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Pepperdine University  
Graduate School of Education and Psychology

LEVERAGING GROWTH SYNERGIES IN A MULTI-UNIT BUSINESS THROUGH  
THE APPLICATION OF A MULTIDIMENSIONAL ORGANIZATIONAL DESIGN  
AUGMENTED BY LATERAL INTEGRATIVE MECHANISMS:  
A PHENOMENOLOGICAL CASE STUDY

A dissertation submitted in partial satisfaction  
of the requirements for the degree of  
Doctor of Education  
by  
Joel Bigley  
September, 2015  
Kent Rhodes, Ph.D. – Dissertation Chairperson

This dissertation, written by

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under the guidance of a Faculty Committee and approved by its members, has been submitted to and accepted by the Graduate Faculty in partial fulfillment of the requirements for the degree of

DOCTOR OF EDUCATION

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## TABLE OF CONTENTS

	Page
LIST OF TABLES .....	IX
LIST OF FIGURES .....	XI
ACKNOWLEDGEMENTS .....	XVI
VITA .....	XVII
Chapter 1. Introduction .....	1
Background of Problem .....	4
Purpose of the Study .....	15
Importance of the Study .....	16
Research Questions .....	17
Limitations of the Study .....	23
Summary of Chapter 1 .....	25
Chapter 2. Literature Review .....	27
Synergies .....	28
Organizational design. ....	29
Growth synergies. ....	30
Operative Synergies. ....	30
Relatedness. ....	31
Resources. ....	31
Market synergies. ....	32
Financial synergies. ....	33
Corporate synergies. ....	34
Profitability. ....	36
Sustainable growth. ....	36
Multi-unit synergy. ....	38
Interdependencies. ....	39
Conglomerate surplus. ....	41
Competitive advantage. ....	42
Sustained advantage. ....	43
Dis-Synergies. ....	44
Diversification .....	46
Multidimensional Organizational Design .....	53
Lateral Integrative Mechanisms .....	67
Designed Relationship with the Corporate Center .....	77

Leadership in a MOS .....	92
Contribution to Theory and Management Practice .....	98
Summary of Chapter 2 .....	98
 Chapter 3. Empirical Approach .....	 100
Qualitative Research Design .....	101
Case Study Selection .....	116
Research Approach .....	119
Phase 1. ....	120
Phase 2. ....	120
Phase 3. ....	120
Data Collection and Recording .....	121
Participants .....	123
Instrumentation .....	125
Data Process and Analysis .....	126
Precipitating Event .....	130
Quality of the Research .....	131
Summary of Chapter 3 .....	135
 Chapter 4. Data and Analysis .....	 137
Data Collection Schema .....	139
Purpose .....	140
Coding .....	141
Analytical Dimensions .....	144
Data Domains .....	145
Directional strategy .....	145
Optimized scope. ....	146
Selective focus. ....	146
Strategy method. ....	147
Endogenous Data .....	148
Roles. ....	150
Horizontal themes. ....	151
ERP system. ....	153
Capacity management. ....	157
Cost mitigation .....	159
Standardization. ....	161
Communication .....	163
Revenue growth. ....	166
Operational performance. ....	168
Leadership .....	171
Summary of horizontal themes. ....	173
Vertical dimension. ....	173
Alignment. ....	179
Performance. ....	183

Collaboration.....	189
Awareness.....	194
Leadership.....	201
Growth.....	217
Communication.....	221
Continuous improvement.....	223
Diagonal functions.....	226
Support diagonal.....	227
Client diagonal.....	234
Products and services.....	241
Synergistic experience.....	242
Positive synergistic experiences.....	243
Planning.....	244
Communication.....	247
Behavior.....	249
Execution.....	251
Positive experience summary.....	257
Negative synergistic experiences.....	257
Planning.....	258
Behavior.....	261
Communication.....	263
Awareness.....	264
Leadership.....	267
Negative experience summary.....	269
Self-interest.....	269
Autonomy.....	271
Administration.....	272
Culture.....	272
Outcomes.....	274
Algorithm.....	275
Collaboration in a MOS.....	278
Financial observations.....	282
Allocations.....	282
Cost.....	287
Revenue.....	292
Comparison.....	296
LIMs.....	300
Formal work-structures.....	301
Shared systems.....	304
Cultural mechanisms.....	307
Drift mitigation.....	310
Focused action.....	315
MOS action.....	317
Finance action.....	321
LIM action.....	323
Corporate action.....	330

Organizational aspects.....	335
Strategy and execution.....	336
Summary of endogenous data.....	338
Exogenous Data.....	338
Megatrend impact.....	339
Corporate center.....	347
Organizational inertia.....	347
Information.....	349
Support.....	350
Alignment as an influence.....	354
Drivers.....	355
Development.....	355
1MC.....	357
Scaling the MOS.....	406
Growth.....	423
Client wheel.....	423
Addressable market.....	425
LOB wheel.....	425
Sector wheel.....	426
Client interaction.....	427
Market penetration.....	431
Capability.....	432
Cost.....	434
Infrastructure.....	435
Products.....	436
System.....	438
Technical.....	441
Summary of exogenous data.....	446
Summary of Chapter 4.....	447
Chapter 5. Conclusions.....	450
Overview.....	450
Conclusions.....	455
Propositions and Findings.....	456
RQ1.....	458
Profitability synergy.....	459
Diagonal support.....	461
Diagonal client.....	462
1MC.....	467
RQ2.....	508
RQ3.....	526
RQ4.....	529
RQ5.....	538
ORQ.....	546
Implications of the Study.....	558



Theory.....	558
Research.....	566
Practice.....	571
Summary of Chapter 5.....	573
REFERENCES .....	576
APPENDIX A: GPS IRB Approval Letter .....	618
APPENDIX B: List of Definitions .....	620
APPENDIX C: List of Abbreviations.....	626

## LIST OF TABLES

	Page
Table 1. Horizontal Role Attributes by Category .....	152
Table 2. Participant Mapping by Location Structure .....	178
Table 3. Vertical Leader Theme Categories .....	179
Table 4. Alignment Themes.....	180
Table 5. Performance Themes .....	184
Table 6. Collaboration Themes.....	191
Table 7. Awareness Themes .....	196
Table 8. Proactive Leadership Themes .....	204
Table 9. Execution Leadership Themes.....	212
Table 10. Growth Themes.....	219
Table 11. Communication Themes .....	222
Table 12. Continuous Improvement Themes.....	224
Table 13. Positive Change Management Themes.....	243
Table 14. Negative Change Management Themes .....	257
Table 15. Collaboration Comments .....	281
Table 16. Financial Observations Themes.....	282
Table 17. Allocation Themes.....	284
Table 18. Cost Themes .....	288
Table 19. Organization Cost Themes.....	290
Table 20. Revenue Themes.....	293
Table 21. Comparison Themes .....	296

