KPMG

Rethinking Capital Delivery: A Blueprint to Decoding Success

Module 01: Organisational Structure and Composition

Shaping intelligent organisational structures and team configurations to enhance performance

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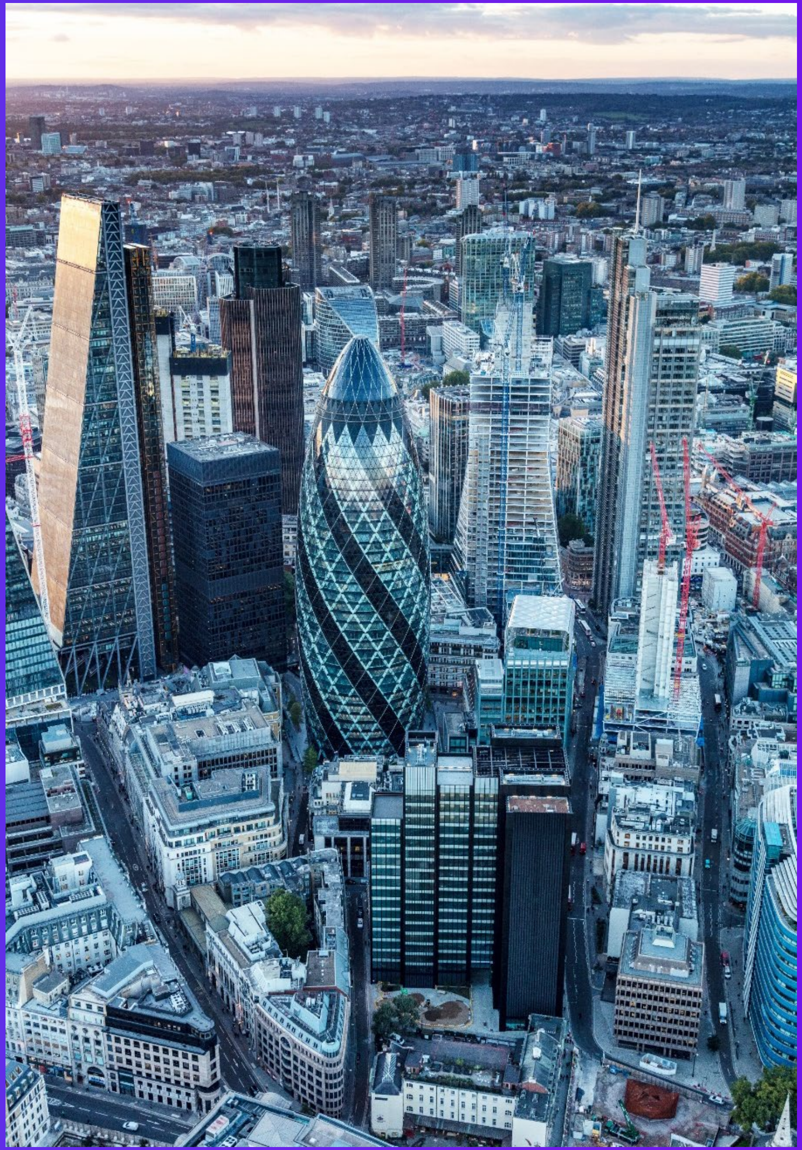
October 2024



Foreword

As we navigate today's Capital Delivery landscape, we recognise that the environment is increasingly complex and fraught with unique challenges that can significantly affect our delivery strategies. These challenges are further compounded by an array of rapidly emerging issues, which often require us to adapt quickly and purposefully.

A recent report by the Office of National Statistics (ONS) highlighted that, "**almost two-thirds (63%) of businesses expressed concerns about their operations**." (1) These concerns emanate from a myriad of factors, including fluctuating economies, political instability, heightened regulatory demands and the pressing need for digital acceleration. Consequently, these pressures place us in a challenging position, where careful consideration and decisive action is required to discern the most effective approach to drive initiatives forward.

[1] Business (2024). Business insights and impact on the UK economy. [online] Ons.gov.uk.

Key Capital Delivery Challenges

Adapting to a rapidly changing environment:

The continuous evolution of the delivery landscape, including increasing regulatory changes, poses significant challenges. Adapting the workforce to maintain consistent capability while ensuring robust risk management is increasingly vital.

Scaling up Capital Delivery capability:

Responding to an increasing pipeline requires significant augmentation of delivery capability, necessitating collaboration across multi disciplinary teams to meet dynamic demand and adapt to increasingly complex challenges.

