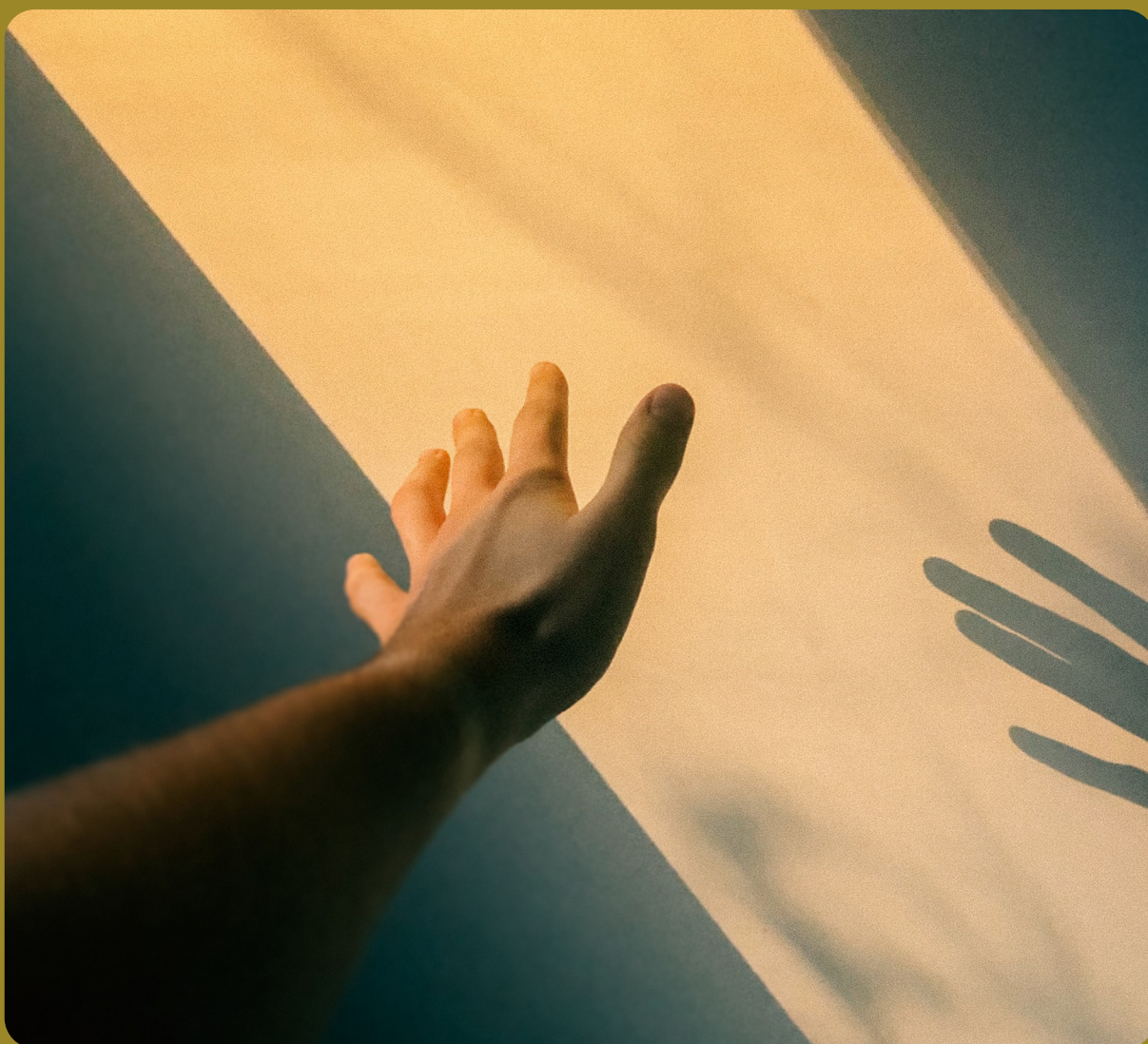


How to Transform Your Organization and Accelerate Your *Sustainable Transition*

DDC

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To realize their full sustainable potential, companies must change more than just their business model – they must undergo organizational changes. In this article, we highlight three organizational muscles that every business should train, and we propose a framework for constantly experimenting with your organization to keep it relevant and equipped to meet the challenges that may come in your sustainable transition

Organizational changes can be tricky – we know that, having undergone a comprehensive restructuring ourselves in recent years, transforming from a conventional structure to one rooted in self- and co-leadership.

