MOBILIZING MINDS

Creating Wealth From Talent in the 21st Century Organization

LOWELL BRYAN and CLAUDIA JOYCE

LOWELL BRYAN is a director and senior partner at McKinsey & Company. He has more than 30 years experience writing and speaking about strategy, organization and financial services. A number of Mr. Bryan’s editorial pieces have been published in The Wall Street Journal, the Harvard Business Review and the McKinsey Quarterly. He is the author or coauthor of several books including Race for the World: Strategies to Build a Great Global Firm.

CLAUDIA JOYCE is a graduate of Northwestern University and the University of Chicago. She is now a principal at McKinsey & Company and serves as a core member of the Financial Services and Strategy Practices.

Your existing workforce is the key to growing your business—not your technology, your systems or any of your other assets. To generate some real growth, find new and better ways to tap the underutilized talents, know-how and skills of your people. The central theme of your corporate strategy should be to redesign your organization so you can better mobilize the mind power of the people who already work for your organization. Dissolve all the barriers which have traditionally stopped this from happening and you will unleash some vast sources of new wealth.

To design an organization that can better capture the commercial opportunities of the 21st century:

"We believe that opportunities to create better organizations have never been greater. At stake are the opportunities to increase profit per employee and to increase the number of employees who can work profitably together. For a large company, the value of doing so can literally be in the tens of billions of dollars of increased market value. We believe that most companies will find it exceptionally rewarding to invest in designing and building organizations that better fit the digital age. Such an investment will usually represent the highest returns, relative to the costs and risks, as compared to almost any alternative investment. This is because high returns can be earned without making significant new investments of labor or capital."

—Lowell Bryan and Claudia Joyce

**Manage better**

1. Build better business "backbones"
2. Develop a partnership at the top
3. Employ dynamic management

**Improve flow of intangibles**

4. Grow your formal networks
5. Establish a talent marketplace
6. Pool knowledge in a central place

**Organize more effectively**

7. Use design as a strategy
8. Build a 21st century organization

**Motivate better behaviors**

9. Develop role-specific metrics
10. Provide meaningful incentives

The most successful organizations of the 21st century will be better managed than their 20th century predecessors. They will remove complexity from their management structures by better distributing decision making authority. They will also combine best practices seamlessly to create a partnership at the top rather than a dictatorship. They will also be managed dynamically so they can seize upon emerging opportunities rather than statically or rigidly.

In the marketplace of the 21st century, companies will need to harness all their intangibles and more if they are to excel. As the digital age becomes further and more entrenched, it will become increasingly important to encourage the mobilization of the mind power of workforces. The best way to facilitate this is to establish formal networks, to grow internal talent marketplaces from which talent can be drawn as required and to establish a knowledge marketplace where knowledge creators and knowledge seekers can find each other. The emphasis here is to remove the complexities which impede conventional organizations.

Instead of focusing on producing accounting earnings, the most successful organizations of the 21st century will focus instead on increasing their economic returns from intangibles. To genuinely measure this, measures of mutual rather than individual accountability are required. New measures and performance evaluation systems which are better aligned with this ideal will also be required.

Instead of being an afterthought, organizational design can and should be a source of competitive advantage for 21st century firms. If companies put the same amount of thought and energy into designing their own organizations that has historically been devoted to designing new products, coming up with new production processes or their entry into new markets, impressive returns can be generated.
Knowledge is Power — Invest in Your Future

For just $2 per week, you will...

> Learn from the mistakes and success of the smartest people in business;
> Get fresh ideas, strategies & motivation that could be worth millions to you;
> Follow emerging trends, so you can catch the wave before your competitors do;
> Catch up on the classics you always wanted to read.

1,000 Top Business Book Summaries

Our catalog includes summaries on a range of topics for aspiring entrepreneurs, managers, and consultants.

**BUSINESS PLANS**  **MANAGEMENT**  **PRESENTATIONS**

**SALES**  **LEADERSHIP**  **MOTIVATION**  **STRATEGY**

AND MORE