Skills shortages and talent retention:

Attracting and retaining a skilled workforce remains challenging in a competitive landscape, directly impacting organisational delivery capabilities.

Efficiency and value for money pressures:

The increasing pressure on time and resources, combined with a reluctance to explore innovative approaches, results in missed opportunities for efficiency and leads to formation of suboptimal delivery teams.

Securing the appropriate supply chain partners:

Identifying committed suppliers and managing complex procurements can be challenging, particularly in global or complex initiatives. These challenges are further exacerbated by a growing trend among suppliers showing lower risk appetites. As the delivery pipeline expands over the next 10 20 years, it becomes increasingly important for organisations to position themselves as preferred partners, both within the UK and globally.

Economic volatility:

Managing budgets amid economic instability creates substantial challenges. Fluctuating material costs, rising expenses and inflationary pressures demand agile strategies and meticulous cost management to ensure the profitability and viability of delivery.

Slow adoption of digital enhancements:

Adapting to evolving digital tools and technologies presents challenges, impacting an organisation's capability to leverage the latest advancements effectively. Embracing Artificial Intelligence, machine learning and other digital enhancements is particularly beneficial in addressing many of the challenges outlined above.

65%

of capital delivery projects experience cost overruns, with an average of **30%** beyond the initial budget (2)

48%

of organisations struggle with adopting digital tools adding **10-15%** to project costs (3)

58%

of organisations report significant shortages in skilled, labour leading to **20%** increased project timelines (4)

80%

of large infrastructure projects face regulatory delays or increased costs due to enhanced regulations (5)

We recognise that the challenge is far from uniform; there is no 'one size fits all' solution for effectively executing Capital programmes. A wide range of delivery approaches exist, and organisations must invest sufficient time and expertise to tailor an approach that suits individual circumstances. The process requires a deep understanding of existing societal challenges and a commitment to adaptability, resilience and implementation of proactive measures.

The need for a fundamental shift in how we deliver programmes has never been more pressing. The industry has long **relied on tried and tested delivery methods,** that prove increasingly ineffective in today's environment. With urgent delivery requirements, low public tolerance of overruns and intense pressure to reduce costs, it is easy to see why some organisations **prioritise economical methods.** However, this focus can come at the expense of long-term outcomes.

The pressure to deliver both quickly and economically often compels organisations to default to conventional methods, resulting in reactive rather than proactive strategies. This approach limits the exploration of long-term opportunities and strategies essential for future proofing. It is becoming increasingly clear that **relying solely on traditional methods** is unsustainable in the rapidly evolving landscape of Capital Delivery, shaped by technological advancements, changing consumer demands and unprecedented global events.

For example, to address the skills shortage challenge, organisations can optimise resource allocation by adopting a multidisciplinary approach and **break the linear curve of resourcing**. This enables individuals to perform multiple tasks across various disciplines, reduces inefficiencies and enhances agility in project delivery.

To remain competitive and effectively navigate this dynamic environment, organisations must embrace innovation and adaptability, recognising that traditional practices simply will not suffice.

Conversely, some organisations tend to **over-engineer** or **"gold plate"** their solutions, adding unnecessary complexity that hinders growth without delivering proportional benefits. It is important to acknowledge that not every delivery component needs to be perfected to the highest possible standard to be effective.

Additionally, many organisations **overlook the importance of breaking down their delivery methods** often opting broad strategies, without fully appreciating the intricacies and interconnectedness of smaller components. Instead, a more nuanced approach is required, one that focuses on optimising individual elements while ensuring that they function harmoniously together. A holistic approach is essential to ensure that all aspects align and are mutually supportive, recognising that changes in one area can impact others, leading to more sustainable and effective outcomes.

It is crucial to avoid becoming constrained by invisible limitations. By adopting ambitious, yet carefully considered approaches and ensuring, smart structuring and effective integration of all components, your organisation can navigate this dynamic environment more effectively. If the current approach is not yielding the desired results, remember that every component of the process is open to adaptation.

[2] Infrastructure & Projects Authoirty (2022). IPA Annual Report. (online) gov.uk.
[3] Institute for Government (2023). Digital Adoption Challenges in Organisations. (online) instituteforgovernment.org.uk.
[4] APM (2023). Skills Shortage Report. (online) APM.org.uk.
[5] National Infrastructure Commission (2023). Environmental Regulations and Project Delays. (online) nic.org.uk.

In response to these challenges, we have created this practical guide with a single goal: to support you rethink and refine your approach to Capital Delivery. Our guide is structured around ten key modules as depicted within our Capital Delivery Framework (page 4) each addressing the key Capital Delivery challenges and offering new perspectives on how to navigate complexities of Capital Delivery execution.

