



# How do I know if I can learn from your experience?

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Version 2.0



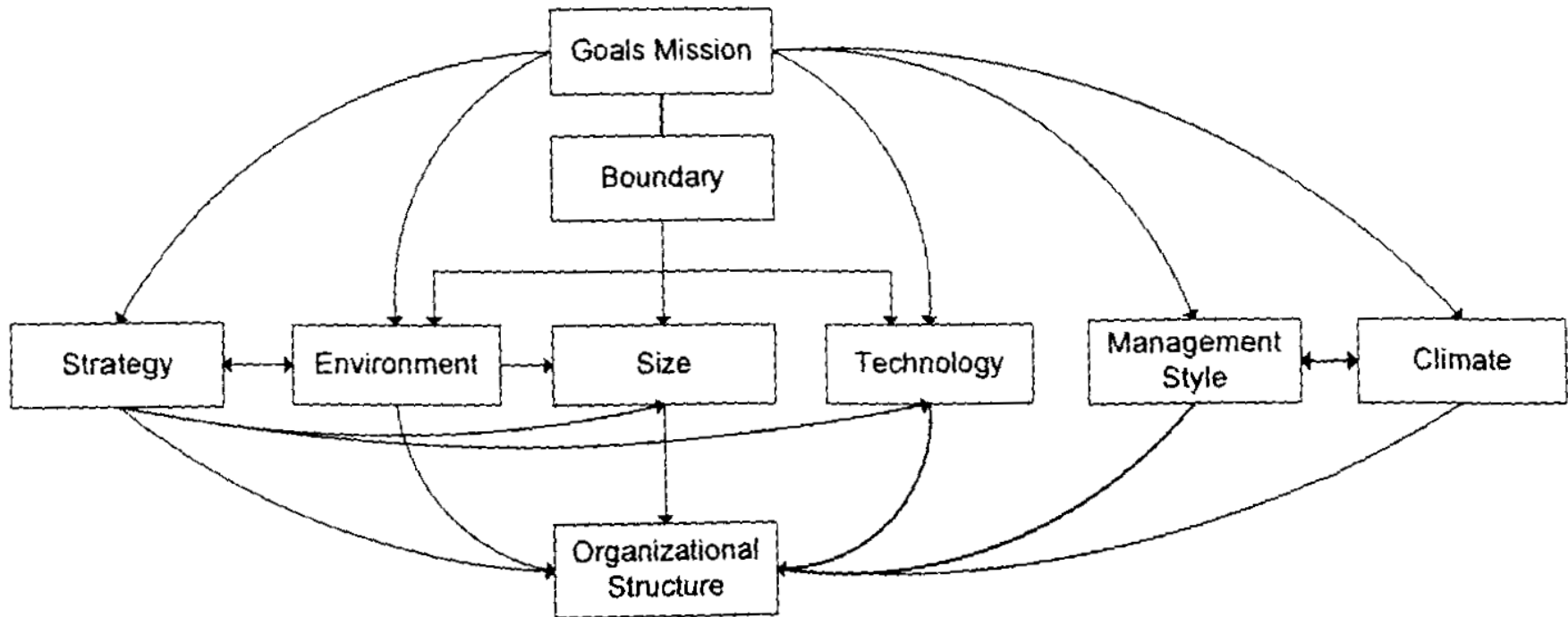
# There is a paper

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- Note that it contains references, mostly old. Inference: there's lots of good stuff we still haven't looked at.
- There is an encyclopedia of what I am going to present: Burton & Obel. Inference: I shall be comparatively brief!
- Version 1.0 is on the SEI SEPG CD, version 2.0 on web site under Papers & Presentations.

