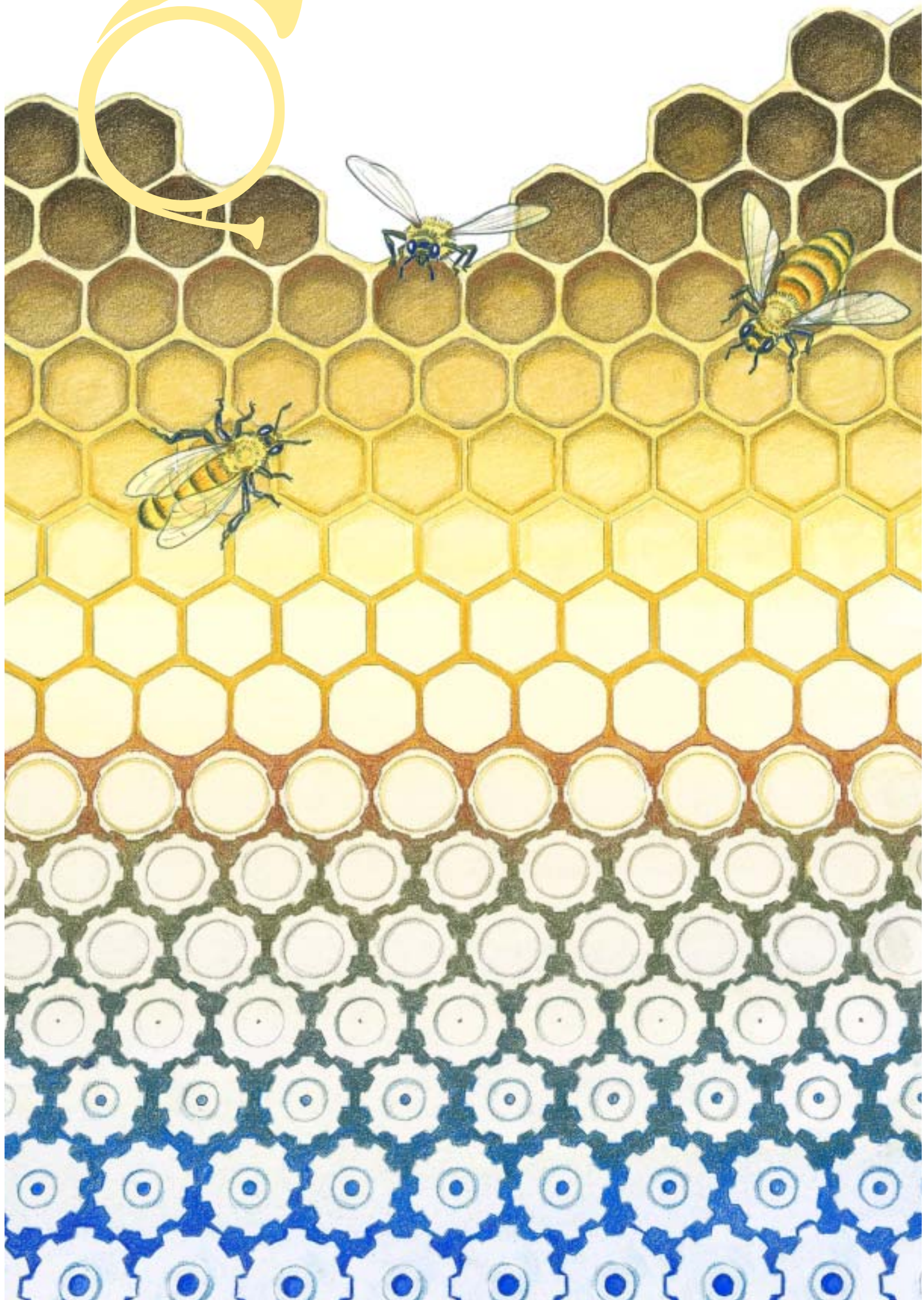


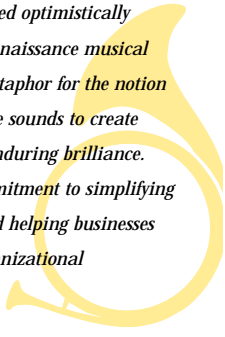
# THE CLARION CALL



Organicity™: Transforming  
Our View of Business

Winter 2005

The clarion is a musical instrument of the Renaissance. Renaissance music brought people together, helped solidify communities, and reflected optimistically upon the future. In ensemble, Renaissance musical instruments were a powerful metaphor for the notion of community, combining diverse sounds to create focused, harmonic melodies of enduring brilliance. The clarion symbolizes our commitment to simplifying organizational management and helping businesses build dynamic, sustainable, organizational communities for the future.



