



bad reorgs

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“According to a McKinsey survey we conducted, more than 80% fail to deliver the hoped-for value in the time planned, and 10% cause real damage to the company. More important, they can be damned miserable experiences for employees. Research suggests that reorgs—and the uncertainty they provoke about the future—can cause greater stress and anxiety than layoffs, leading in about 60% of cases to noticeably reduced productivity.”

Getting Reorgs Right, HBR, Nov 2016

hbr.org/2016/11/getting-reorgs-right

***“My favorite thing about this company is that
I’ve had 4 bosses in 5 years”***

- Literally, nobody

Reorgs Frequently Fail!



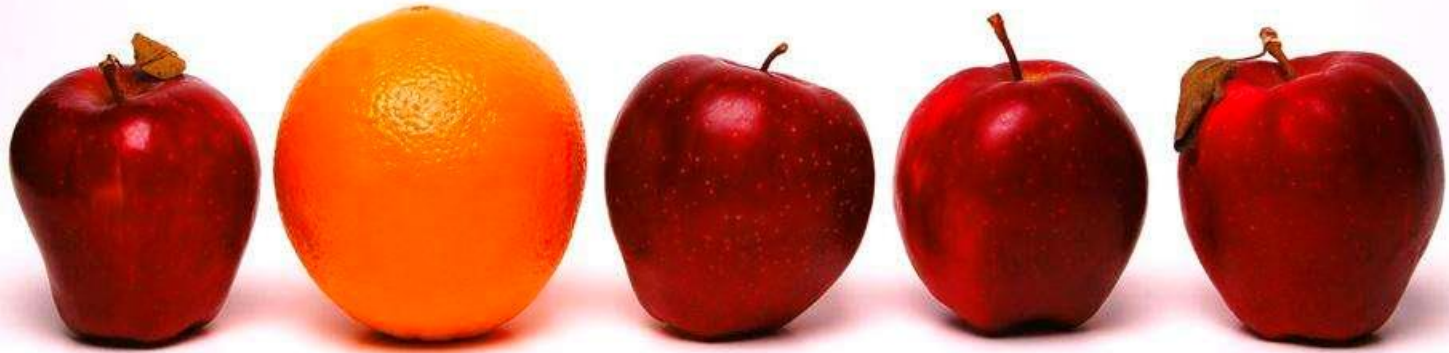
“We need to shake things up”



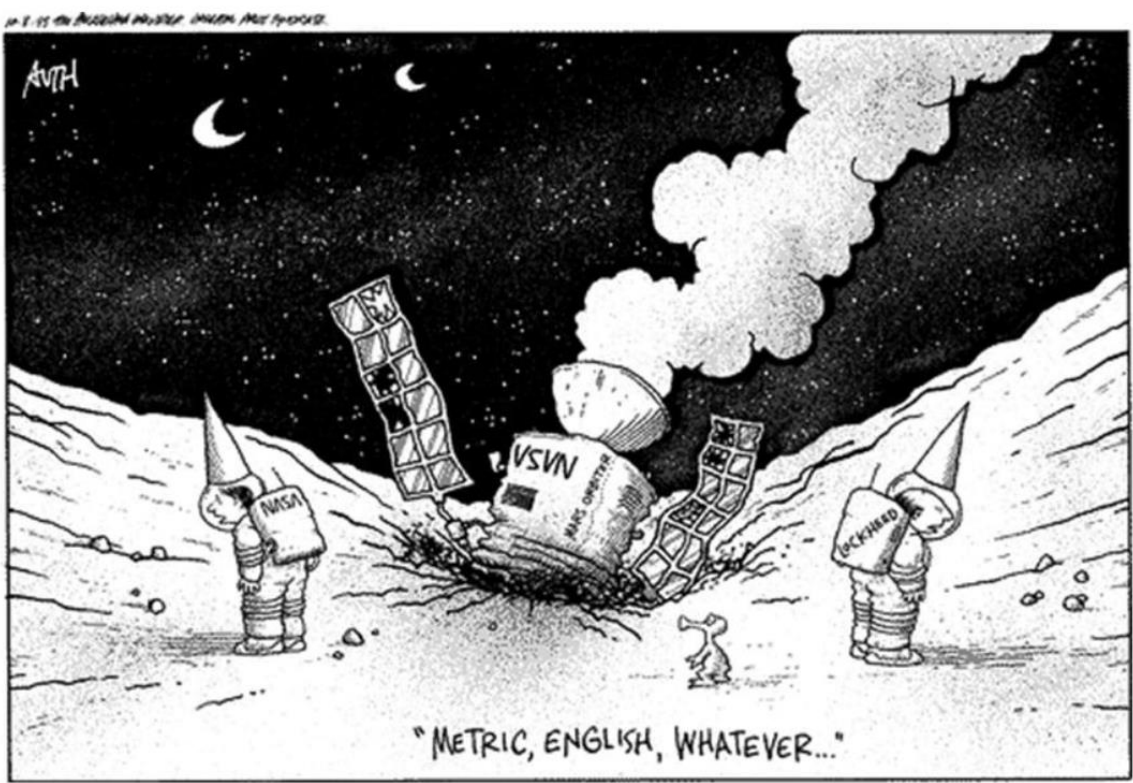
“Amazon has 2 pizza teams, so should we”



