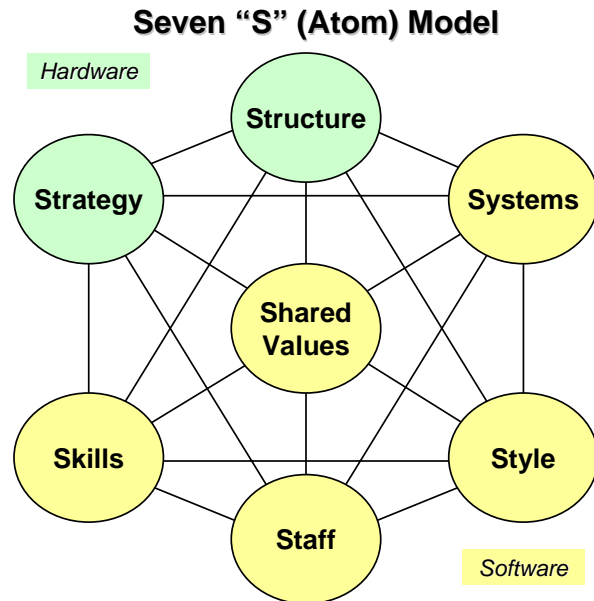


Seven "S" Model

Background: The Seven "S" Model (aka. McKinsey Seven "S" Model) was developed in the late 1970's by Thomas Peters, Robert Waterman, Richard Pascale, and Anthony Athos. Pascale and Athos published it in their 1981 book "The Art of Japanese Management." Peters and Waterman who worked at the McKinsey and Company consulting firm published the model in "In Search of Excellence: Lessons from Americas Best Run Companies" in 1982. Peters, the main architect, says that they had considerable difficulties in developing strategy and structural approaches using the old models.

In the first few years of research they found that "any intelligent approach to organizing had to encompass, and treat as interdependent, at least seven variables: structure, strategy, people, management style, systems and procedures, guiding concepts and shared values (i.e. cultures), and the present and hoped-for corporate strengths or skills." (Peters, 9) This was the impetus for creating the model. Later, after years of study, Peters says, "...experience throughout the world has borne out our hunch that the framework would help immeasurably in forcing explicit thought about not only the hardware - strategy and structure - but also about the software of organization - style, systems, staff, skills, and shared values." (Peters, 9-11) This model, shown above, was known as the "Atom."

The components of the model are defined as follows:



Strategy: This refers to the plan formulated to gain a sustainable advantage over the competition. It can be the actions of a company in response to changes in the external environment. (Cost, Value, Features, Delivery, and Innovation)

Structure: This refers to how we organize to accomplish something. It includes planning, resource assignment and organizational structures dealing with focus, such as how we organize to work or serve customers. (functional, divisional, matrix, and network)

Staff: This refers to Human Resource Systems such as: recruitment, compensation, employee motivation, training & development, morale, socialization, appraisals, and career management.

Systems: This refers to the ways we bridge between various functions of

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organization and how they integrate and relate to one another. Core elements are procedures and paradigms for operating and gathering information.

Skills: This refers to the distinctive competencies of our people, management practices, systems, and/or technology--that reside in the organization. It is the distinctive abilities and talents of the personnel in an organization as well. One might call them the organization's capacities.

Style: This has two dimensions. First is management style. What managers collectively spend their time on and consider important and how they use symbolic behaviors. Second extrapolates on the first, but includes the workforce. The aggregate is reflective of the organizational culture including behaviors, thoughts, beliefs, and symbols conveyed over time.

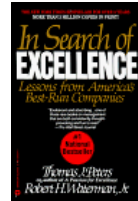
Shared Values: Also known as core values this refers to decision making guidelines which one mentally refers to when making decisions. In difficult decisions these usually win out over other considerations. These values can be explicitly stated and followed or covertly established by the actions and practices of the leadership. These usually reflect what is really important to the leadership.

Professionals have embraced this model for the alignment it offers among the seven critical areas. It is well-recognized that purposeful, efficient organizational action cannot be taken if these factors work at cross-purposes with each other. Ironically, however, once aligned, these factors become a powerful impediment to change. If we accept the growing warning

that the "only sustainable source of competitive advantage is the ability to learn faster than the competition" the desire to develop a capacity for learning, for continuous change, for flexibility and opportunism, begins to collide head-on with our desire to align the 7-S's. The dilemma is that unaligned, these factors work at cross-purposes; aligned they impact our ability to change.

Therefore an appropriately constructed strategy-making framework would have built in the possibility of institutionalizing a process that continually examines the tension between the creation of the alignment necessary to support efficiency and effectiveness and the disruption of alignment necessary to foster change and adaptability.

Resources: Adapted from these resources.



Peters, T., Waterman, R.; In Search of Excellence: Lessons from America's Best Run Companies: Warner Books, NY 1982

Pascale, R., Athos, A.; Art Of Japanese Management, The: Warner Books, 1981

<http://www.themanager.org/Models/7S%20Model.htm>

http://www.chimaeraconsulting.com/7s_model.htm

<http://management.uta.edu/Crosby/4340/McKinsey%207-S%20Model.doc>

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