At The Clarion Group, we believe that organizations are intrinsically organic in nature. This re-humanizes business and encourages new ways of thinking about the Operating Model of business strategy, management infrastructure, and organizational behavior.

Throughout the business world, an organic transformation is taking place at all levels within organizations that is at once releasing individual potential and redefining effective leadership. What is unfolding is a wide-scale organizational response to changing marketplace realities.

Through our work with clients, we have witnessed the progression of this change over the past several years. Additionally, a wealth of literature on “business ecology” and “biology and business” has reinforced the relevance of the trend we have come to refer to as “Organicity.”

As a concept, Organicity is a way for leaders to understand, reframe, and consider changes within their organizations. It offers a basis to recognize and leverage how work has evolved and how leadership needs to adapt.

This issue of The Clarion Call offers an understanding of the nature of Organicity, the implications for business leaders, and its impact on the Operating Model.

The potential value of Organicity in creating adaptive, fluid, and responsive organizations cannot be overstated. Truly, we believe that Organicity will change the way that leaders lead.

As with all concepts developed at The Clarion Group, Organicity is the product of collaboration among the members of The Clarion Group team. Bill McKendree, Wendy Brown Helmkamp, and Lyne Desormeaux contributed to create this issue of The Clarion Call.

We invite you to join us in exploring Organicity as it relates to the challenges facing your organization. As always, we welcome your feedback.

# Seeing Businesses as Natural Systems

The unprecedented magnitude of change in recent years has brought with it a plethora of challenges for executives, not the least of which is unlearning and relearning. Time tested ways of doing business are proving inadequate to deliver the higher standards of performance required in today’s global market environment. Executives must reconsider their preconceptions and advance how they think about leadership, strategy, and organizational dynamics.

In the new economy, success is about relationships (internal and external) and the information that is shared in those relationships. It is about opening up organizational structures to make it easier for people to connect in more meaningful and fulfilling ways.

The metamorphosis in thinking that is needed releases individuals from their roles as cogs in the corporate machine to encourage dynamic and authentic contributions. It is a transformation to Organicity™— from rigid strategies and structures to the fluid, organic realm of natural systems.

For many executives, this change is unsettling. With boundaries redefined, strategies constantly in flux, and interactions accelerating, what feels like chaos takes over. The instinctive reaction is to resist change and restore order. However, this is exactly the opposite of what is needed to succeed.

The Clarion Group has observed the nature of Organicity within many of our client organizations. We have witnessed what happens to senior teams and individual executives who are able to see through this transforming lens. And while each organization is unique and therefore requires its own approach to experiencing Organicity, there are several common threads that exist among all companies.

## Inform-ation: The Act of Informing

Business strategies realized through Organicity evolve dynamically to reflect the state of perpetual change in which they exist. They become fluid and rapidly adjust to new realities.

The fluidity and flexibility of business strategy thus is driven by the extent to which information is accessible and shared within the organization.

Information itself is both contextual (the “what” and “why”) and tactical (the “how”). For example, contextual information includes environmental trends or risks affecting the business. Tactical information includes knowing the key steps to make a partnership work or the sequencing of strategic moves.

Without both contextual and tactical information, individuals in the business are not empowered to change that which needs changing. Inform-ation in Organicity becomes the act of sharing knowledge to stimulate judgment that furthers appropriate activity.

With the drive to “inform,” business strategy in the realm of Organicity is a continual activity that enables full and quick decision-making. Strategy development relies on the embedded knowledge of people in the business to foresee changes in the marketplace. Simultaneously, the business itself values multiple and diverse perspectives to inform thinking. Like the instinctive and integrated yet seemingly chaotic nature of bees in a hive, individuals in organizations can leverage inform-ation to sense and respond to each other.

## Organic Leadership

Leaders who believe in the premise of Organicity are more likely to get results by encouraging people rather than by directing them. In order for inform-ation to happen, people need to be both trusted and empowered by their business leaders.