Nevertheless, if we want to succeed with a sustainable transition, leaders and employees must tackle organizational changes and unfold new organizational skills to unlock the company's sustainable potential. We highlighted this in our first article.

In this sequel, we will provide you with two things:

1) We highlight three organizational muscles that every organization should exercise:

- Start imagining a sustainable future for the organization
- Identify the stepping stones toward that future
- Experiment! Again. And again. And again. And ...

2) We propose a framework for constantly experimenting with your organization to keep it relevant and equipped to meet the challenges that may come your way.

Let us take you through the process that can drive organizational change as an accelerator for your sustainable transition.

Imagining a different future for the organization

How do you envision your company's identity in 2050? Imagine a sustainable society. Does your company even have a reason to exist?

Envisioning your company 30 years from now is a powerful tool to understand what crucial changes we need to make today. This future vision can provide a clear direction and create a mental picture of where we aspire to be in the long term.

By visualizing our ideal future, we can identify current weaknesses and areas that require improvement – today. Involving the entire organization and your stakeholders in envisioning the company's future is crucial for maximum impact for several reasons:

- You establish a shared understanding and direction, creating a solid foundation for harmony between the organization's units in the coming change process. All employees are on the same page, working towards the same overarching goals, boosting commitment and ownership. A shared vision promotes cohesion and engagement.
- You secure diverse perspectives involving all levels and departments in the organization. That brings different backgrounds, skills, cultures, etc., into the process, enriching the discussion and creating a more holistic vision. Consider inviting external stakeholders in to get their perspectives on your future business, e.g., representatives from the value chain. It will ensure a more realistic perspective on your future role in the ecosystem. It will likely secure a more harmonious transformation when transitioning the value chain in a sustainable way. And what about inviting non-human beings and nature as primary stakeholders that must be considered for your company's future? It forces you to relate to the planetary boundaries.
- You cultivate a culture of change when an organization routinely engages in collective visioning. It becomes an integral part of the culture, which encourages a proactive approach to change and innovation, which is crucial in a constantly evolving sustainability agenda.

Identify what you need to alter to realize your organization's future vision

Once you have started imagining what your organization should be able to do in a sustainable future, you can use this as a lens to look at your organization in a new way. We often work with people who are brilliant at creating the most value for their customers or clients – they are highly innovative in optimizing their business.

However, this innovation capability is not easily transferred into the organizational realm. Here, we are much more accustomed to accepting that things are how they are. As if the Big Bang came with a manual on "How to organize when establishing a business!".

Breaking the organization into six dimensions helps to get the creative juices flowing. From each dimension, we can evaluate how our organization aids or hinders us in realizing our future vision.

We like to view them as levers you can turn to steer your organization in a preferred direction. Most of us think of organizational structures when we think of organizational change, but there are many other pathways to facilitating that change.

The Organizational Design Star

Let us take you through the star.

