

# 7s Model of McKinsey

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# Origin of 7s Framework

— [ It was first mentioned in “The Art of Japanese Management” by Richard Pascale & Anthony Athos in 1981. They have been investigating how Japanese Industry has been so successful.

— [ At around the same time that Tom Peters & Robert Waterman were exploring what made a company excellent.

— [ The 7s model was born at a meeting of these four authors.

# What is it?

— [ Its a management model that describes 7 factors to organize a company in an holistic & effective way.

— [ Together these factors determine the way in which a corporation operates.

— [ Managers should take into account all 7 of these factors, to be sure of successful implementation of a strategy.

— [ Large or small, the strategies are all interdependent, so if you fail to pay proper attention to one of them, this may effect all others as well.

# How to use the model?

— [ The model is based on the theory that, for an organization to perform well, these seven elements need to be aligned and mutually reinforcing.

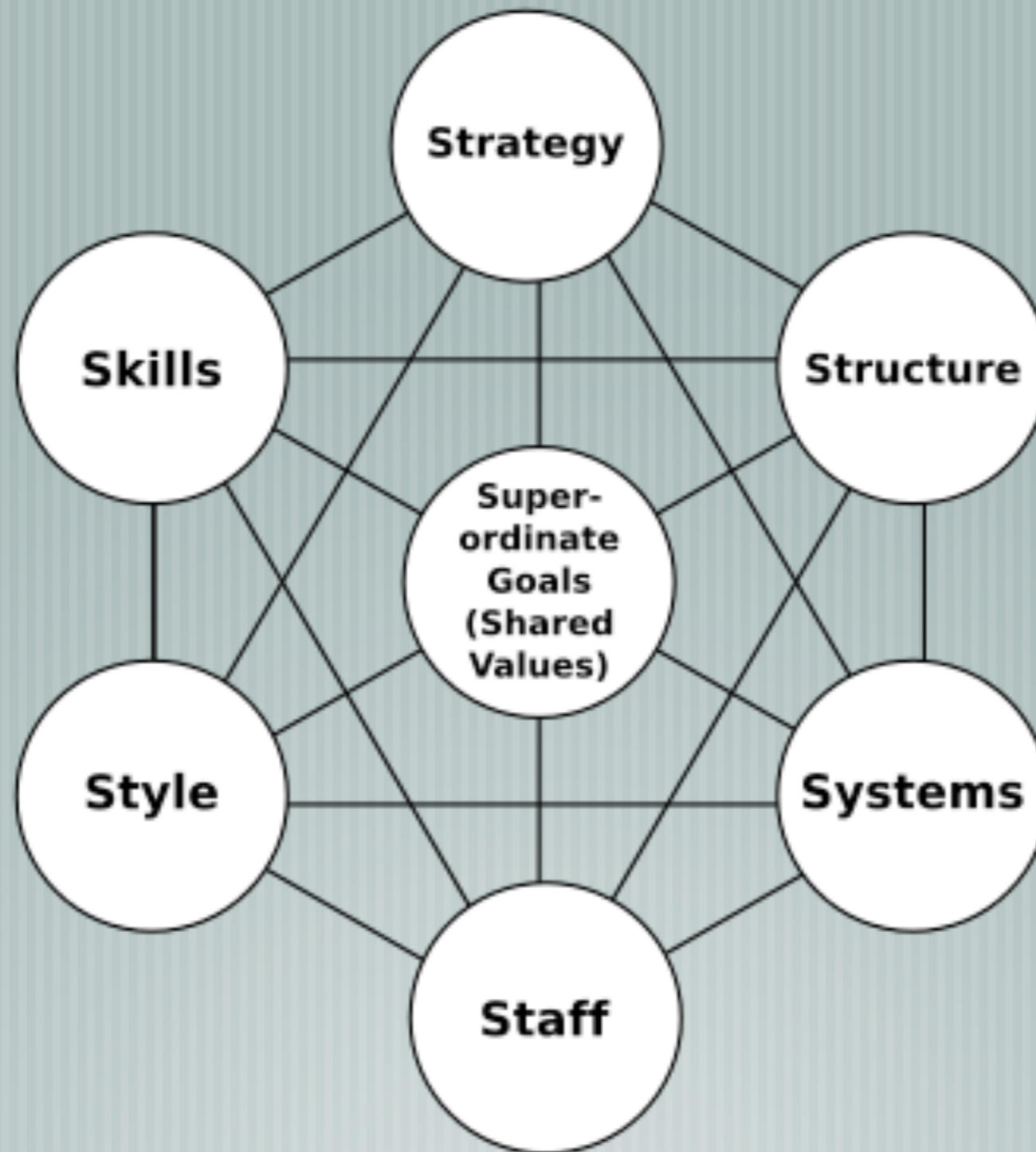
— [ So, the model can be used to help identify what needs to be realigned to improve performance, or to maintain alignment (and performance) during other types of change.