By sharing these insights, we aim to empower you with the knowledge needed to make informed decisions that align to your organisation's objectives and the unique challenges you face.

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Our Capital Delivery Framework

We understand the complexities involved in determining the optimal framework, having successfully navigated the evolving landscape with our stakeholders and through our own organisational challenges.

We have created a Capital Delivery Framework, designed to guide organisations towards effective future Capital Delivery. The Framework focuses on ten considerations, ensuring adaptability to changing requirements and ultimately enabling organisations to deliver, faster, cheaper, greener and better. We unlock delivery potential, applying a holistic approach, through ten key considerations:

1. Organisational Structure and Composition:

Shaping intelligent organisational structures and team configurations to enhance performance

2. Delivery Models and Capabilities:

Calibrating delivery models, capabilities and make vs buy decisions to shape effective Capital Delivery

3. Portfolio Planning & Optimisation:

Maximising ROI & optimising delivery through Capital Investment Planning and Portfolio Management

4. People, Culture and Behaviour:

Strengthening the greatest asset behind successful Capital Delivery

5. Value Streams and Process Optimisation:

Streamlining end-to-end processes to provide greater efficiency and value in Capital Delivery

6. Pragmatic Governance and Progressive Assurance:

Safeguarding success through robust governance and assurance mechanisms

7. Driving Commercial Value:

Innovating commercial approaches to drive incentivisation and collaboration in the supply chain

8. Harness the power of P3O:

Recognising the true value of Project, Programme & Portfolio management Offices

9. Data and Technology:

Unlocking the value of data and digitisation to transform Capital Delivery

10. Smart Construction and Innovation:

Leveraging advanced, innovative construction to build a smarter, more sustainable future

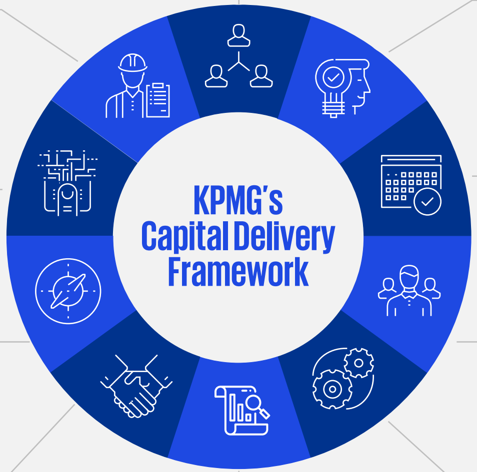


Figure 1: KPMG's Capital Delivery Framework

It is important to acknowledge that this framework is not an all encompassing solution for challenges in the current Capital Delivery context. However, it does highlight essential areas that offer the greatest potential for transformative outcomes.

The framework also addresses areas often overlooked, those lacking innovation due to preference for traditional methods, and areas that can be improved with minimal impact on operational activities and workforce wellbeing.

ESG Perspective

Instead of dedicating a separate module to Environment, Social and Governance (ESG), we have woven the ESG perspective into each section. This approach reflects our belief that ESG principles should be seamlessly integrated into all organisational activities and methods. By embedding ESG into each section we aim to highlight its critical importance and ensure it is brought to life throughout all areas of consideration.

Module 01

Organisational Structure and Composition

Shaping intelligent organisational structures and team configurations to enhance performance

1.0 Organisational Structure and Composition

1.1

Organisational Structures

The IPA Routemap defines organisational structure as, "*the structure of the project team, the resources, working practices, behaviours and culture required to enable project delivery"* [(6)]. Well designed organisational structures facilitate enhanced collaboration and autonomy, clarify expectations and accountabilities, and improve efficiencies. Designing an effective organisation structure is a complex task, requiring careful consideration of several factors:

Consideration of multiple structures

A common misconception is that a single structure should be applied uniformly across the entire organisation. In reality, structures can be tailored to certain layers or pockets of an organisation, such as functional areas or teams delivering specific work packages. This flexibility allows initiatives and business units to operate efficiently, accommodating their unique characteristics.

For example, organisations could deploy a functional structure for engineering teams, allowing engineers to specialise in their areas of expertise such as civil, electrical or mechanical, ensuring high technical proficiency and streamlined collaboration within the discipline.

In contrast, the same organisation might adopt a divisional structure for project management across multiple regions. In this scenario, each division operates semi-autonomously, responsible for all aspects of project delivery within their region. This structure allows for greater flexibility and responsiveness to local conditions and stakeholder requirements.