1. **Strategy and value creation** are the organization's visions, offerings, products, services, and KPIs. What is valued, and what kind of value do we want to create? An example of a change in strategy and value creation may be that we decide to work with triple bottom lines instead of just a monetary one. Ignoring ESG is almost impossible today, but one thing is writing it down on a piece of paper – it's an entirely different thing to operationalize and begin taking on all the consequences of a more nuanced value creation.
2. **Structure** is the skeleton of the organization: the hierarchies and the formalized roles with responsibilities attached. An example of a structure change may be how we put together teams. We may have a practice in the organization that dictates that someone with a specific role must be part of a team, e.g., a manager. But is it really necessary? Or could we set the team without managers?
3. **Processes** make the world go round. That is all the meetings, the formal (and informal) workflows, all the "how to's" – how to hire and fire, how to conduct employee development conversations, how to run the budget process, etc. An example of a change in processes may be how we communicate with each other. Do we have a shared understanding of what to expect from our colleagues outside office hours? Should we explicitly agree to delay sending emails till 8 AM the next day to enhance a culture of not working outside office hours?
4. **People and competencies** are all the people who make up the organization. All your colleagues – the CEO and the student workers – and their skills, training, and experiences are vital to how the organization functions. An example of a change in people and competencies may be that you realize you need to find a new colleague or develop the skills of an existing colleague. The colleague may need to take on the task of coordinating and developing the work on sustainability across the organization because the range of it has expanded since CSR moved from primarily being a communication or legal matter to being a core strategic matter.
5. **Space and technology** are all the surroundings and equipment – the coffee machine, the systems for registering time, communicating with colleagues and external collaborators, and the office space with rooms for concentration and development. An example of a change in space and technology may be

the look of the board we use for our Monday briefings. Which aspects of our work do we highlight? Is the board used most effectively, or could we structure it differently to enhance the behavior we seek from our colleagues?

6. **Culture and beliefs** are the assumptions that we build our organization and our behavior in the workplace. This dimension covers the more intangible stuff – one could call it our organizational DNA. These aspects of the organization are difficult to change because they are often implicit in everything we do, and our thoughts and actions are, therefore, colored by them. However, we can make them explicit and use our preferred version as a guideline for how we want our organization to function. In that case, it is a powerful lever to steer organizational changes. Culture and beliefs are not very approachable places to begin change. Nonetheless, this was where we started when we changed DDC's organizational model. We formulated our beliefs, [What we believe about people](#), back in 2020. They allowed us to test all our structures, processes, and how we approach people in the organization from this point of view. That has – and continues to be – a validating criterion for whenever we introduce a new way of doing things in the organization.

Breaking the organization down in these dimensions enables you to see interconnections and either bring you closer to or further from realizing your future vision. We use these dimensions in various ways when working with the organizational side of businesses – from a mere backdrop to a more operational tool. One of our aims for 2024 is to make it easier to work with. Even though the model's logic is easily comprehensible, it is not easy to pick your organization apart.

It can be a numbing task to start changing the organization. And from a sustainability point of view, complexity does not end here. All six dimensions can just as well be used to evaluate all your external relationships with stakeholders, customers, suppliers, etc. How can your transactions with them serve as stepping stones towards a more sustainable future?

You may feel an urge to burn everything down and start anew. A natural urge that originates from that feeling of disharmony we touched upon in the first article. Even though entirely resetting an organization is possible, it is still costly and jeopardizes the company's foundation. So, how do we create a sustainable change without calling for a time-out for the whole company? To us, taking the design-driven way calls for experiments.

Experiment your way forward

Restructuring for sustainability involves a commitment to innovation since no one – not even the organizations that are furthest ahead on the sustainability journey – knows what lies ahead. Experimenting with your organization takes some practice but will, in turn, boost the culture of change that we spoke about in the beginning as an essential component of the muscle needed to imagine a different future and, consequently, a different organization.

When experimenting with your organizational design, we use this framework to help guide the process, and then we utilize a range of different design methods as we go along. As with the organizational design star, the framework is easily comprehended but not as easily implemented.

To help you, we link to some of the tools we have on our website that may be useful in practicing organizational experiments. These are just examples – we always tailor the specific processes to the specific organizational reality, and we would love to hear if you have any tools or methods that could be helpful when working with your organization this way (send Gry or Sara an email).