Executives who value and embrace the natural system understand that change is a constant and that creativity is born out of chaos. For that reason, leaders who recognize Organicity allow themselves and others to take chances. They place a strong emphasis on freedom and flexibility for the development of their employees.

The resulting organizational behavior re-humanizes the organization by accommodating and nurturing the styles, skills, and values of individuals as well as embracing each person's potential to make a meaningful contribution.

Like all beings in natural systems, individuals experiencing Organicity have acute senses. They “pick up” on what is allowed or not allowed. They sense what the leader will and will not accept. If the leader is not connected to his or her own growth potential and does not foster an environment that embraces different styles, skills, and values, the response from the followers will be restricted and produce less than desired results. On the other hand, if leaders are open to their own growth potential and the organic richness around them, the possibilities of Organicity are unlimited.

### Guided by Intuicity

As a complementary concept, Intuicity™ is the ability of leaders to let go of control and foster trust, particularly in

## Or·gan·ic·i·ty: (n.)

1. The quality or condition of being organic.
2. A way of considering organizations as natural systems.

situations when there is no clear answer. Intuicity surfaces when a person feels they've tried everything they know and still the challenge remains.

Many times in business, situations arise that elude a solution – internal politics get in the way of making the right business decision or a customer who, no matter what you do, continues to be dissatisfied. Intuicity in these moments causes leaders to recognize the “blockage,” to let go, and to trust that solutions will emerge naturally when absent of constraints.

Intuicity requires the leadership capacity to allow for paradox, ambiguity, contradiction, and uncertainty. Further, leaders must be able to embrace the chaos of

Organicity and demonstrate faith in the power of their own and others' potential in the face of daunting odds, believing that a new order will eventually emerge.

### Strength Through Permeable Structures

All natural systems are guided by the ebb and flow rhythm that keeps resources in balance and makes sustenance possible. Things that were of primary importance yesterday will not be as important today.

Organizational structures, when considered through Organicity, are malleable. They align themselves to changes in strategy, which responds to changes in market needs. In turn, work units, job functions, and competencies are determined by emerging business issues and take on different forms and shapes.

Paradoxically, boundaries created from the vantage of Organicity become permeable to allow fluidity and adaptability. Traditional organizational charts are replaced with dynamic maps that

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## Transforming the Operating Model

At the core, every business is defined by the three essential elements of the Operating Model: its business strategy, management infrastructure, and organizational behavior. This is true regardless of a company's size, industry, or stage of evolution.

While the functions that must be carried out within each area of the Operating Model are consistent in both traditional and organic business systems, how they are considered is markedly different.

	TRADITIONAL SYSTEMS	ORGANICITY
<b>BUSINESS STRATEGY</b>	Data intensive	Intuition and experience intensive
	Reliant on highly structured documentation	Reliant on highly structured dialogues
	Planning is a one-time annual event	Planning is part of a continuous and on-going discussion
	Ideas are driven from the top and/or solicited from the bottom/side	Ideas can come from anywhere
<b>MANAGEMENT INFRASTRUCTURE</b>	Clearly defined work units and organizational charts with specific boundaries	Loose interconnected networks joined together by <i>inform</i> -ation flows without boundaries
	Large divisions with multiple layers that manage direct contact with the outside world	Small agile work units with unshackled exposure to outside ideas
	Methodical processes, procedures, and controls for gathering and disseminating information	Open access and constant flow of <i>inform</i> -ation
<b>ORGANIZATIONAL BEHAVIOR</b>	Siloed decision-making and emphasis on individual recognition	Interconnected, collaborative, and participative decision-making with shared recognition
	Development focused on changing others without self examination	Emphasis on self awareness at the individual, team, and organizational level
	Bottom line focus with quick fixes for behavioral problems	Cultivating meaningful and authentic relationships is core to business success
	Change an individual's behavior to fit the organization's needs	Evolve positions to fit individual and organizational needs together

## Seeing Businesses as Natural Systems *continued*

reflect stakeholder interests, centers of influence, and *inform*-ation flows – the sub-organic elements that make reaching the True North of business strategy possible.

With this directional, yet changeable constant, small teams of people representing different areas of expertise are created and disbanded as needed to focus on specific issues. This permeability also allows for greater responsiveness in interacting with an organization's larger network of suppliers, customers, contractors, and the marketplace in general.

