

# Organisational Transformation – 6 key areas for adapting to modern complexity

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*The modern world is becoming more complex and fast paced, requiring different approaches to the ones traditionally applied. In order to take advantage of the many opportunities an increasingly complex world presents, organisations need to transform the way they function and operate. The transformation must align across all aspects of the organisation to be truly effective. However not all issues will be complex and different approaches must be used to deal with simpler issues.*

*This article provides a framework to ensure the entire organisation is adopting an approach that is best suited to the level of complexity.*

Modern thinking about strategy, organisational structure, governance, culture, resourcing and risk management is the result of years of practice. Organisations have faced the challenges of their context and found ways of surviving and competing. Successful approaches by one organisation are often replicated by others. Ultimately, what starts as a successful approach by one organisation becomes common place and gets taught in business schools around the world. It then becomes 'the way things are done' and rarely questioned.

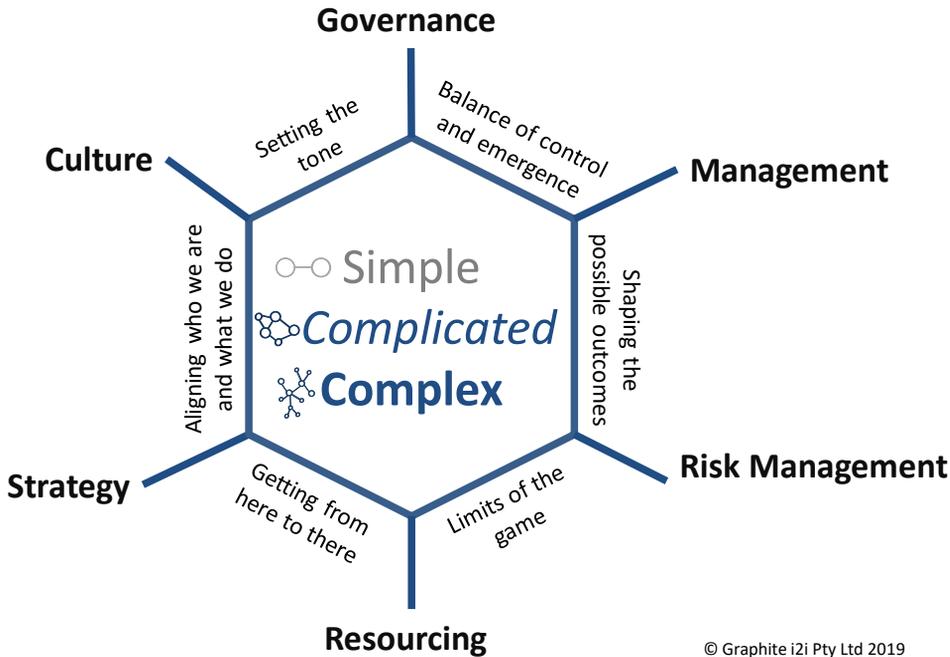
At the same time, as knowledge has increased and deepened, separate disciplines have developed around a variety of business functions. As a result, we often approach business problems from only one or two perspectives. For example, we consider the financial

implications of a strategy without also considering the connection to culture. Often, we see boards setting strategic goals without adequately considering resourcing or organisational structure.

In our modern, more complex world, this traditional, siloed approach often fails for two key reasons:

- Firstly, complex issues and problems require a very different approach for success; and
- Secondly, it is critical that all aspects of the organisation face complexity in an aligned way.

This article describes a framework that can be used to consider the organisation holistically, and assess how well current approaches are meeting the challenges of a complex world.



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Figure 1: The  $6C$  Framework for organisational transformation

## The $6C$ Framework

The framework above, which is known as The  $6C$  Framework, was developed to create a whole of organisation approach to addressing complex and complicated problems and contexts. The Framework considers the organisation from six key perspectives, namely: Governance; Management; Risk Management; Resourcing; Strategy; and Culture.

Each of these areas are interconnected and impact each other. It is well known that organisations can fail when misalignment of one or more of these areas occurs. The old saying ‘culture eats strategy for breakfast’ refers to a misalignment between strategy and culture ultimately leading to a failure of the former.

