

How e-Organizations Succeed?

In the book "Up the (E) Organization," the authors provide insights that explain why successful companies like Cisco and Dell are succeeding because of a new type of organizational structure dubbed as e-Orgs.

Their success has very little to do with marketing or IT investments but rather on implementing an organization that suits well to the demand for high flexibility in the new economy or the digital age.

Global Core

Unlike traditional organizations with the CEO as the single leader at the top, the e-Orgs CEO heads a small "Global Core" that provides strategic leadership, guidance and vision.

Because the executives with the "Global Core" do not get involved with the operational decisions of the business units, the structure allows for high degree of flexibility.

Internal Customers

Service groups like human

resources and IT services operate as independent business entities and serve other business units or divisions like they are customers.

Entrepreneurial Environment

In dealing with employee needs, e-Orgs offers employees an entrepreneurial environment where employees can chart their own careers, exercise leadership, build skills and take risks along with commensurate rewards.

Partnerships and Alliances

To gain access to market opportunities and rapidly demanded capabilities, e-orgs enter into informal partnerships and alliances that

complement capabilities.

These relationships only last as long as they are beneficial to the partners.

Leadership and decision-making power is dispersed and encouraged throughout an e-org.

Shared Vision

Rather than a hierarchical structure that makes decisions at the top and implement them at the bottom – which is typically fraught with

delays and miscommunications, e-orgs provides a "coherent" environment where people at all levels depend on a shared vision and commonly understood sense of direction.

The e-Org structure facilitates good decision making in "Internet time."

Ask yourself this question: Why would providing an entrepreneurial environment help employees foster their company's flexibility?