It is important to recognise that the organisation structure required for a specific project or programme can differ significantly from the overall organisation structure. While an organisation may have a stable, long-term structure for its regular operations, the structure for a project or programme is often temporary and dynamic. For instance, an initiative might require a matrix structure that brings together resources from various functional departments to work on a temporary basis, allowing for the efficient allocation of expertise across multiple projects.

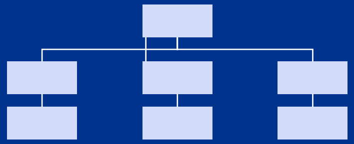
By recognising the need for different structures tailored to specific requirements, organisations can create environments that support high performance and successful outcomes. High performing teams are only as effective as the structure surrounding them, making it essential to invest time and effort into organisational design to create optimal structures.

[6] Infrastructure & Projects Authority (2024). Project Routemap Setting up projects for success, Organisational Design & Development. p.8.

Team Structures

Different structures provide various approaches to managing teams and workflows, ranging from more traditional hierarchical models to flexible matrix structures. The diagram below illustrates these structures, highlighting the range of options available to organisations based on their specific needs and objectives.

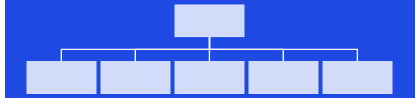
Hierarchical/ Vertical



Description

Establishes a clear chain of command with authority flowing from upper management to staff level employees in a tiered format.

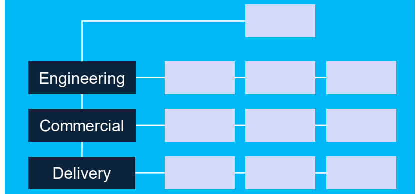
Flat/ Horizontal



Description

Few levels between upper management and staff level employees.

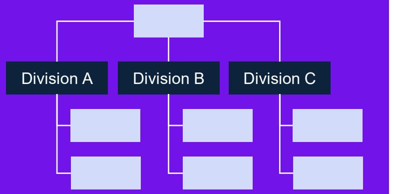
Functional



Description

Employees are grouped according to their corresponding function, with each separate function managed independently.

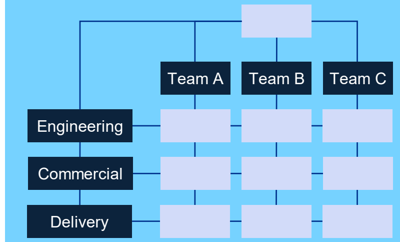
Divisional



Description

Divisions autonomously manage their resources, functioning as distinct entities within the larger organisation.

Matrix



Description

Employees are grouped into cross functional teams usually reporting to two managers. One for overseeing daily tasks, and one for specific work/ project activities.

ESG Perspective

E S G

Hierarchical/ Vertical: Senior leadership must champion ESG values, setting a precedent that these are core to the organisation s mission and strategic goals.

Flat/ Horizontal: Leverage the close knit nature of flat organisations to engage all employees in ESG discussions, idea generation, and initiative implementation.

Functional: Adapt and apply ESG policies specifically within each function, setting function specific ESG objectives that support the organisation s overall ESG strategy.

Divisional: Establish cross division committees or teams to foster ESG best practice sharing and collaboration.

Matrix: ESG responsibilities are shared across different roles and departments, promoting a culture of sustainability and ethical practices throughout the organisation.

Figure 2: Example structures.

Outcome focused structures

Capital Delivery Organisations often default to conventional hierarchical structures, which can limit their flexibility to reconfigure teams, roles and processes in response to changing initiative requirements or external conditions. Additionally, organisations frequently structure themselves around established processes or adopt a people centric approach, where structures are influenced by key stakeholders or long standing employees. This can create significant misalignments, leading to inefficiencies and hindered growth.

A more effective approach is to design organisational structures with a results centric focus, emphasising outcomes over processes. Outcome focused structures involve forming teams based on specific goals rather than traditional departmental lines. For example, creating integrated project teams dedicated to specific projects or deliverables can significantly enhance focus and collaboration.

To reinforce an outcome focused design, Key Performance Indicators (KPIs) should be tracked not just at the organisational level, but also within each team or function, directly reflecting their specific contribution to overall objectives. This ensures accountability and aligns efforts with broader organisational goals.

For instance, a Finance department could measure the accuracy of its forecasts, the procurement team could track supplier lead times, while a project management team could focus on schedule and budget adherence. By defining specific KPIs for each team, Capital Delivery Organisations can ensure that every part of the organisation is accountable for its performance.

This targeted measurement promotes autonomy within departments, enabling them to operate more effectively and make informed decisions that drive toward the desired outcomes.