# How do we know what makes a difference?

Source: *Strategic Organizational Diagnosis and Design: The Dynamics of Fit*, 3<sup>rd</sup> ed., by Richard M. Burton & Børge Obel, Kluwer Academic Press, 2004



**Contingency theory = “It depends”**

# Admiral Patrick Moneymaker



1990

Boss Cmdr. Pat Moneymaker



Cmdr. Pat Moneymaker  
Boss, #1

Capt. Chase Moseley  
USMC,  
Right Wing, #2

Lcdr. Dave Inman  
Left Wing, #3

Lcdr. Doug McClain  
Slot Pilot, #4







# OSEC

OCEAN SYSTEMS  
ENGINEERING  
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**The Blue Angels**



**SEPG**  
**2005**

# Comparing and Contrasting

- Mission
- Communication
- Process Improvement
- Fault Tolerance
- Training
- Practice
- Retention/Turnover





# Comparing and Contrasting

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## Mission

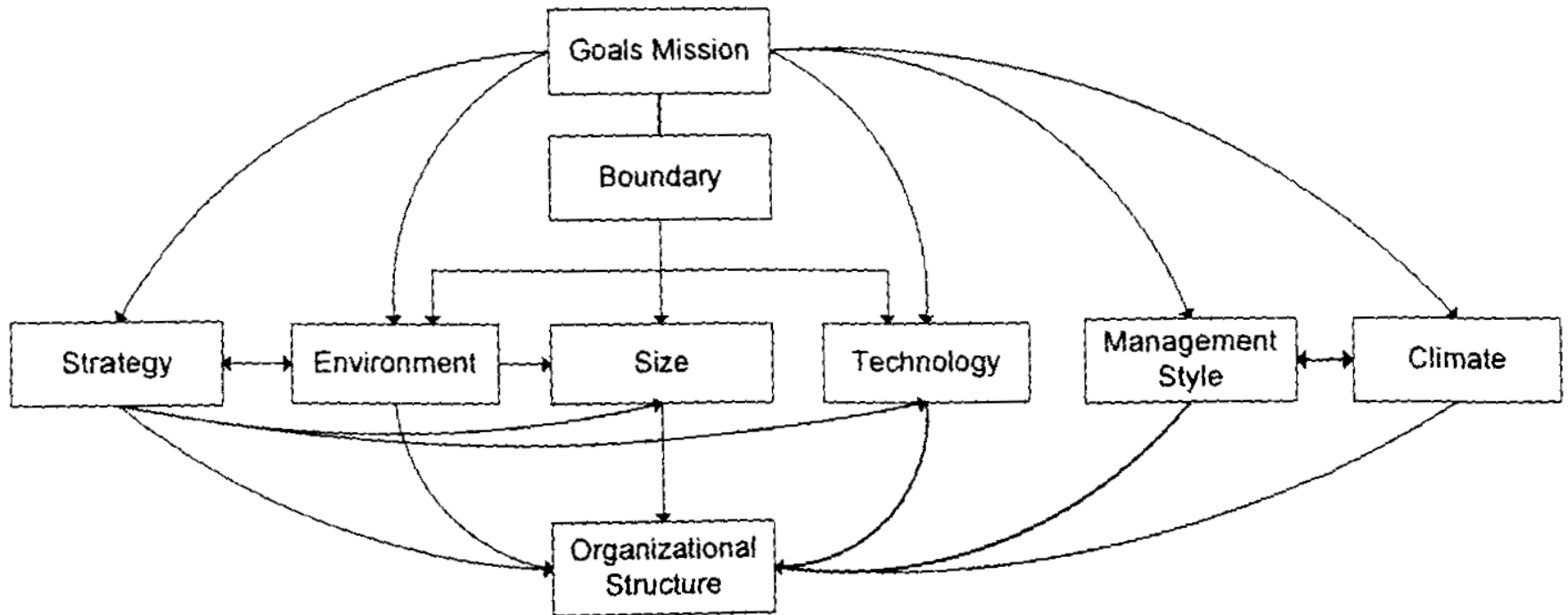
### The Blue Angels

- Inspire trust and confidence
- Be ambassadors of Good Will
- Encourage the next generation



- Provide entrepreneurs of integrity, a nurturing business environment
- Provide Best Value
- Provide financial security to our members

# How do we know what makes a difference?



**“It depends”**

# Goals/mission expressed as strategy

- The discipline of market leaders

by Treacy & Wiersema

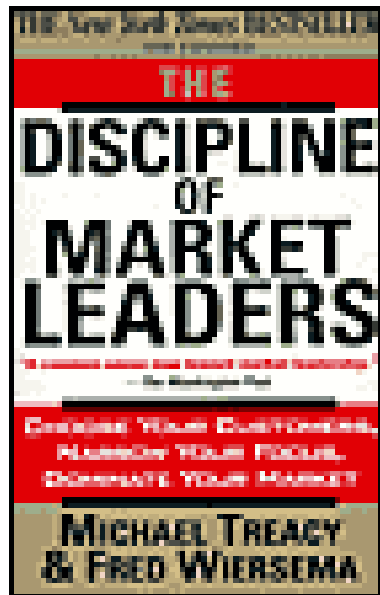
Survey of 80 high performing firms

Key to success: **Focus**

One & only one of three strategies:

- **Operational excellence**
- **Product innovativeness**
- **Customer intimacy**

Must perform to a threshold level in other two.



