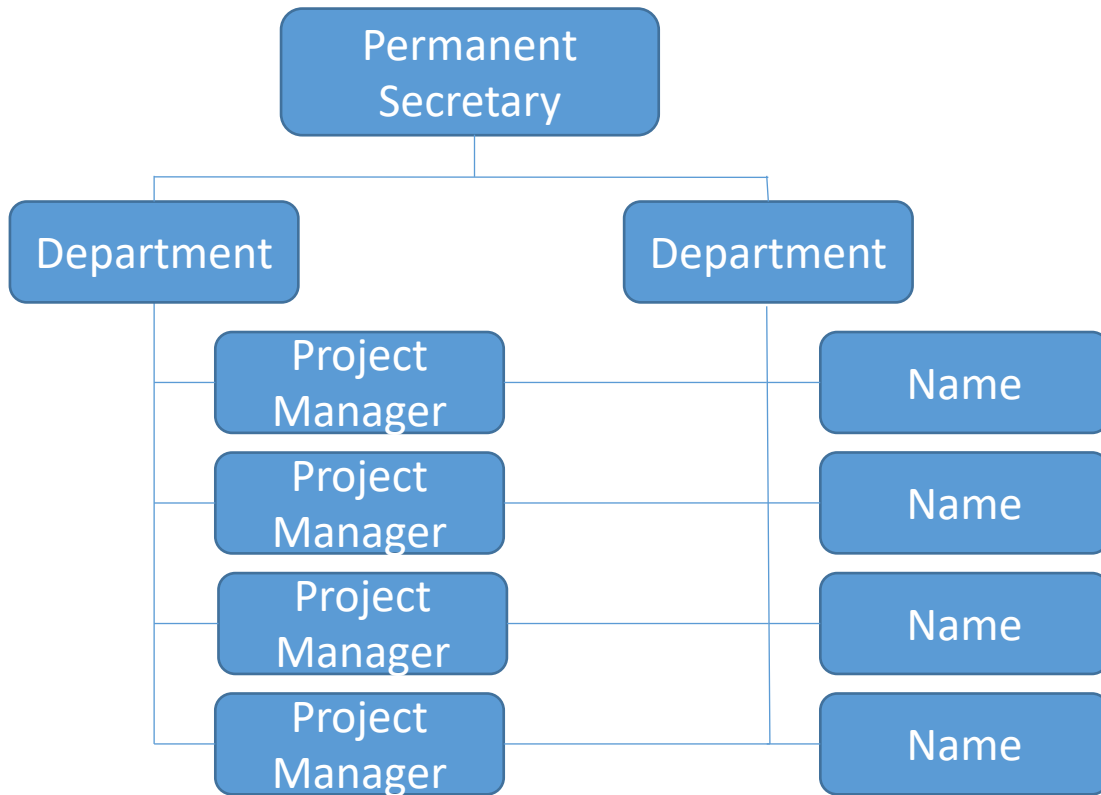
Departmental Structure



Use a departmental chart when one department is sufficiently independent from another.

However this structure can also add some accounting, IT and other overhead.

Matrix Organisational Structure



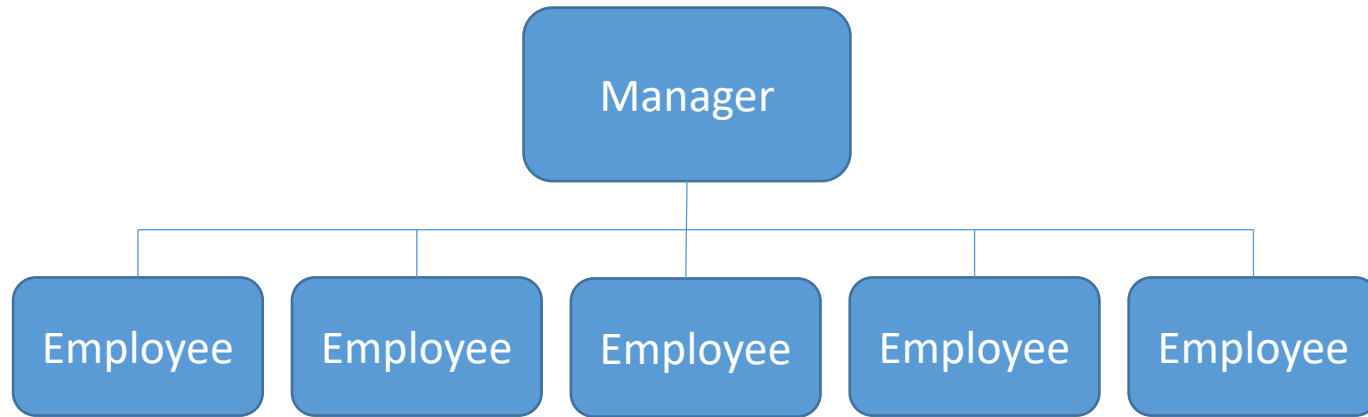
A matrix organizational chart: employees are divided into teams by projects/service led by a project manager who reports to a functional manager/director.

This structure operates *cross-functional* groups instead of *vertical silos*:

- Facilitates better, more open communication
- Creates a flexible, dynamic work environment
- easily shifts resources where they are needed.

Disadvantage: it can also create confusion and frustration with dueling priorities and supervisors.

Flat Organizational Chart



A flat organization structure:

- Few or no levels of management between executives and all other employees;
- Empowers self-management and greater decision-making ability for every employee;
- Most often employed by smaller businesses, but it's not unheard of it even at larger organisations.

Structural Review Step 1

Identify a total list of current functions in the organization:

- Presented by departments
- Indicate key outputs
- Identify any new functions
- Identify how the functions derive from one another
- Identify how the functions relate, that is, contribute to one-another, and ultimately to the department's objectives

Structural Review Step 2

Look for performance issues:

- How well are the functions & processes being carried out?
- What are the key challenges?
- What can be done better which are under the control of the departments or staff?
- What needs to be done by superior authority to enhance processes and performance of functions?

Designing Structures

- Clarify the current organizational structure;
- Identify weaknesses in current structure;
- Agree areas of improvement;
- Allocate functions to the departments; and
- Draft the new overarching structure (organogram);
- Align the new structure with new functions;
- Cascade structure to second level: departmental structures based on functions and sub-functions.

Discussion

- Comments and Clarifications
- Next Steps



Questions, Comments, Observations

THANK YOU