The need for alignment across each of these areas is even more critical when dealing with complex issues or opportunities. It is not possible to successfully address such issues or take

advantage of opportunities without having all six areas aligned. However, it is not as simple as considering all areas at the same time. Each area requires a different approach depending on whether the issue or context being faced is simple, complicated or complex. For example, in a relatively simple situation the governance approach should be very directive. The board is making all the decisions and the organisation is there to implement the board’s will. In more complex situations the board takes a more perceptive role, allowing management to experiment (within set parameters), whilst the board focusses on emerging trends and directing resources.

The  $6C$  Framework can be used to check for alignment across the areas, and assess how appropriate the approach in each is, given the level of organisational and environmental complexity.

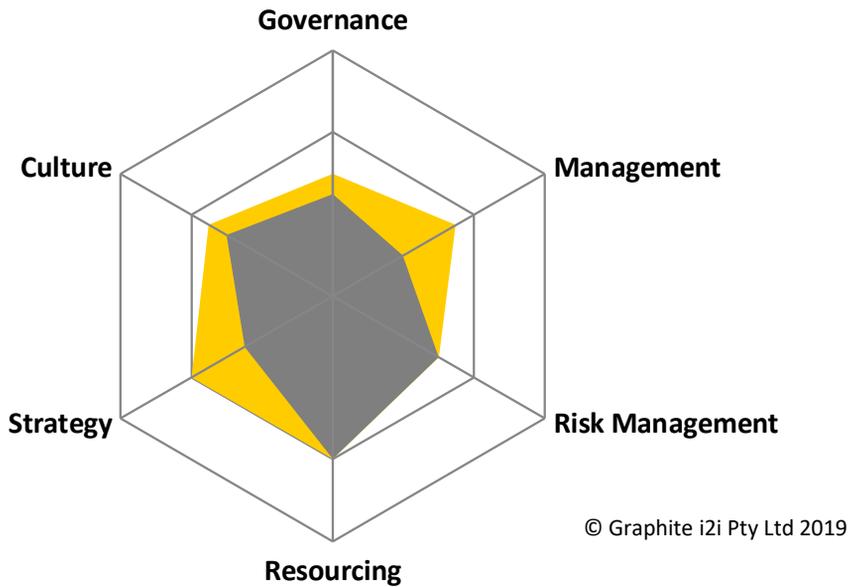


Figure 2: One client's transformation journey

## Transforming the organisation

Using the 6C Framework and a deep understanding of the level of complexity (requiring separate analytical models) an organisation can begin to map out a transformation journey. The aim is to create an organisation that is more aware of the challenges it faces and adapted to not only meet those challenges, but also take advantage of the opportunities available.

The first step is to determine how suited the current approaches taken in each of the six categories are to the situation's level of complexity. This will highlight both how well aligned the organisation is as a whole and how prepared it is to deal with the level of complexity it faces.

The diagram above shows such an assessment for an organisation prior to commencing transformation (grey) and after it had started a process of change (yellow).

The centre of the diagram represents an organisation well suited to simple environments, whilst the outside is one

suited to complex environments. This organisation operated in a highly complex environment, however much of its structure and approach was more suited to a complicated or simple world.

Using the insights from this analysis (and a deep understanding of context) we identified key areas for change and mapped out a pathway for transformation. As a result, the organisation developed a new strategic approach whereby a broad framework was established by the board, with detailed strategic decisions made at different points in the organisation. This was coupled with a comprehensive change to the organisational structure, governance approach and an ongoing cultural change process.

As a result, after a relatively short period of time, the organisation has begun to adapt and has become more able to meet the challenges of its context. This has already led to many new opportunities and growth, with further transformation still to take place.

## Conclusion

Today's complex and fast paced world requires not only a deep understanding of the external and internal organisational environment, it also requires a holistic approach to making the changes necessary to survive.

The <sub>6</sub>C Framework brings together six key areas of an organisation to ensure a coordinated and holistic approach to dealing with the issues, and seizing the opportunities, complexity creates.

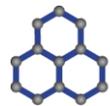


## Contact

*To find out more about the <sub>6</sub>C Framework and how we can help you take advantage of the many opportunities our modern complex world presents, please contact Dr Jason Talbot.*



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