	Page
Table 22. LIMs: Formal Work Structures.....	303
Table 23. LIMs: Shared Systems.....	305
Table 24. LIMs: Cultural Mechanisms .....	308
Table 25. Drift Mitigation Themes .....	312
Table 26. Focused Action by Category.....	317
Table 27. Megatrends and Consequences: Market Observations .....	340
Table 28. 1MC Themes.....	362
Table 29. Meeting Types .....	428
Table 30. Meeting Topics .....	430
Table 31. Proposition - Research Question Mapping .....	453
Table 32. Strength Mapping to Theme Category.....	454

## LIST OF FIGURES

	Page
Figure 1. Topic overview .....	4
Figure 2. Management levels at MediaCorp.....	6
Figure 3. The multidimensional organizational structure .....	8
Figure 4. Cumulative life-cycle landscape .....	14
Figure 5. Research question topic overview map.....	19
Figure 6. Realized synergy advantage .....	29
Figure 7. The multi-unit organization prior to growth synergy .....	41
Figure 8. Growth synergy opportunities prioritized at the nodes .....	43
Figure 9. Life-cycle curve of a product or service.....	49
Figure 10. Strategic complementarity.....	52
Figure 11. MOS scalability .....	58
Figure 12. Lateral integrative mechanisms .....	69
Figure 13. Single case study framework for profitability.....	112
Figure 14. Transition timeline .....	118
Figure 15. Coding scheme sample for data analysis .....	128
Figure 16. Linking propositions to research questions .....	141
Figure 17. Coding flow chart .....	143
Figure 18. Data domains .....	145
Figure 19. ERP: Consistent usage theme map.....	156
Figure 20. Capacity utilization theme map.....	158
Figure 21. Cost mapping and management theme map .....	160

	Page
Figure 22. Standardization theme map .....	162
Figure 23. Communication theme map.....	165
Figure 24. Revenue theme map .....	167
Figure 25. Operational performance theme map. ....	170
Figure 26. Leadership theme map.....	172
Figure 27. MOS: Three embedded models .....	177
Figure 28. Alignment theme map. ....	182
Figure 29. Performance theme map .....	188
Figure 30. Collaboration theme map .....	193
Figure 31. Awareness theme map.....	200
Figure 32. Proactive leadership theme map.....	209
Figure 33. Execution leadership theme map.....	216
Figure 34. Location growth theme map.....	220
Figure 35. Communication theme map.....	223
Figure 36. Continuous improvement theme map.....	225
Figure 37. Diagonal support: Infrastructure.....	229
Figure 38. Diagonal support: System.....	231
Figure 39. Diagonal support: Development.....	233
Figure 40. Maintaining current client .....	236
Figure 41. Growing current client.....	238
Figure 42. Growing new client. ....	240
Figure 43. Positive change: Planning theme map.....	246

	Page
Figure 44. Positive change: Communication theme map .....	248
Figure 45. Positive change: Behavior theme map .....	250
Figure 46. Positive change: Execution theme map.....	255
Figure 47. Negative change: Planning theme map. ....	260
Figure 48. Negative change: Behavior theme map.....	262
Figure 49. Negative change: Communication theme map.....	263
Figure 50. Negative change: Awareness theme map.....	266
Figure 51. Negative change: Leadership theme map.....	268
Figure 52. Exploiting self-interest for profitability.....	277
Figure 53. Allocation theme map.....	286
Figure 54. Cost theme map .....	291
Figure 55. Revenue theme map. ....	295
Figure 56. Comparison theme map.....	299
Figure 57. Entropy mitigation theme map. ....	314
Figure 58. Focused action: MOS .....	319
Figure 59. Focused action: MOS synergy.....	320
Figure 60. Focused action: MOS support .....	321
Figure 61. Focused action: Finance theme map.....	323
Figure 62. Focused action: LIMs .....	326
Figure 63. Focused action: LIM knowledge. ....	328
Figure 64. Focused action: LIM's system.....	330
Figure 65. Focused action: Corporate theme map .....	332

	Page
Figure 66. Focused action .....	335
Figure 67. Megatrend theme map .....	346
Figure 68. Corporate: Organizational inertia .....	349
Figure 69. Corporate: Information .....	350
Figure 70. Corporate: Support initiatives.....	352
Figure 71. Exogenous scalability of a MOS .....	407
Figure 72. Assessing MOS scaling map diagram .....	412
Figure 73. Defining MOS scaling map diagram.....	414
Figure 74. Executing MOS scaling map diagram.....	421
Figure 75. Client wheel.....	424
Figure 76. Addressable market expansion .....	425
Figure 77. LOB wheel.....	426
Figure 78. Sector wheel .....	427
Figure 79. Meeting type theme map .....	429
Figure 80. Market silo penetration in the MOS .....	432
Figure 81. Market penetrator: Capability.....	434
Figure 82. Market penetrators: Products.....	438
Figure 83. Market penetrator: System .....	441
Figure 84. Sector strategies.....	443
Figure 85. Sector growth synergy mapping and execution.....	444
Figure 86. Synergy optimization.....	445

## DEDICATION

I dedicate my dissertation work to my family and many friends who have supported me throughout this process. Special gratitude goes out to my loving wife, Ingrid, who endured, listened, and offered words of encouragement. I will always appreciate all she does to support me.

I dedicate this work and give special thanks to the many people who work hard to make our company successful. They represent the best of what makes our global economy work. Their support was invaluable. I would like to especially call out the *co-researchers* on this project who are a critical part of the company and its success. It is their ability to execute with excellence that makes our brand what it is.



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## ABSTRACT

The realization of growth synergies across products and services in a global multi-unit firm is a topic of discovery that has substantial implications for the profitability of multi-national corporations. A driver for the realization of this incompletely tapped potential is the influence of organizational design. The scholar comprehensively examines a singular case study in which a multidimensional organizational design is used to exploit growth synergies in a global multi-unit firm. For many firms, collaboration is connected to synergy realization, which is critical to growth in saturated and emerging markets. Cross-business unit strategy research has been largely focused on diversification rather than on synergies. Additionally, the literature addresses synergy realization in very turbulent or static markets; however, in this case, the scholar illustrates how a multi-unit firm in a moderately dynamic market attempted to exploit growth synergy opportunities through (a) focused action, (b) the application of an organizational design that exploits decentralized collaboration, (c) lateral support mechanisms that preserve business unit (BU) self-interest, (d) a designed relationship with the corporate center, and (e) a singular context with clients. The intent of these actions is to enhance profitability theory by analyzing rapid evolutionary change in an integrated global value chain. This study attempts to show whether or not a multi-unit firm made of business units that are related diversifiers can be combined, or recombined, to exploit complementary resources. Furthermore, this study advances emerging research on the exploitation of multidimensional organizational design, its dynamic capabilities, co-evolutionary organization-wide change leadership, and cross-unit innovation.