Furthermore, outcome focused structures facilitate more efficient resource allocation. Resources can be strategically directed towards activities that directly contribute to achieving the desired outcomes, reducing inefficiencies and generating cost savings.

Organisational interfaces and RACIs

Simply structuring organisations into separate functions, while intended to enhance organisation, manageability and oversight, can inadvertently create complexity and silos that hinder collaboration. A more effective strategy is to adopt a holistic approach that acknowledges the interconnectedness of functions and teams. A well defined RACI (Responsible, Accountable, Consulted, Informed) matrix is critical to achieving this integration.

However, the importance of establishing clear RACIs across functions is often underestimated, with many assuming alignment will occur organically. This assumption frequently leads in overlapping responsibilities, gaps in accountability and a siloed approach that can create tension among teams.

Traditionally, RACIs are developed with a focus on individual projects, functions, or departments. Yet, to truly optimise collaboration and ensure alignment with broader organisational strategies, it is important to extend the RACI framework beyond these boundaries.

Some organisational interface examples include:

Example 1: *Engineering and delivery interface*

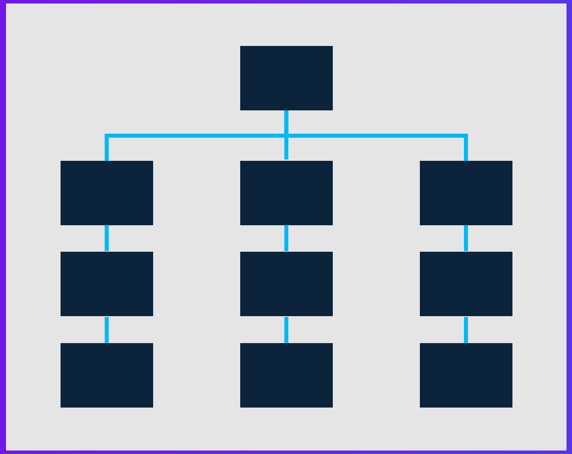
Engineering and construction delivery teams must collaborate closely to ensure designs are feasible and can be effectively executed on site. For instance, embedding a construction planner within engineering teams during the design phase, or deploying a SME engineer during delivery to support technical queries, can foster collaboration and streamline execution.

Example 2: *Project controls and finance interface*

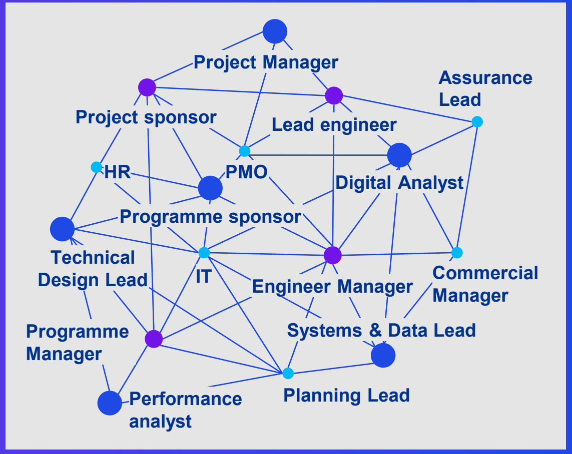
A specialised project controls team reporting into Finance can be particularly beneficial where financial oversight and budget management are critical to project success.

In contrast, IT or HR teams may be better structured within their own functions due to their limited interaction with project teams. Their primary role is to support the overall functioning of the organisation rather than specific project delivery.

Example organisational structure



Example organisational interfaces

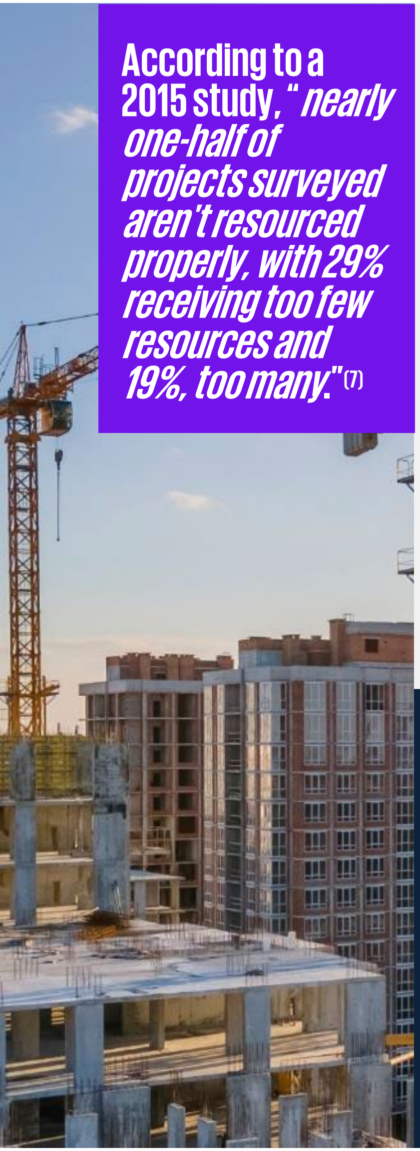


The two examples above illustrate an essential insight for organisations; achieving Capital Delivery excellence goes beyond merely establishing an organisational structure.