As with any other natural system, an organization must thrive in its totality for any one aspect to grow individually, and vice versa. Permeability in structure offers a dynamic, fluid, flexible approach that fosters *inform*-ation, and organizational growth and development both internally and externally.

### The Interconnectedness of Organicity

Seeing organizations in Organicity means recognizing the interconnectedness that exists within natural systems. Every aspect of the organization from individual interactions to interdepartmental systems to wholesale mergers and acquisitions are woven together. The result is a dynamic tapestry that unites the organization as a whole.

It is the role of leaders who see the influence of Organicity to foster the

relationships and sense of community that are critical to fluidity and flexibility.

Organic leadership fosters dynamic relationships and *inform*-ation sharing by building centers of excellence, knowledge networks, and communities of practice. It also encourages informal chat lines and even friendships. With these small groups, intimacy and authenticity become drivers, which in turn power the engine of growth.

### A Concept in Evolution

In working with clients over the past several years, we at The Clarion Group are starting to see the prominence of Organicity and how it transforms organizations' views of strategy, management infrastructure, and behavior. We believe it is a concept with enormous potential.

Oftentimes, executives come to us not knowing what is happening in their organizations. They can't put their finger on it, but they know that something is different, like a wind shift or a subtle climate change. Because they are not directing it, it is harder to recognize, but change is happening nonetheless on its own – organically.

Fostering an environment that recognizes the organization as a living, natural system is a choice for leaders. It allows them to be less all-knowing and yet more wise. It allows strategies to be less perfect and yet

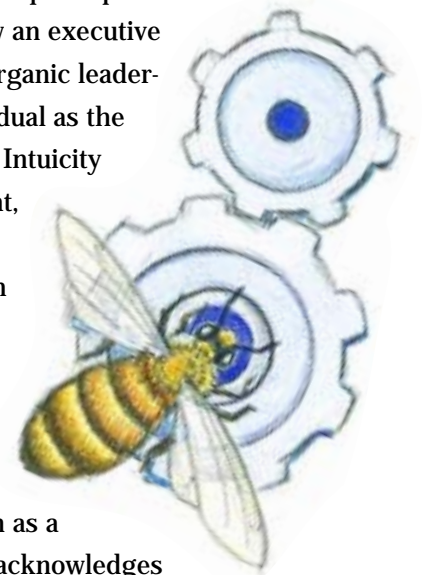


more adaptable. It allows structures to be less defined and yet more functional. And it allows organizations to be less internally-directed and yet more likely to thrive.

As a business concept, Organicity is itself organic. It is evolving and will adapt differently in different environments. It does not lend itself to typical formulaic approaches. There is no "one size fits all" way to apply Organicity.

While we are able to apply our learning to new situations, each organization has to live its own unique experience in Organicity. How an executive demonstrates organic leadership is as individual as the person himself. Intuicity cannot be taught, but it can be learned through trial and error and continuous adaptation.

To consider the organization as a natural system acknowledges the myriad forces at work both internally and externally. It also allows leaders to gain a multi-dimensional perspective of the challenges and opportunities facing their organizations. With this perspective, long-term success is not only possible but also achievable.



## Step Into the Breach

The concept of Organicity™ is not entirely new. We see evidence of it all around us. IBM's *On Demand* strategy, Nike's "Just Do It" positioning, and the marketplace demand for integrated financial solutions are all examples of Organicity.

What is new is using the concept of Organicity to increase our awareness about what's happening around us. The challenge is to recognize, encourage, and incorporate organic thinking into our view of how things are and could be.

We at The Clarion Group are curious about your experiences with Organicity. We invite you to step into the breach with us to explore some introspective thinking.

- When within your organization have you seen creativity come out of chaos,

or permeable boundaries lead to stronger internal or external relationships?

- What role does *inform*-ation play in your business? Do people hear it all and hear it straight, or do you feel the need to keep information guarded?
- How driven is your company by hierarchy versus involving the people who need to be a part of a decision?
- Have you experienced a situation when a decision went one way even though all of your instincts were telling you it should go the other way? What did you do about it?

To share your insights with us, please call 860-232-3667 or send us an email at [info@theclariongroup.com](mailto:info@theclariongroup.com)

*If you are inspired to achieve higher possibilities, we invite you to contact us at 860-232-3667.*

*Let The Clarion Group Advisors' experience, knowledge, and passion help you reach your individual and organizational goals.*



The Clarion Group, Ltd.