## Chapter 1. Introduction

Corporate advantage, the profitable exploitation of a business opportunity, from cross-unit synergies in a multi-business firm is a high priority for increasing corporate profitability (Ansoff, 1965; Martin, 2002; Martin & Eisenhardt, 2001; Porter, 1985). Recent international surveys have shown that over 70% of international firms are benefitting from the exploitation of synergies between their business units (Mueller-Stewens & Knoll, 2006). For many firms this is critical for growth in both saturated and emerging markets. Portfolio diversification, by extending the range of services or products offered, has typically been the focus of strategic management research for firm profitability in turbulent markets. Consequently, research has generally excluded cross-business unit synergies (Li & Greenwood, 2004). Considering that experts say that there will be as much change in the next 10 years as was seen in the last hundred, the urgency for realizing synergistic growth only increases (Rose, 1990). Perhaps this is understated. Some information is available about synergies in static and radically dynamic markets; however, little is known about synergies across business units in moderately dynamic markets. In this context *moderately dynamic* is characterized by the scholar as three times the minimum volume swing during seasonality, a multi-year product life-cycle potential, intermittent volume surges to three times normal, and up to three times product complexity shifting. This research is relevant as many businesses fall into this category. Furthermore, recent studies have begun to suggest that product or service opportunities, referred to as sustainable competitive advantages, are experiencing shorter life-cycles (D'Aveni, Dagnino, & Smith, 2010). For the opportunities to resemble sustained corporate advantage the temporary advantages need to be concatenated together (Wiggins & Ruefli, 2005). Available research does not provide insight into

the achievement of this sustained profitable corporate growth in moderately dynamic markets through cross-unit synergies (Goold & Campbell, 1998), thereby setting the stage for this study.

This dissertation is divided into five chapters. In the first chapter, the scholar introduces growth synergies and their realization in a multidimensional organizational design that leverages lateral integrative mechanisms endogenously and firm *one-ness* exogenously in a moderately dynamic market. In this study the scholar will discuss the realization of growth synergies for the purpose of corporate advantage through several key ideas that are intended to influence management theory. Here, the background of the problem along with the research questions will be presented. Chapter 2 elaborates on the critical topics of the dissertation through an in-depth review of the literature on growth synergies within a context. This review will point to gaps that validate the research questions. Chapter 3 describes the method and research design. This chapter explains why an empirical approach is being taken based on phenomenology as a method rather than a tradition. The case study is the design based in tradition. The single case study design was chosen as it enabled the scholar to explore the topic in depth. Chapter 4 will reveal the data and findings of the case study. Detailed descriptions of exploratory work regarding leadership roles, synergistic experiences, financial observations, and focused actions are described. This discussion presents themes that emerged from the data collected at the case study research site. Through the empirical evidence the reader may draw conclusions relative to the scholar's interpretation of the data. Chapter 5 will discuss and summarize the scholar's conclusions and recommendations from the study by answering the research questions. Ultimately, the scholar aims to create a mid-range theory about sustainable growth synergy realization in multi-unit firms. The scholar will examine whether or not a multi-unit firm with an aligned focus and an organizational design that promotes self-directed decentralized collaboration, while preserving

self-interest, can promote sustained realization of growth synergies. Through a discussion of the theoretical and practical contributions of the results of this empirical study, this chapter provides a summary of the research. Finally, the limitations of this research are presented and suggestions are made for future study.

The topic overview is presented graphically in Figure 1. The upward arrow indicates symbolically an increase in profitability. This is supported by the multidimensional organizational design, lateral integrative mechanisms (LIMs), and a designed relationship with corporate. The organization experiences purpose through alignment. All of this is achieved with the execution of focused tasks that are related to growth synergies. Leadership supports the effort through motivation and inspiration.

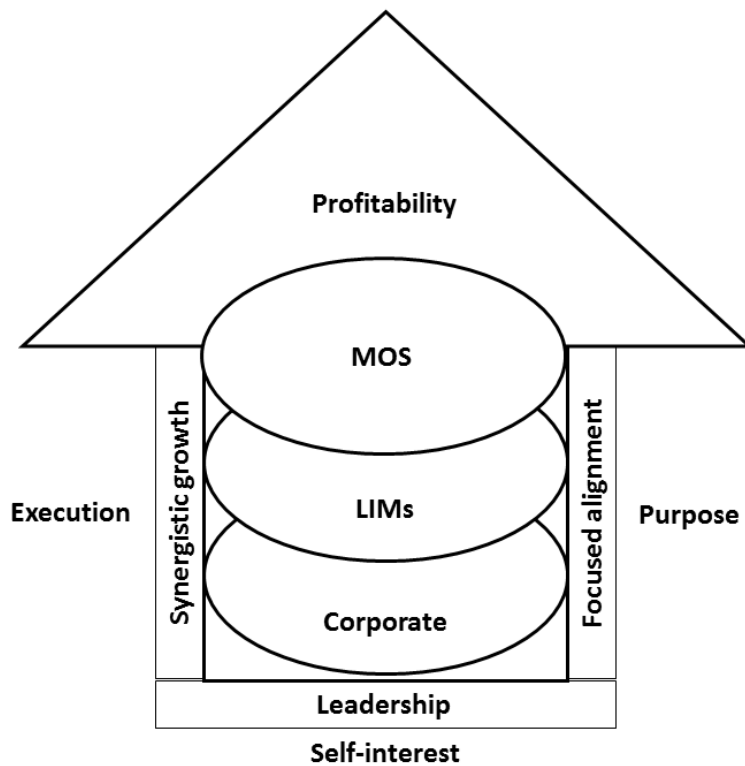


Figure 1. Topic overview. This figure is concise representation of the dissertation. It is the structure on which synergistic growth can occur.