The diagram on the left depicts a conventional hierarchical structure, primarily representing reporting lines. While this is useful for understanding formal authority and accountability, it does not capture the complexity of modern Capital Delivery execution.

In contrast, the image on the right reveals the intricate web of organisational interfaces. It emphasises the dynamic interactions and real world network of relationships that are essential for Capital Delivery.

Organisations must move beyond structure alone and pay close attention to how teams communicate, the governance processes they implement and the relationships they foster. Success in Capital Delivery requires understanding of these networks and managing them effectively to ensure alignment across capabilities and functions.



According to a 2015 study, "nearly one-half of projects surveyed aren't resourced properly, with 29% receiving too few resources and 19%, too many."(7)

1.2

Size and composition of teams

Designing optimal organisation structures requires careful consideration of team size and composition. Striking the right balance of resources is crucial, especially in light of the anticipated global resource scarcity in the large infrastructure pipeline over the next 10-20 years.

Designing organisation structures requires thorough planning and review to ensure that resources not only meet initiative requirements, but also align with organisational objectives. Fine tuning resource allocation and determining appropriate team sizes yields several advantages, including greater productivity, more effective risk management and increased overall efficiencies.

[7] Project Management Institute, (2015). Pulse of the Profession: Capturing the Value of Project Management.

Examining team composition entails comprehensive consideration of factors:

01 Initiative complexity:

The complexity of an initiative significantly influences team composition. For example, high complexity portfolios may require a greater degree of engineering expertise, whereas initiatives with substantial stakeholder involvement may benefit from a larger P3O function to manage approvals and reporting effectively.

02 Resource availability:

In cases where specialised expertise is scarce, it may be practical to distribute resources across multiple projects or establish a dedicated department. This approach ensures that the necessary skills are available without overextending individual team members.

03 Strategic importance & risk:

The strategic significance and associated risks of an initiative dictate the composition and expertise required within the team. Higher risk initiatives often necessitate specialised roles to mitigate potential issues. Additionally, assembling a larger team can be advantageous to ensure thorough oversight and management across the initiative.

04 Initiative value:

Team size and cost should be proportionate to the value of the initiative. Overstaffing a low value initiative is not cost effective, making robust cost estimation critical to ensure that resources are utilised efficiently, and team size aligns with the financial scope of the initiative.

05 Organisational culture:

The organisational culture influences team dynamics and efficiency. Aligning team composition with cultural norms enhances productivity.

06 Initiative duration:

The duration of an initiative also impacts team composition. A large team for a short term initiative may not deliver value for money, whereas a small team for a long term initiative might struggle to achieve the intended outcomes.

07 Type of contract:

Team composition should take into account the type of contract. For example, a fixed price contract might require a smaller commercial function for effective supplier management, whereas a cost reimbursable contract may require a larger team with greater expertise to manage the increased contract complexities effectively.

08 Wider organisation structure:

Organisations should also evaluate their overall structure and composition, for example, determining whether they operate as a programme within a larger entity or a distinct limited company formed specifically for delivering large infrastructure programmes.

It is imperative to ensure that team size and distribution is accurately calibrated and any incline in distribution has a clear and valid justification. Failing to strike the right balance can result in other functions stepping in to pick up the work, leading to blurred roles and responsibilities, a decline in the quality of work, and individuals delivering without the necessary expertise; ultimately resulting in lower quality outputs across various functions.

Capability and team ratios

Evaluating team ratios relative to initiative values offers significant insights. In this context, the term "ratio" refers to the relationship between full-time equivalent (FTE) employees and initiative value. For example, as per the table below, a ratio of 0.2FTE: £330m indicates the amount of project controls resource allocation per initiative value.

A 2022 KPMG study conducted a comparative analysis of four similarly sized Capital Delivery Organisations, focusing on team resourcing levels and size. While the figures in the table are illustrative, the analysis revealed notable variances in resource allocation ratios across various capabilities. These findings highlight that there is no one-size-fits-all approach to resource allocation within Capital Delivery Organisations.