“We need an excuse to kill some bad projects”



“But if you don’t have a 70+ person org, you can’t be a VP”

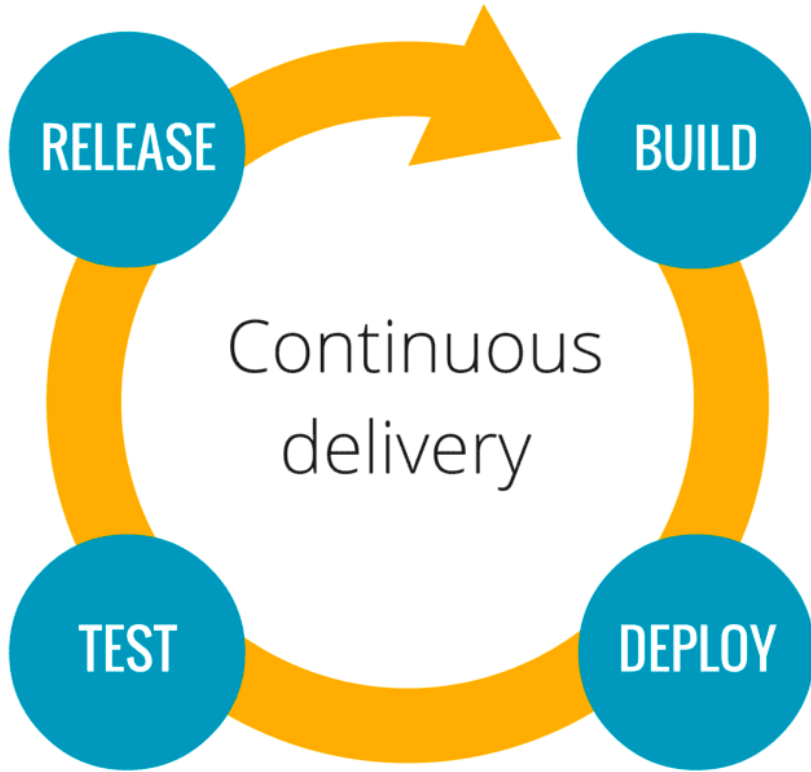


“But the data says Java programmers are faster, look at how much code they write!”

All reorgs are not bad!

Good Reorg Reasons:

- **Major Acquisition**
- **Significant Digital Transformation**
- **New Product/Initiative Needs to Scale**
- **Fixing Broken Structure (i.e. too few/many direct reports/manager)**
- **Moving to Multidisciplinary teams from a pure functional hierarchy (if appropriate for your org)**



**Prefer
smaller,
frequent
adjustments
over “big
bang” reorgs**

**Require
reorg
outcome
metrics, and
hold yourself
accountable**





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Thank You!
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