### Background of Problem

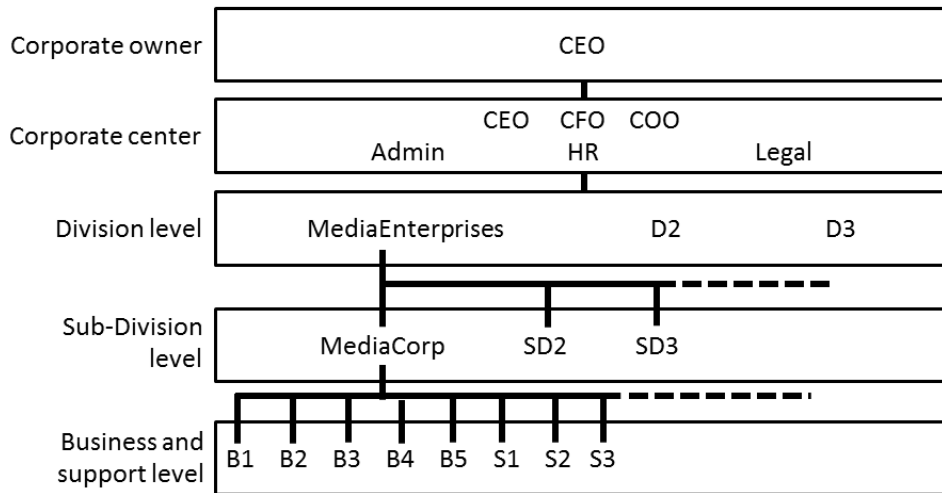
In this section, an overview of the case study company and its structure are given. Additionally, details about growth challenges are discussed. This is followed by a review of the deployment of the multidimensional organizational structure (MOS). Finally, the case description is presented followed by a summary.

MediaEnterprises is a privately held global company that operates in the entertainment industry. Annual revenues are around a billion dollars. There are approximately 7000 employees assisted by several thousand contractors, depending on volumes. Through a few dozen moderately related businesses, it offers a full array of *end-to-end* services at reasonable margins; some of the margins are good and some are tight as is typically the case in supply chain

scenarios. These products and services share, to some extent, common customers, workflows, infrastructure elements, and technologies in a global value chain. MediaCorp, a division of MediaEnterprises, has traditionally produced most of the profits for MediaEnterprises; however, the trend is downward due to the approaching end of a product's life-cycle in a moderately dynamic market. MediaCorp largely enjoys financial performance autonomy. Even so, the dynamic marketplace made it imperative that MediaCorp respond to the tension around the need for growth.

MediaEnterprises' overall corporate design is illustrated in Figure 2. It consists of leadership levels driven by the company's owner, referred to as the chief executive officer (CEO). The corporate executive committee, referred to as the corporate center, includes leaders of support functions such as finance and legal. MediaEnterprises includes the support functions that support other divisions in various technical infrastructure capacities. The corporate center assists with the deployment of policy. Under the corporate center are three divisions, one of which is MediaEnterprises. This division drives strategy for MediaCorp, as it is in the latter parts of the value chain. MediaCorp takes components built in upstream divisions and reconfigures them for direct delivery to clients through the value added actions of the business units. There are other operative businesses that are linked, sometimes loosely, by product type or service to other global businesses in the value chain. The corporate business portfolio is varied and is occasionally redundant across *siloed* divisions. Business strategies occasionally overlap creating competitive environments and self-cannibalization; however, coevolving businesses must tolerate collaboration and competition simultaneously as they become more capable for realizing growth synergies (Eisenhardt & Galunic, 2000).





*Figure 2.* Management levels at MediaCorp. This figure illustrates the structure of the company and the relationship between the owners and the business units.

Each division operates with a high level of autonomy and is responsible for earnings. The corporate center and the corporate owner level executives have no operative responsibilities; however, they perform business reviews and impose target agreements while seeking to understand operational performance. Each physical location has entrepreneurial responsibility for their markets. Each division has, to some extent, research and development, production, and sales capabilities and is partly responsible for the strategic management, holistically, of their sub-divisions. Regional businesses differ in size, competency, product or service offering, sector involvement, and scope of client base. The structure generally matches other businesses due to workflow similarities within products or services; however, the task and client scope influences overall structure and size. These businesses are financially bound by a yearly budgeting process which produces performance target agreements at the business level.

MediaCorp has more than a dozen profit and loss business units (P&Ls) and, for purposes of this dissertation, this is the lowest strategic planning unit and the focus of this single case study. MediaCorp has a global supply chain that includes more than a dozen locations in as many

regions. The balance of the P&Ls come from multiple business units in some of the locations. While there is local entrepreneurial responsibility, MediaCorp has a structured sales and account management staff representing their clients. These are identified in Figure 3 as being associated with clients described as C# in the diagram. The # digit is a proxy for any integer being used in the diagram next to a capitalized letter. For example, C1 is *client one* just as L2 is *location two*. Similarly, Prod# is generically used for a particular product. *Prod 3* is product three. A service is a set of activities for which revenue is gained that may not include a physical or digital delivery. Some of the global clients are regionally isolated. Local circumstances contribute to differences between each location and this is part of what the MOS is intended to resolve. There are some geographically driven legal differences that influence security procedures, but otherwise the workflows are very similar. The scope and volume of value adding activities provided is, however, variable. The structure itself varies depending on the tasks. These locations are linked through the budgeting process and the influence of support functions, like information technology (IT), for example. Each location (L#) employs a variety of workflow systems with the goal of consolidation into one enterprise resource planning system (ERP). Performance targets are generally agreed to locally; however, in some cases they are moved based on assumptions made by corporate and for purposes of applying stretch goals. There are opportunities at the intersection of the lines in the figure. This will be discussed later.

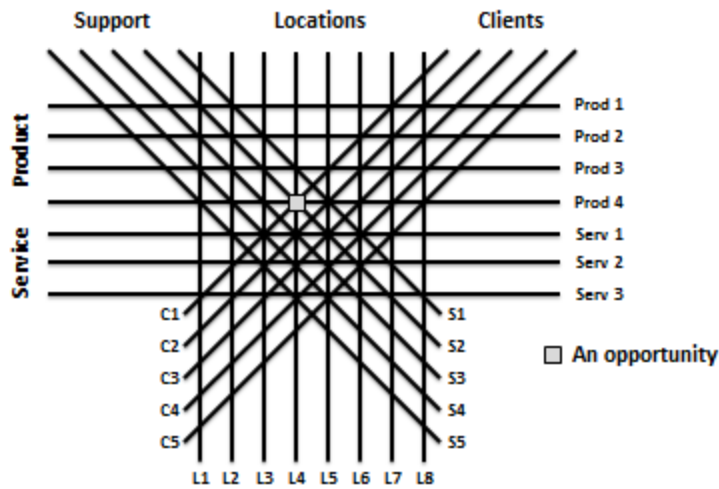


Figure 3. The multidimensional organizational structure. This figure illustrates the structure of the MOS including all four dimensions and the location of opportunities.

