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CREATING EXTRAORDINARY ORGANIZATIONS

Volume Two, Letter 9

June 18, 2004

I am writing this letter for those innovators, explorers, and pioneers who want to move beyond the ordinary to the Extraordinary in creating business organizations.

Special Note: I will be on vacation so the next letter will be in six weeks not three.

CORE ORGANIZATION PROCESSES – Part 1

Welcome to letter 2-9. In the last few letters I have discussed the five core beliefs making up the Extraordinary Organization paradigm. I also looked at the issue of leadership. In this letter I want to start examining the four core processes that any organization must successfully and continuously perform. This letter briefly defines the four and the reasoning behind them. Future letters will look at each of them in more depth.

Four Processes

The four processes are:

1. Fulfill the needs and aspirations of organization members.
2. Create and maintain an effective social system.
3. Enroll capable members and maintain and improve their capability.
4. Organize members into an effective human system to carry out the system of activities required for a successful enterprise.

Reasoning for processes

Every result in any business ultimately results from human effort. This is true even when we produce products with machines. Human effort produced designed and developed those machines. In the last analysis human effort is **the** essential element in any enterprise.

This means that the success of any enterprise depends on how effectively we can develop, maintain, and utilize that human effort. To do this means we have to assure that

- The right person does
- The right thing at
- The right time in
- The right way with
- The right quality and quantity of energy

In turn, this means to assure this we have to have a highly effective organization. The four processes are necessary to have such an organization because:

1. Unless we fulfill their needs, members will not contribute their capabilities and energy.
2. Unless we create the social system, they will not be able to function together as an effective work system.
3. Unless we enroll, maintain, and improve capability, members will not be able to perform tasks successfully.
4. Unless we organize members into an effective capability/activity system, they will not be able to perform the activities in a way necessary for a successful enterprise.

Process Questions

The design for each of these processes must deal with a number of questions. Looking at some of these is a useful way to better understand each of the processes.

Fulfilling Member Needs

If there is an overarching theme to this process it is personal responsibility. Meeting an individual's needs is his or her responsibility, especially in a non-hierarchical, equality based organization. The process design must allow the individual to do this. Here are some typical questions an individual might ask that the design must address. They are broken down into three basic categories of personal needs.

Existence

- Am I getting enough pay?
- Do I have enough benefits?
- Am I physically safe on the job?

Relatedness

- How do I become a valued member of the organization?
- How do I build individual and group relationships with others?
- How do I know where I stand with others?

Growth

- How can I develop myself as I would like?
- How can I be my unique person rather than fit into a mold?
- How do I get interesting and challenging work?

Creating and Maintaining an Effective Social System

There are two themes in this process: interaction and sharing. When we enter an organization we must give up some autonomy and find ways to share scarce resources, opportunities, and rewards. At the same time we have to protect our individual freedom and rights. All of this requires considerable interaction among members. The design must then consider questions such as these:

- How do we protect individual freedom?
- How do we equitably and fairly share resources, opportunities, and rewards?
- How do we create order and boundaries?
- What do we do when someone will not share or honor the boundaries?
- How do we communicate?
- How do we decide who makes decisions?

- How do we make decisions together?
- How do we influence others?
- How do we deal with conflict?

Enrolling and Developing Capability

The primary theme here is capability. However, that in turn leads into another theme—learning. In designing for these we need to consider questions like:

- How do we identify necessary capabilities and the level of competence they require?
- How do we find prospective new members with necessary capabilities?
- How do we integrate new members into the organization?
- How do we enable individuals and groups to improve their capabilities?
- How do we encourage individuals to willingly contribute their capabilities?
- How do we enable everyone to pursue continuous learning of all kinds?

Organize Individuals into an Effective Human System

In this case we have a theme of continually balancing two conditions—differentiation and integration. First we have to decide how to break into useful groups that can function semi-autonomously. Then we have to see that we integrate these groups to work as a whole to carry out enterprise activities. Some questions relating to designing to enable this balancing act are:

- How do we integrate all members and activities into an effective enterprise?
- How do we define organizational purpose and direction in a way that will enable members to coalesce into a whole?
- How do we develop common goals and objectives?
- How do we structure enterprise activities, that is, divide them into effective units?
- How do we divide members to fit with the activity structure?
- How do we provide virtually instantaneous communication among individuals and groups?

Conclusion

Building, maintaining, and operating an organization is a complex and constantly changing endeavor. However, we can break it down into four basic processes. Together they have one intended result—an effective organization. This human system provides the energy and capability to carry out a set of activities to form the enterprise or business. The effectiveness of this process determines the success of the enterprise. In fact it determines whether a business or enterprise even exists.

Until Next Time

In this letter I begin an examination of the four core processes any organization must carry on continuously. In the next letter I will examine in more depth the first of these—Fulfilling the needs and aspirations of organization members. This examination will include looking at how the five core beliefs affect the design of this process. [Remember that the next letter will be in six, not 3, weeks.]

Be Well, and
Be Extraordinary!

Don Yates

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