Stabilizing the Business Model after COVID-19

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Introduction

Higher education and non-profit organizations continually work to remain solvent in the face of industry changes. In higher education, organizations grapple with providing educational, research, and service activities while concurrently responding to changes in student demand as well as other, external factors. Across the non-profit industry, many organizations are struggling with an increase in demand for services and simultaneously facing a decrease in funding. The disruptive events associated with COVID-19 have introduced a new level of insecurity and economic uncertainty not seen since the Great Recession of 2007 – 2009, further increasing the urgency to maintain financial health.

Fiscal indicators are the result of factors that may include an organization's strength in strategic planning, risk mitigation, and financial management. However, these indicators can also reveal whether the structure of the organization is correctly aligned to support the mission and strategic goals or is inefficiently dedicating resources to nonessential activities. An organizational assessment can reveal whether changes to structure, business processes, and supporting technology could more effectively support an organization to achieve its goals.

Benefits of Organizational Assessments

Organizational assessments can follow a variety of models. Whether a review follows the framework developed by the International Development Research Centre (IDRC), the guidelines published by the American Society for Public Administration (ASPA), or an alternate structure, the process will analyze performance by comparing mission and strategic goals to organizational infrastructure. The assessment will produce recommendations to align the organization to more effectively support its mission, whether by updating the size and structure of its team, modernizing business processes, or changing/enhancing technology solutions. A successful implementation of recommendations can significantly improve an organization's ability to achieve its goals, reduce costly overhead and waste, and help redirect critical resources to strategic activities.

Prior to conducting an assessment, organizations should review their organizational strategy and critically assess the business challenges they seek to resolve. This will ensure that recommendations support future goals rather than historical artifacts and have correctly identified the sources of the sub-optimal performance in one of the following dimensions: team structure, business process, and technology.

When executing recommendations, organizations should prioritize team structural changes prior to business process or technology changes. Process- and technology-based improvements cannot address challenges related to organizational and team structure and should be implemented only after organizational changes to ensure that transformational goals are met.

When reviewing team structure, organizations should identify the optimal structure rather than seeking to simply move current staff and departments into a new configuration. This ensures that recommendations target the "right" team size, talent mix, and span of control required to effectively support future challenges. These activities allow leadership to think critically about solutions such as shared services, upgrading existing software and applications, and exploring new technologies to enhance their enterprise.

Aligning Organizational Structure to Strategic Goals

To effectively implement an organizational assessment, higher education and non-profit organizations should follow the five steps listed below.

1 Ground the Assessment in Strategic Goals

Prior to initiating assessment activities, the assessors should review the organization's mission and strategic goals. This will enable the reviewers to perform the analysis through the prism of future goals and prevent the introduction of historical strategies and activities into the recommendations.

The review should include a special emphasis on monitoring and evaluation activities. Ensuring all members of the assessment team understand the key performance indicators ("KPIs") will position the assessment for success.

2 Identify Business Challenge(s) to Address

Once grounded in the mission and strategic goals, assessors should engage in thoughtful analysis of current performance and business issues. Organizations should ensure that they have identified the correct performance issues before moving forward with next steps. As noted above, simply changing technology solutions or updating business processes will never resolve challenges associated with the team size and structure. Correctly defining the challenges and sequencing the necessary activities in this step will ensure that the recommendations position the organization to achieve its goals.

3 Identify Optimal Solutions

Next, the assessors should identify the ideal team composition, business processes, and technology that would most efficiently and effectively support their work. While challenging, organizations should seek to perform the 'team structure' portion of this step without referencing their current structure. This will ensure that the optimal team size, talent mix, and span of control is identified.

When reviewing business process and technology, assessors should think critically about the functionality and level of service required and should consider shared services and robotics process automation (RPA) as a potential cost-saving change to relieve administrative burden.

4 Define Required Changes to Support Mission

Once an organization has a clear picture of solutions needed, it should perform a Gap Analysis via a detailed comparison to the current state. The assessors should build upon the observations to define the actions required to achieve the optimal solution, as well as a chronology. Organizations should prioritize changes related to the team structure, such as talent mix, departments, and span of control. This will ensure that any ensuing business process and technology changes have their intended impact.

5 Update the Organization

The last step requires significant planning, empathy, and visible support from leadership. Updates to team structure, business process, and technology will require close coordination between leadership, human resources, and managers and will benefit from change management support.

Ensuring that the organizational updates are both implemented and supported by the required engagement, communication and training will make sure the organization achieves the desired performance improvements.

About Attain

Based in McLean, Va., Attain is a leading management, technology, and strategy consulting firm comprised of innovative problem solvers who disrupt the status quo to change the world and improve the lives of those they serve. Powered by extreme automation, Attain leverages a holistic, agile, secure, and customer-centered approach to digital transformation, advancing our clients' missions across the government, education, healthcare, and nonprofit landscapes.

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