— [ Whatever the type of change – restructuring, new processes, organizational merger, new systems, change of leadership, and so on – the model can be used to understand how the organizational elements are interrelated, and so ensure that the wider impact of changes made in one area is taken into consideration.

# How to use the model?

- [ You can use the 7S model to help analyze the current situation (Point A), a proposed future situation (Point B) and to identify gaps and inconsistencies between them.
- [ It's then a question of adjusting and tuning the elements of the 7S model to ensure that your organization works effectively and well once you reach the desired endpoint.

# The 7s Framework



The model is most often used as a tool to assess and monitor changes in the internal situation of an organization.

# Why shared values in the middle of the model?

- [ Placing Shared Values in the middle of the model emphasizes that these values are central to the development of all the other critical elements.
- [ The company's structure, strategy, systems, style, staff and skills all stem from why the organization was originally created, and what it stands for.
- [ The original vision of the company was formed from the values of the creators. As the values change, so do all the other elements.

# The 7s Elements

— [ The seven interdependent factors are categorized as either "hard" or "soft" elements.

— [ Hard Elements: Strategy, Structure & Systems

— [ Soft Elements: Shared values, Skills, Style & Staff



# Hard Elements

- [ "Hard" elements are easier to define or identify

- [ Management can directly influence them.

- [ These are

- Strategy

- Structure

- Systems

# Soft Elements

— [ "Soft" elements, on the other hand, can be more difficult to describe

— [ They are less tangible and more influenced by culture.

— [ These soft elements are as important as the hard elements if the organization is going to be successful.

— [ These are:

— Shared Values, Skills, Style & Staff.

# 7s - 1 - Strategy

— [ The plan devised to maintain and build competitive advantage over the competition.

## 7s - 2 - Structure

— [ The way the organization is structured and who reports to whom.

# 7s - 3 - Systems

— [ The daily activities and procedures that staff members engage in to get the job done.

# 7s - 4 - Shared Values

— [ Called "superordinate goals" when the model was first developed

— [ These are the core values of the company that are evidenced in the corporate culture and the general work ethic.

# 7s - 5 - Style

— [ The style of leadership adopted.

# 7s - 6 - Staff

— [ The employees and their general capabilities.

# 7s - 7 - Skills

— [ The actual skills and competencies of the employees working for the company.

# Where can the 7s model be used?

- [ The 7S model can be used in a wide variety of situations where an alignment perspective is useful, for example
  - to help you: Improve the performance of a company.
  - Examine the likely effects of future changes within a company.
  - Align departments and processes during a merger or acquisition.
  - Determine how best to implement a proposed strategy.

# 7S Checklist Questions

# Strategy

— [ What is our strategy?

— [ How do we intend to achieve our objectives?

— [ How do we deal with competitive pressure?

— [ How are changes in customer demands dealt with?

— [ How is strategy adjusted for environmental issues?



# Structure

— [ How is the company/team divided?

— [ What is the hierarchy?

— [ How do the various departments coordinate activities?

— [ How do the team members organize and align themselves?

— [ Is decision making and controlling centralized or decentralized?

— [ Is this as it should be, given what we're doing?

— [ Where are the lines of communication? Explicit and implicit?

# Systems

— [ What are the main systems that run the organization?

— [ Consider financial and HR systems as well as communications and document storage.

— [ Where are the controls and how are they monitored and evaluated?

— [ What internal rules and processes does the team use to keep on track?

# Shared Values

— [ What are the core values?

— [ What is the corporate/team culture?

— [ How strong are the values?

— [ What are the fundamental values that the company/team was built on?

# Style

— [ How participative is the management/leadership style?

— [ How effective is that leadership?

— [ Do employees/team members tend to be competitive or cooperative?

— [ Are there real teams functioning within the organization or are they just nominal groups?

# Staff

— [ What positions or specializations are represented within the team?

— [ What positions need to be filled?

— [ Are there gaps in required competencies?

# Skills

— [ What are the strongest skills represented within the company/team?

— [ Are there any skills gaps?

— [ What is the company/team known for doing well?

— [ Do the current employees/team members have the ability to do the job?

— [ How are skills monitored and assessed?

**:: Thank You ::**