The decision was made to focus on growth, and so MediaCorp’s manager, the scholar, has deployed and stressed the benefit of a multidimensional organizational structure to jointly bear the operative responsibilities of the sub-divisions, arguing that it provides for flexibility and responsiveness to client needs in all locations over all functions. The intent was that this structure was built upon, or scaled, as it is extended to other sub-divisions and divisions. The culture at MediaCorp has been one of strategic and operational autonomy. While corporate will influence budgets by stretching them, interventions are rare and executives at this level are reluctant to become directly involved as they have been decoupled from operative activities. This has allowed MediaCorp to move to a structure with four dimensions including support functions (S#), client relations (C#), products or services (Prod #/Serv #), and locations (L#) as described in Figure 3. The company corporate center grants autonomy to the sub-divisions who are given global entrepreneurial responsibility for their markets. MediaCorp business managers unanimously stressed the importance and benefit of deploying the MOS arguing that it provided for functional support, sales support, product or service support, and local market

responsiveness. Furthermore, they emphasized organizational agility and eliminated capacity constraints through a strong culture of collaborative decentralization. While corporate center control was increasing, there remained a strong belief that MediaCorp be given substantial strategic and operational autonomy. Consequently, corporate center interventions were rare as these executives were cautious not to assume operative responsibilities.

The prior organizational design did not connect directly to the product or the market. Furthermore, opportunities for cross-selling of services emerged as an urgent strategy. The need for system integration became a requirement from clients so that they could track their orders end-to-end. The daily struggle for resources and conflict about revenue recognition between business units made it clear that a mono-directional organizational design (i.e. top down M-form) was in conflict with the need for growth in local and global markets. If the market changes, the organizational design needs to anticipate this. It ensures performance through entrepreneurship. A matching financial reporting construct needs to encourage appropriate behaviors of collaboration and growth. The company needed to evolve from the M-form to a multidimensional organizational design that is more meaningful to growth synergy realization. This was done while measuring business unit efficacy in servicing internal and external customers. The M-form has been the *theory in use* (Schoen, 1991) for executives and it has become apparent that managing within a single dimension is inadequate due to the required levels of *on-demand* collaboration. An open minded approach needed to be taken for adjustment to dynamic markets. More importantly, the firm needed to be positioned for the exploitation of growth synergies.

For the first time in its 100 year history, MediaEnterprises, and specifically MediaCorp, which contributes a significant portion of the overall profits, was not growing. In fact, year-on-

year profits were approximately half in 2014 what they were the previous year. This caused anxiety within the leadership of MediaEnterprises and the corporate enter. Continuous and intense competition was endangering profitability and the outlook was not optimistic as its primary products reached their highest points in their respective life-cycles. Other issues exacerbated the problem. Some orders were taken with pricing that was outside of contracted guidelines. The time to complete orders was reduced dramatically, pushing up overtime costs. A shift in administrative tasks from the in-house client staff to MediaCorp helped the client to reduce their costs while shifting the burden to MediaCorp. Overall revenue per product for the primary business line had fallen by about 40% over the last 12 months, due to the reduction in product variants. The count, and cost, of implanted personnel (staff located in the client's facility but paid for by MediaCorp) had not changed in line with revenue trends. Services that were offered for free with older more profitable pricing were continued despite the declining revenue trend. Payment terms were extended to clients to meet short term goals that influenced the P&L in the form of discounts. Unexpectedly, additional rebates were exploited by clients. Clients also decided to cancel extra features that enhanced MediaCorp's profitability. This reduced product differentiation in the marketplace and encouraged commoditization of existing and new products. The client's process of supplying fit-for-use parts improved reducing overage opportunities previously enjoyed. Finally, with the reduction in the number of variations of each product, the ability to redundantly exploit product configurations and operational activities was reduced. All of MediaCorp's businesses were operating in highly competitive markets with a small set of competitors vying for work from a small set of customers. The resultant *captive vendor* environment enabled the clients to exact discounts with impunity as they played one vendor off the other, or just dictated prices. Vendors that had one-off work at low volumes did not have the

financial resources to invest in new technologies as product life cycles came and went. This narrowed the field and accelerated consolidation in the industry. The surviving vendors had to achieve high volumes in order to sustain financial profits. In some cases sole supplier contracts were awarded to vendors, like MediaEnterprises, but with substantial pricing compression. This was further promoted by a sales effort to capture bulk orders with limited margin. Otherwise, client culture was to have a number of vendors as risk mitigation measure. Clients were forced, however, to move towards a sole supplier to achieve ongoing technology investments, as the vendors were disappearing from the starved vendor pool.

Within the MOS, each client (C#) had a representative responsible for performance from a P&L perspective. The overall revenue and profit margin per client was made available, and was scrutinized. Additionally, these metrics were available by service and location. Some of MediaCorp's markets were becoming saturated. The only reprieve would come from new formats; however, these opportunities were limited due to reduced format life-cycles and fragmented user adoption, which in turn limited the opportunity for profitability. Regardless, these opportunities required substantial R&D and capital investment. Clients became dependent on MediaCorp's capital resources, leveraging them for new revenue opportunities; however, there was uncertainty around growth potential and some formats declined after volatile launches. While staying on the leading edge of new developments and with the encouraging prospect and hope associated with new formats, MediaCorp overcommitted resources to the maturing of these products. Some were cancelled by clients or adopted slowly by consumers. In general, product fragmentation in the marketplace led to a lack of consensus in the industry, confusing early adopters. Forecasted potential revenue loss based on client intentions added to corporate anxieties. A dyadic conflict existed between representing potential revenues to appease the

corporate and the reality of historical format successes that should have been expressed more conservatively.

Clients complained about a lack of coordination between businesses and across products contributing to service dissatisfaction. Other vendors, and the clients themselves, had a more integrated approach than MediaCorp. To make matters worse, there were price wars between MediaEnterprises business units out of desperation to capture revenue. To clients it was just as difficult to take their work to three disparate vendors as it was to work with three silos within MediaEnterprises. This exacerbated recent initiatives to promote the benefits of bundling or purchasing end-to-end services. The *One initiatives* of competitors enabled them to gain competitive advantage from a more integrated, cross-unit approach. The inability to capture large projects, the unwillingness of clients to allow MediaEnterprises to consume a large percentage of their budgeted *spend*, and not using the full potential of the sales force kept MediaEnterprises from realizing potential profitable growth.