# Operationally Excellent

- Highest quality => lowest cost
- "Formula" => short menu
- *Process* innovative



**FedEx**

 **MOTOROLA**

**WAL\*MART**

 **TEXAS INSTRUMENTS**

# Product Innovative

- Market leader in *product* innovation
- Measure: number of patents, Nobelists, turns in the marketplace



Johnson & Johnson



# Total Solution

- “Infinite” menu
- Measure: “walletshare”
- 1-stop shopping, “one throat to choke”
- “Schmoozes”





# Star Wars

Large organizations need bureaucracies, but

- can sap team energy
- inhibit creative work

There is an answer.

It is like The Force.

Requires faith, but it can overcome the Evil Empire.





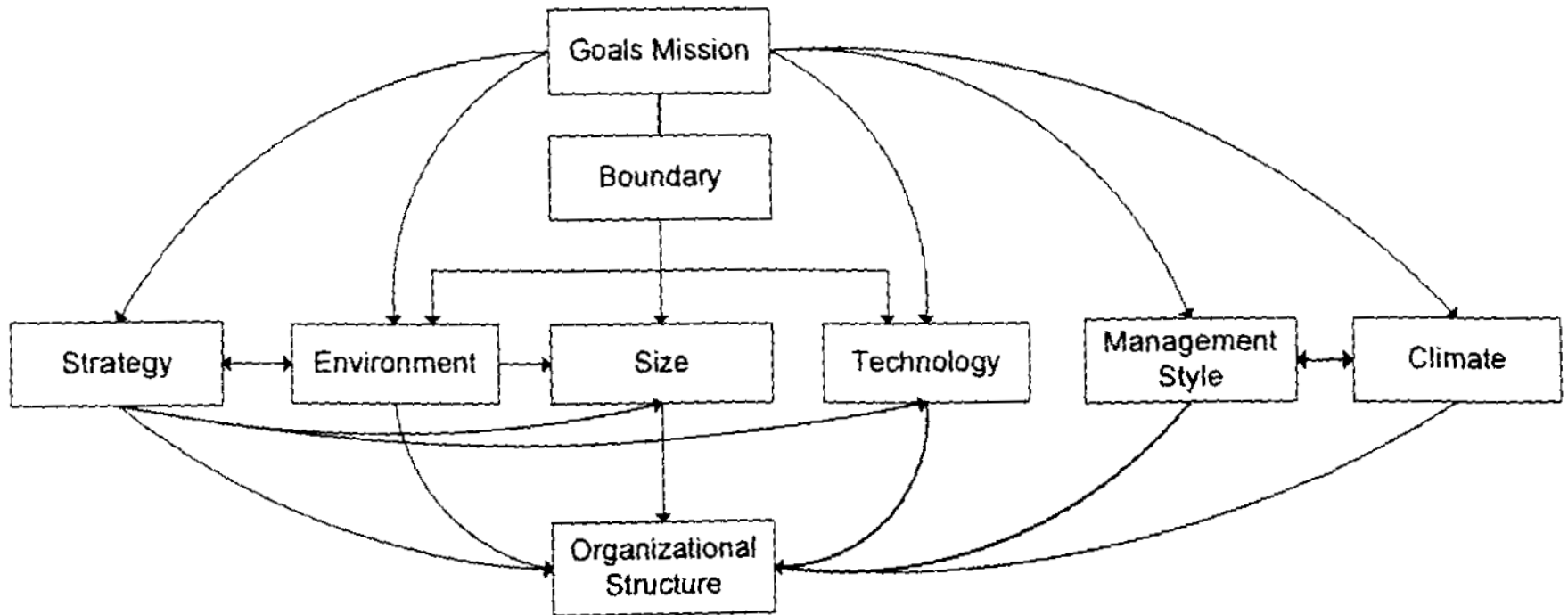
# The issue of small teams

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- Small teams in small enterprises
  - Optimize: flexibility, ad hoc structure
- Small teams in large enterprises
  - Infrastructure exists to surround small team with quantity + variety of services
  - Part of the challenge is how to deal with that large infrastructure!