Initiative			Initiative A	Initiative B	Initiative C	Initiative D
Initiative value			£380m	£100m	£220m	£170m
Capability	Sponsor	Total FTE	0.2	3	4	1
		FTE vs initiative value	0.2 : £380m	1 : £33.3m	1 : £55m	1 : £170m
	Strategic oversight	Total FTE	3	0	2	11.4
		FTE vs initiative value	1 : £127m	n/a	1 : £110m	1 : £14.9m
	Project Management	Total FTE	11	5	6	7
		FTE vs initiative value	1 : £35m	1: £20m	1 : £37m	1 : £24.3m
	Design	Total FTE	4	4	6	3
		FTE vs initiative value	1 : £95m	1 : £25m	1 : £37m	1 : £57m
	Delivery	Total FTE	12	10	6	8
		FTE vs initiative value	1 : £32m	1 : £10m	1 : £37m	1 : £21m

Table 1: KPMG 2022, comparative study.

Organisations should tailor their staffing and resource deployment based on their unique operational strategies, risk tolerance levels and efficiency metrics. The variations in composition reflects differing priorities and operational efficiencies, suggesting that organisations may benefit from benchmarking against peers to optimise resource allocation and enhance initiative execution effectiveness. These variations provide a valuable benchmark for other organisations to evaluate their own resourcing strategies and adjust accordingly for optimal efficiency and effectiveness in delivery.

N.B: The figures presented in Table 2 are illustrative and do represent actual client data and have been adjusted for confidentiality purposes.

1.3

Interplay between team architecture and governance

An important aspect of designing effective teams is understanding the team architecture which refers to the strategic design and composition of teams, including how roles and responsibilities, decision making authority and workflows are organised. Unlike broader organisational structures as depicted within Figure 2, team architecture focuses on the internal dynamics of teams. This includes centralised and decentralised approaches, the span of control and how responsibilities are delegated within teams.

The interplay between team architecture and governance is crucial. Governance must permeate all parts of an organisation to ensure effective operations and delivery. However, when governance and team architecture is misaligned, it can lead to inefficiencies, gaps in accountability and unclear delegation of authority, ultimately impacting team performance.

The interplay of governance is particularly pronounced in the following areas:

Centralised and Decentralised approaches

Governance is closely tied to both centralised and decentralised approaches, each with its own set of advantages and challenges. Organisations should strive to minimise structuring teams in a way that creates dependencies on others for decision making, impeding task completion. This approach ensures that teams can operate more independently, reduce bottlenecks and increase efficiency.

Centralised

In a centralised approach, decision making authority is concentrated at the top levels of the hierarchy. This model typically aligns with a hierarchical organisation structure where resources are allocated in a top down manner.

Clear decision making processes: Centralised structures ensure that decisions are made by a small group of senior leaders, resulting in clear and consistent decision making processes across the organisation.

Resource efficiency: By concentrating resources at higher levels, centralised structures can optimise resource utilisation across multiple areas, ensuring that key functions are adequately supported.

Impeded decision making: However, centralisation can also create bottlenecks if decision making is too concentrated, slowing down response times and reducing flexibility in adapting to local needs or emerging opportunities.

Decentralised

In a decentralised approach, decision making authority is distributed across various levels and functions within the organisation. This approach often aligns with a matrix organisation structure, where resources are allocated more flexibly to different teams or initiatives.

Increased autonomy and responsiveness: Decentralised structures empower teams to make decisions closer to the point of action, fostering greater autonomy and responsiveness to changing conditions.

Dynamic resource allocation: Resources can be allocated more dynamically across different functions, enabling teams to quickly address specific challenges or take advantage of new opportunities.

Inconsistencies and misalignment: Without clear governance and oversight, decentralisation can lead to inconsistencies in decision making and potential misalignment with organisational objectives.

While many organisations lean towards the traditional model of a centralised organisational structure, a hybrid approach can harness the benefits of both models, offering agility and adaptability in response to evolving requirements.

Span of control

The span of control pertains to the number of staff a manager oversees and is an important consideration in organisational structure design. Determining the appropriate span of control significantly affects adaptability, communication and resource allocation optimisation. Governance principles shape the distribution of authority and responsibilities across the organisation, influencing the span of control. A well considered span of control enhances managerial effectiveness by promoting streamlined communication, facilitating quicker decision making and fostering a more agile organisation.

Narrow span of control

A narrow span of control means that managers oversee a smaller number of employees.