Markets that MediaCorp supplied quickly became saturated with product and thus, profitable growth was at risk. Vertical growth opportunities were limited by decisions that clients made about their product offerings. MediaCorp then decided to pursue one-off bulk work and expand its client base in other sectors. This was, however, unfamiliar territory and it was difficult to win new work without endangering profitability. An analysis of market needs against MediaCorp capabilities revealed a number of opportunities. Gaining entry into these markets resulted in pricing concessions. This work consumed capacity while producing minimal contribution margin. In fact, the overall financial performance trended poorly as a result. New sector nuances with regard to compliance and culture added complexity, created conflict, and stretched resources. Furthermore, an analysis was done of untapped market segments within the

control of existing clients. These were vigorously pursued, as the ability to network using existing contacts was potentially fruitful. Unfortunately, with penetration comes pricing concessions in order to gain entry (Porter, 1985). While this increased revenues, it put stress on profitability and the organization struggled to meet the demands of the complex undulating landscape as described in Figure 4.

The landscape is made up of many life-cycles in play at MediaCorp at any given time. The value of each life-cycle curve depends on many variables including complexity, size, and the effort needed to make each product or perform the service. For example, existing work may be of a lower volume, but then with seasonality the volume increases. Overall value can be enhanced with an increase in complexity or from new product launches. Even fees from an ERP deployment can create revenue. A leader would need to successfully navigate the cumulative effect of these undulations. In the case of MediaCorp, this landscape was unpredictable for the most part. Multiple industry trends are involved; however, what a vendor experiences within those trends is difficult to predict. Even clients were unable to predict what they required, as they are manipulated by the same megatrends. As a result, forecasting information from the clients was largely inaccurate.



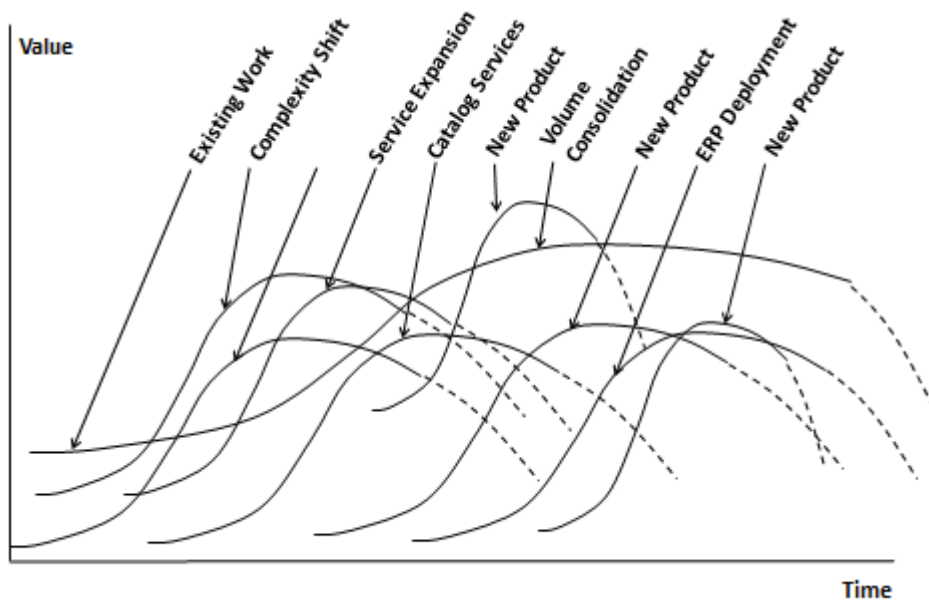


Figure 4. Cumulative life-cycle landscape. This figure illustrates the cumulative landscape of life-cycles in which the MUF must operate profitably.

Corporate promoted growth challenges even though there was severe pressure from existing markets. Customer requirements were changing. The need for new technology and complex systems was emerging. New markets were difficult to penetrate. The cumulative effect of these issues underlined the importance of growth synergies. Growth synergy realization could compensate for weak growth rates by client, by product or service, and by market globally. Additionally, the increased demand for cross-unit solutions was an indicator of growth synergy potential; however, these efforts had traditionally been accompanied by discounting, thereby increasing cost ratios and eroding margins. The realization of profitable synergies could reduce the overall financial discount MediaEnterprises was experiencing. Not only did the inadequacy of the cross-selling initiative trigger decisions about focus on growth synergies but it was also the trigger for alignment around several critical initiatives.

In summary, MediaCorp's aggressive budget was unrealized in 2014, primarily due to market changes, even though the division had been a large contributor to profits over a sustained

period of time. This loss, along with other shortfalls in other divisions, altered the corporate mindset to focus on growth synergies. The tension, combined with an entrepreneurial culture, challenged the organization to recalibrate. It was compelled to deal with emerging market trends and the inertia in its traditional structure. Some of the financial issues promoted desperation in the units. To experience profits, they used disruptive tactics and client stealing. Internal competition became unhealthy. The opportunity for a more effective method to realize growth synergies became apparent. The leader of MediaCorp deployed the MOS to enable the organization to exploit growth opportunities in a dynamic market. Some specific strategies in MediaCorp included horizontal synergy realization across locations. Additionally, clients were expecting a one-ness within MediaEnterprises that had not been achieved due to corporate silos. The enterprise was challenged by growth stagnation, price erosion, changing client needs, a technology vacuum, emerging product types, and the ending of existing product life-cycles. Clients imposed production oriented market share limitations that were difficult to overcome in an environment of survival-oriented competition.

### **Purpose of the Study**

The purpose of this study is to establish a perspective based on empirical research on cross-business synergies that leads to growth in a multi-unit global business. The focus of the study is on concepts that include a multidimensional organizational structure and a one-ness strategy. The scholar intends to increase understanding around the following issues:

- Various types of growth oriented synergies can be leveraged by a multi-unit firm (MUFs) that has leveraged a multidimensional organizational design (MOS).

- A multi-unit business can achieve profitable growth through effective collaboration-based mechanisms strategically inserted across dimensions in a multidimensional structure.
- Corporate can perform a selective and supportive role that contributes to MOS capabilities in the addressable market.
- Lateral control mechanisms can influence the achievement of synergistic growth.

The scholar intends to shift the thinking of corporate strategy to being more growth oriented and less exclusively cost-reduction oriented. When this occurs, overall corporate value will increase through the exploitation of growth opportunities across businesses and between dimensions in a multidimensional organization. This study addresses the research questions posed by the scholar. In answering these research questions the scholar aims to close the gaps in theory and create understanding through an exploratory empirical case study. This study draws on theoretical and empirical insights to inform management theory on cross-unit synergies for the practical purpose of improving corporate performance.