# How do we know what makes a difference?



**“It depends”**



# Environment

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**BUREAUCRACY**



**Correct Answer:  
Depends upon turbulence &  
philosophy**

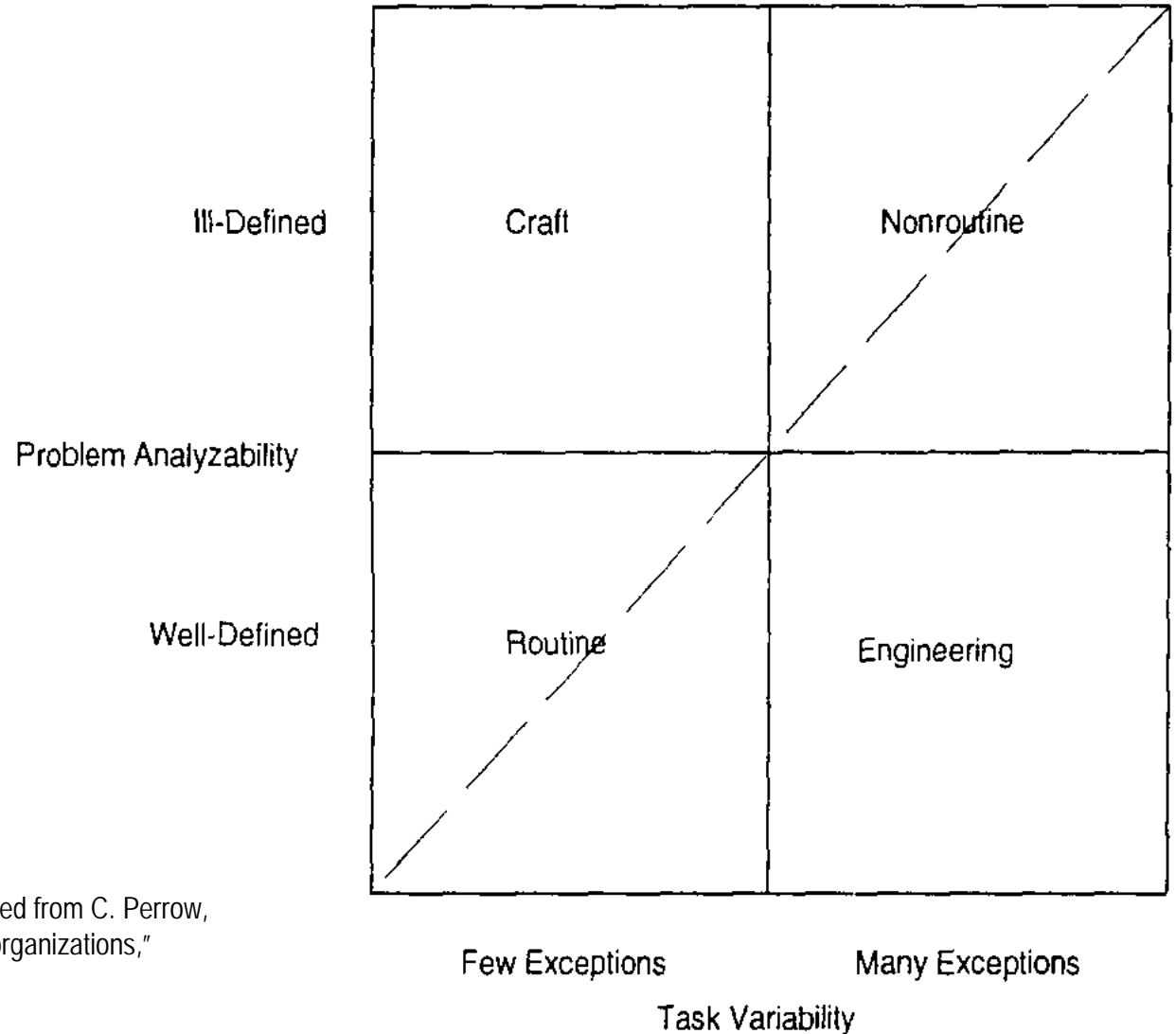
***Tight coupling***

**Central control via standard, written directives.**

***Loose coupling***

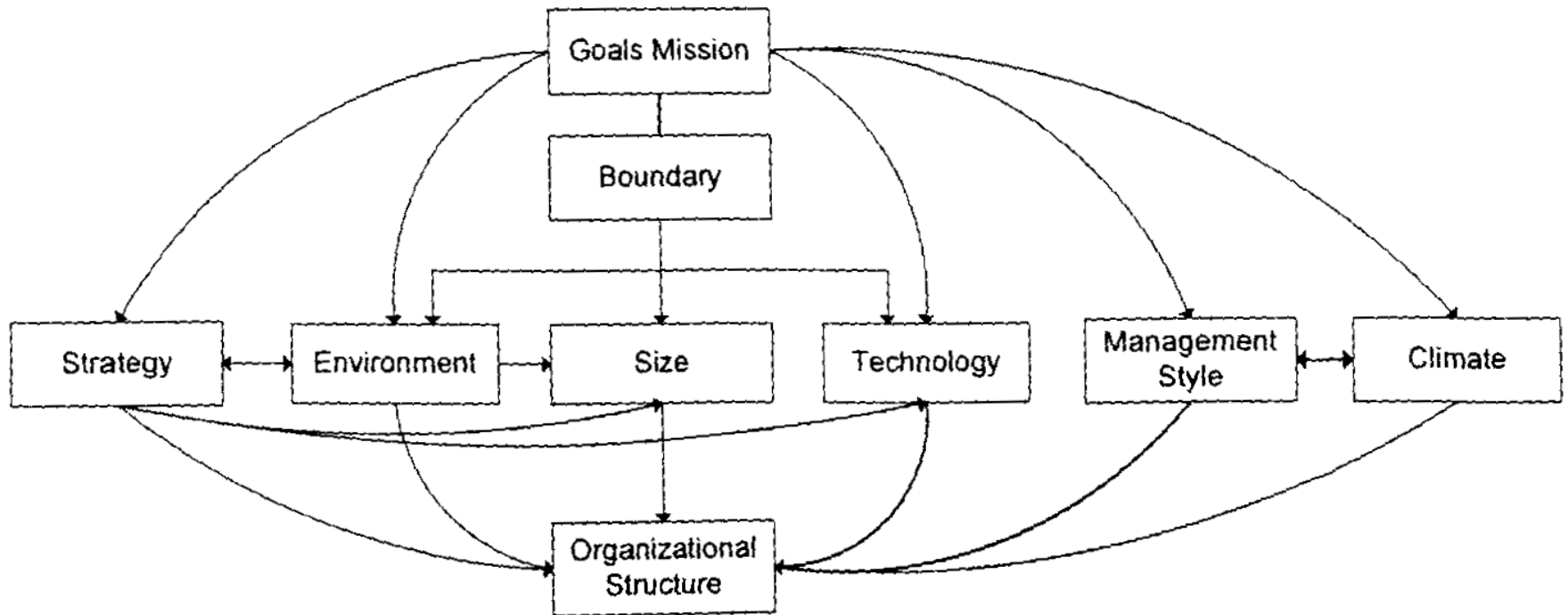
**Decentralized response, possibly improvisation, often oral, tailored to organization + situation.**

# Technology



Source: From Burton & Obel, p. 244. Adapted from C. Perrow, "A frame-work for comparative analysis of organizations," *American Sociological Rev.*, 1967.

# How do we know what makes a difference?



**“It depends”**



# The factors, briefly

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- *Goal/mission*: what you seek, how you are paid
- *Strategy*, one of three:
  - Operational excellence, product leadership, total solution
- *Environment*: uncertainty, turbulence
- *Size*: information processing view
- *Technology*: routine or not, uncertainty of solution
- *Leadership style*: producer, entrepreneur, manager
- *Climate*: developmental, internal process, rational goal



# It's all about fit

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- I can learn from another speaker if the situation he/she is describing “fits” what I have.
- Fit is defined in terms of The Factors; it's The Factors that matter!

# One more thing!