Enhanced oversight: A narrow span allows managers to closely monitor their teams, providing detailed guidance and support. This is particularly essential for overseeing complex tasks or higher risk projects.

Potential for reduced innovation: Close monitoring and control by managers can discourage risk taking, making team members less likely to suggest new ideas.

Resource allocation: A narrow span of control is typically utilised on complex, high risk initiatives, requiring the allocation of more senior or specialised personnel to ensure the necessary expertise is available to manage the complexities of the work.

Wide span of control

A wide span of control means that managers oversee a larger number of employees. This approach is more common in stable, routine, or business as usual (BAU) operations.

Cost effective management: A wide span of control can be more cost effective, as it reduces the number of managerial layers and spreads resources across a larger team. This is suitable for less complex, lower risk tasks.

Communication breakdown: When a manager supervises a large number of employees, it becomes challenging to provide adequate guidance, respond promptly and maintain effective communication with each team member.

Resource allocation: A wide span of control is typically utilised on more straight forward or BAU initiatives where more resources can be directed toward delivery, with fewer required for oversight.

Delegated authority

Delegated authority defines the formal hierarchy of decision making powers and responsibilities, establishing the flow of communication from top management down to frontline employees.

Considering the chain of command is critical when designing organisation structures, as it enables efficient decision making, strengthens reporting lines, clarifies roles and responsibilities, reduces ambiguity and enhances alignment with organisational goals.

Inadequate delegated authority

Slower decision making: When minimal authority is delegated, decision making becomes concentrated at higher levels, it can lead to significant delays. As a result, this can slow down operations, frustrate employees and cause missed opportunities.

Restricted decision flow: Minimal delegation restricts authority to higher levels, causing bottlenecks as decisions wait for upper management approval. This reduces operational agility and efficiency.

Employee disempowerment: Employees may feel disempowered and disengaged if they lack the authority to make decisions, leading to reduced productivity and job satisfaction.

Excessive delegated authority

Uncontrolled decision making: While rare, excessive delegation can result in a lack of coordination and control, where decisions are made without adequate oversight, resulting in inconsistency and potential conflicts.

Bureaucratic bottlenecks: Excessive delegation can result in multiple approvals, causing confusion and delays as decisions become slowed down in complex and inefficient approval processes.

Misalignment with organisational goals: When too much authority is delegated without clear guidelines, decision making may stray from broader organisational objectives, resulting in strategic missteps.

Conclusion

Amidst growing challenges and disruptions, a carefully deliberated organisation structure and team composition proves invaluable in alleviating barriers to success. Neglecting the significance of organisation structures and team configurations, while failing to tailor requirements to address these challenges, can impede progress. This is especially true when navigating diverse pressures, such as the demand for expedited, cost effective delivery, addressing skills shortages and managing increased, complex regulations. To ensure continued effectiveness, it is advisable to periodically conduct team effectiveness assessments.

These assessments help identify and address issues and guide the evolution of organisational structures. Regular reviews of team configurations are imperative to ensure they remain fit for purpose and continue to align with organisational objectives, promoting sustained success and adaptability in a dynamic delivery environment. While this module covers many of the critical considerations for refining organisational and team structures, it is important to remember that these are not exhaustive. Some additional key factors to consider include:

- **Delivery models:** Structuring teams and aligning resources to support the chosen delivery model
- **Make vs buy decisions:** Determining whether to build-in house capabilities or outsource to external providers
- **Project, programme and portfolio characteristics:** Structuring teams to effectively manage initiatives of varying complexity, scope, duration etc.
- **Stakeholder landscape:** Ensuring robust governance structures and clear interfaces with key stakeholders, both internal and external
- **Organisational culture:** Considering the impact the structure will have on organisational culture, collaboration and innovation
- **Scalability of solutions and structures:** Designing structures that can grow and adapt as the organisation scales up, without losing efficiency or effectiveness
- **Technological integration and adaptability:** Leveraging technology to enhance operational efficiency, while maintaining flexibility to adopt future technological innovations

How reviewing organisational structures and team compositions enhances efficiency and delivery

- **Enhanced organisational culture:** Strengthened collaboration and cross functional teams, fostering a cohesive work environment
- **Increased capacity for growth and adapting:** Efficient structures and team compositions free up resources, enabling scalability
- **Minimised delays and costs:** More effective decision making frameworks allow for quicker resolutions
- **Reduced operational costs: A** more efficient organisational setup minimises waste and streamlines processes
- **Decreased staff turnover:** Clearly defined roles and responsibilities improve employee and knowledge retention
- **Enhanced performance tracking and risk management:** Transparent organisational structures enhance ability to monitor performance and risks effectively

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