### **Importance of the Study**

A critical result of this dissertation, or the expected deliverable, is a taxonomy of cross-business synergy realization mechanisms as well as empirically based theoretical insights. These will be represented as propositions that emerge from empirical data regarding the sustainable realization of growth synergies in a particular business context. The context is an uncommon and novel organizational topology as applied to a cross-unit firm. Within this taxonomy, categories of cross-businesses synergy sources and their relationship for sustained corporate advantage are discussed. Additionally, constructs enhancing lateral collaboration are described. The leadership of these structures is critical to their influence of goal achievement, and so the roles of leaders in

an effective multidimensional organizational structure that leverages lateral control mechanisms will be described. Ultimately, this dissertation will provide contributions to mid-ranged theory of sustainable growth synergy realization through the successful deployment of several organizational constructs endogenous (ex. relationship with quality control) and exogenous (ex. relationship with corporate finance) to a multi-unit firm (MUF).

This study aims to augment existing theories that relate to organizational strategy. The primary contribution of this dissertation is new empirical insights about the effects of a multi-dimensional organizational design augmented by lateral integrative mechanisms on growth synergy realization. These results will therefore be relevant to the achievement of sustained profitability and competitive advantage by focusing a MUF on business unit relatedness and strategic complementarity. A co-evolutionary perspective of change is discussed for the purpose of promoting sustainable, as opposed to temporary, corporate advantage. The singular case study approach will reveal and support empirical exploration through data review and analysis, and exploitation, through focused action. Furthermore, this research attempts to contribute to practical management theory as it relates to identifying opportunities for ongoing corporate value generation. This study challenges radical downsizing where there is market uncertainty as a default strategic solution for profitability and encourages, rather, co-evolutionary adaptation through an organizational design that promotes profitable growth.

### **Research Questions**

Research questions focus the research and help reduce ambiguity within the study. This is especially relevant to phenomenological case studies (Punch, 1998). A scholar can be quickly overwhelmed by the data if the research questions are not specifically defined and framed within a suitable scope (Eisenhardt, 1989; Yin, 1994). Punch (1998) suggests two strategies for

developing research questions. The research questions can be formed from existing research before the actual study or the questions can be formed inductively during the study. The scholar will employ an approach that includes the forming of the questions in an interview protocol that leads to follow up questions, as part of the approved protocol, for purposes of creating additional clarity where needed. The specific detail of the research questions were iteratively influenced through literature research and through a review of preexisting company data. The questions are graphically displayed in Figure 5, the topic overview diagram.

Figure 5, like Figure 1, shows the overall themes in this case study. The research questions (RQ#) are mapped to each element of the diagram. The overall research question (ORQ) is in the top of the arrow. This is a general question that relates to profitability from which the others are specifically developed. The first research question relates to the influence of the MOS on profitability. The second research question relates to the influence of exploiting growth synergies for realizing profitability. The third question seeks to understand the relationship between corporate and profitability achievement by supporting the MOS design. The fourth question relates to the influence of LIMs on profitability. The last question relates to the influence of alignment on profitability.

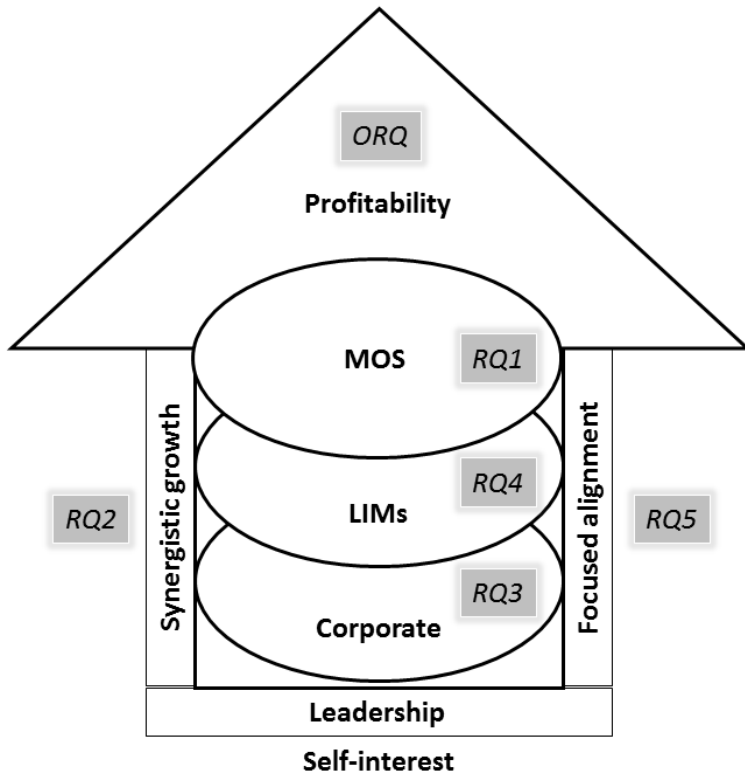


Figure 5. Research question topic overview map. The overall representation of synergistic growth with the research questions assigned to each element.

This phenomenological case study has an overriding research question (ORQ): How can a multi-unit firm realize cross-unit growth synergies? This question is too broad to guide the scholar as multiple aspects of the question need to be considered. With this general question in mind, however, the scholar further made specific this question by pursuing different aspects of it (Strauss & Corbin, 1990, 1996). The general research question is related to cross-business synergies in five ways as follows: (a) categories of realizable cross-business growth synergies in a moderately dynamic market, (b) an investigation into growth-oriented synergies in a multi-unit global value chain managed by a MOS, (c) an understanding of the role of the corporate center, (d) the influence of lateral control mechanisms, and (e) the influence of a one-ness strategy and alignment in general. In each case the scholar went to the literature for a focused review of the question themes. This helped the scholar classify different types of cross-unit synergies.

Ansoff (1965) and Porter (1985) published their seminal works five and three decades ago, respectively. Since that time there has been little additional typological information provided by scholars regarding cross-business multidimensional growth oriented synergies that are grounded in theory. This led the scholar to attempt to close this gap by identifying a topology for cross-business synergies in a global supply chain organized in a multidimensional organizational design. This then led the scholar to the first research question (RQ1): What types of growth synergies, if any, can a multi-unit business, multidimensional organizational structure realize? There is very little information in the literature about the unique combination of a MOS in a multi-unit firm. The scholar aims to answer this research question by providing further insights into the integration of this organizational design into a multi-unit firm. This data will be provided through an interview process of participants involved in the transition to this design. The associated success factors and challenges are revealed in this single case study.