Below, we explain the logic of the framework for organizational experiments. We have already covered the first two steps in detail above:

1. **The future vision.** As mentioned at the beginning of this article (the first chapter, *Imagining a different future for the organization*, ed.), start by making a shared powerful image of the positive change you – as an organization – want to create in the world. It does not have to be a clear-cut, fully equipped vision for you to move on, but you need to start the conversation and shed light on the different perspectives that are present in the organization.
2. **Potentials for change.** Look at your organization – all the different dimensions of it as described above (read the chapter, *Identify what you need to alter to realize your organization's future vision*, ed.). Which aspects of it are helping you move closer to realizing your future vision, and which aspects are holding you back? Engaging as many colleagues in this as possible helps you gain ownership of the changes that are coming. Opening up this space can be very overwhelming! At least, that is our experience – when we let our minds flow more freely and start looking at what could be different, a lot of great potential emerges. A priority graph may be a helpful tool to help you choose between all the great potentials. Try using “Impact” and “Availability” as criteria.
3. **Set up your hypotheses.** What do you be-

lieve will change and why? Try our Assumptions Mapping tool to get started.

4. **Start experimenting!** Plan your actions. You need to be specific. Who should do what, when, and how? How do we secure the right conditions for the experiment to succeed? We suggest you take a look at the following tools for inspiration and places to start: Storyboard, User Story Generator, and Service Journey. Document what happens. Find an easy way to test your hypotheses and collect data on what happens when you start. This does not have to be complicated – some dots on a poster, ticking off a box, or a semi-structured interview might be enough. Making it happen – and keep doing it – is the hard part. Analyze what you see. Make sure to take the time to sense-make your data. Having a few colleagues who are invested in pushing the process forward is a good idea, but validating findings with other colleagues is a valuable step in nailing the proper analysis and creating ownership. You can get inspiration from our Recognizing Patterns tool. Learn from your experiences. What implications do the results have? This step is easily overlooked once we have gathered data and maybe done the analysis. This step is meant as a catalyst for doing the whole process again; should we alter the experiment a bit to sharpen our hypothesis, or has it been successful enough for us to scale it? Then plan that action!
5. **Repeat.** Do it again and again and again. Some of your experiments may end up being implemented right away. Some of them may need some rounds in the experiment cycle – altered, sharpened, and changed just a bit in their focus to create valuable change.

BONUS: If you get stuck!

As mentioned in the first article, we are often met with a sense of urgency when working with organizations and the people in them. Employees who start working seriously with their imagination- and the associated desire to act, will relatively quickly detect the organizational structures working against them. But starting the work with restructuring the organization, in parallel with the sustainable transition, can be overwhelming – so they feel stuck.

To get unstuck, we try to apply a more playful and imaginative approach to our work on leadership and organizational change. Inspired by Dr. Joost Vervoort from Utrecht University, we argue that instead of seeing seriousness and playfulness as two opposing states of being – and working that cannot interact, we should see them as interrelated and strive for a state in between the two where we approach overwhelming tasks in a more playful

manner. In fact, this is the only way to free our minds to develop new innovative ideas and solutions.

Expand your leadership

As a manager who wants to bolster your organization for what lies ahead and push for sustainable change, the most important things for you to facilitate is

1) a strong shared vision of the future you want to achieve together as an organization, 2) managing the stepping stones – the portfolio of possible changes in the organizational dimensions and 3) a learning, playful culture that enables continuous experimentation as an organization.

Working this way does not mean that all parts of the organization should be up for debate. You have to be very clear on which parts of the organization are open to change and which are not.

Opening up your organization in a process like this tampers with the existing power relations. Organizational strategies and tactics are now “owned” by everyone and not just the regular management.

Therefore, it will inevitably create ripple effects – placing other demands on both management and employees. However, if you can balance this as a leader, the reward is dedication, employee buy-in, and a new and expanded version of your leadership.

The role of the manager has indeed changed – from the manager being the go-to person who knew it all to being the facilitator opening up a space for questions and opportunities to flourish. And we need a new kind of leader to succeed with the sustainable transition. We need mission managers who focus on a long-term vision of change and who can visualize how the company and its offerings – together with a range of other stakeholders – can achieve it.

[You can also read the article on ddc.dk here.](#)