This dissertation focuses on how multi-unit businesses in a multidimensional structure can capture corporate value through the sustainable realization of growth synergies. While the first research question identifies the relationship between organizational structure and the realization of cross-unit synergies, the second investigates growth synergies through focused and selected action. With the exception of Martin (2002), research is too empirically immature to provide adequate insight into synergy realization. Consequently, the second research question (RQ2) that this study explores is: How do multi-unit firms with a multidimensional organizational structure continuously realize the benefits of growth synergies, if at all? The scholar aims to answer this question by developing an empirically substantiated theory of sustained growth synergy realization in a multi-unit business. This data will be collected from stakeholders (owners of P&Ls) in the business units through an interview process. This study

attempts to increase scholarly thinking beyond the efficiency-oriented view of corporate strategy, where corporate value is achieved through cost reductions and capacity balancing, to a growth-based view of corporate strategy that exploits growth synergies across businesses. This leads to the next research question.

The design of the corporate center is critical to the performance of the structure under its influence. This dissertation attempts to close the gap in the literature regarding the influence of the corporate center on continuous and sustained growth synergies (Palich, Cardinal, & Miller, 2000; Rumelt, 1974; Wrigley, 1970). The role of the corporate center and how this role, through the support of strategic action, integrates effectively into a MOS with a varied client base and product line is complex and needs to be understood. Hence the scholar poses the third research question (RQ3): What is the role, if any, of the corporate center in the context of this case study? The scholar aims to answer this question by providing further insights and by increasing scholarly understanding around the relationship between the corporate center and the MOS; specifically with regard to how it influences continuous growth synergy realization. This data will be collected from stakeholders who benefit, and are influenced by, their relationship with corporate functions. To further refine the organizational discussion the fourth research question is posed.

Lateral integrative mechanisms (LIMs) are critical for the success of a MOS. LIMs help connect the multidimensional organizational structure dimensions and influence how they interface with the corporate center. They are complex, situational, and dynamic. This study attempts to provide research information about the nature of LIMs, how they are constructed, and how they influence growth synergy realization by connecting relevant networks and enabling the exploitation of knowledge, the most strategic resource in an organization (McEvily &



Chakravarthy, 2002). Hence, the fourth research question (RQ4) that this study explores is: How can lateral integrative mechanisms influence, if at all, growth synergies in a MOS? The scholar aims to answer this question by providing further insights into the nature of this needed structure and how it works in the context of a MOS. There is little information in the literature about LIMs and so this singular case study contributes to scholarly thinking about LIMs and organizational theory in general. This data will be collected from stakeholders in the MOS, from LIM leaders, and from LIM members. When the organizational discussion is completed, the next emphasis will be on the alignment of the organization as posed by the final research question.

An organizational topology designed around an aligning norm, in this case one-ness, enables agile behavior optimizing the organization's success potential in a moderately dynamic environment. This relates to an organization's ability to focus its experience, skills, information, and routines on growth synergies collectively (Almeida & Grant, 1998; Grant, 1991, 1996; Santos & Eisenhardt, 2005; Winter, 1987). This alignment may be described simply as a mindset that guides decisions. There is a general lack of literature that describes these types of emerging initiatives. The scholar aims to overcome cognitive inertia (Huff, Huff, & Thomas, 1992) by increasing knowledge around the execution of achieving one-ness in a MUF. Consequently, the scholar explores the fifth research question (RQ5): To what extent, if any, does a one-ness strategy align a MUF to influence growth synergy? The scholar aims to answer this question by providing further insights into an alignment strategy through a single case study with the understanding that some of the observations and experiences can be beneficial to others. The scholar intends to capture this data by collecting relevant information from participants in the *One Media Corp* (1MC) initiative. Managerial theory may be influenced as MediaCorp's experience is studied within this context.

## **Limitations of the Study**

The scholar is attempting to develop generalizable theoretical findings based on the empirical results of the study. Even so, this dissertation will encounter several limitations concerning theory and empirical study. The limitations are as follows:

1. There will be some weaknesses regarding the generalizability of the findings. The single case study approach will be based on approximately 20 in-depth interviews. Given that the phenomenon under investigation is novel and complex, this methodological choice seems reasonable. The research method mandates that in-depth observation is required for collecting and analyzing the resultant holistic data (Eisenhardt, 1989; Miles & Huberman, 1994; Siggelkow 2007; Yin, 1994). The choice of a phenomenological case study using a qualitative approach is affirmed; however, the generalizability of results is not exact due to the context of the case. The context is defined as a moderately dynamic environment, a large size organization with a multi-national organizational structure, and a business with a relatively low degree of relatedness within a vertically integrated value chain. Other firm-specific factors, such as company history, may influence the exactness of the generalizations. The scholar understands that comparative case studies within similar contexts would help better ground evolving theories.

2. A single case study approach does not make it possible to determine the significance and weighting of drivers for the realization of sustainable growth synergies. Drivers may occur in unique situations relevant to the single case study; however, they may not be relevant in general. Consequently, their general relevance may not be understood. This includes the relative importance of strategic actions and organizational design factors. While the scholar may be able to uncover key success factors, he may not be able to reliably and accurately determine their significance apart from outcomes present in the single case study. Further comparative results

may be obtained from a multiple case study that has the potential to produce quantitative results; however, this approach would have made the study unmanageable due to the enhanced scope.

This limitation may point to the need for quantitative follow-up studies.

3. The research will be limited by subjective interpretations of the data. This will lead to various theoretical constructs from qualitative information provided by participants. Subjective biases are reduced through the review of the coding process (Yin, 1994), using key informants for validating results (Mayring, 1996), and by following data analysis (Strauss & Corbin, 1990, 1996). Even so, this research still has associated risk due to potential subjective and invalid interpretations of quotations.

4. Several meaningful metrics, from preexisting company data, will be used to assess the extent to which growth synergies were successfully realized. Metrics such as average changes in interview ratings, job descriptions, qualitative assessments validating performance, and financial results over a time span of 10 months (from 1/24/2014 – 10/30/2014) could be among the preexisting data that will be used. While this is a short period for the assessment of sustained growth synergies, the scholar feels that this is adequate given the speed of the change driven by the transition from an M-form design to a MOS. Additionally, this data will be augmented and potentially validated by interview data that will be collected over approximately 60 days and which will relate to the experiences of the stakeholders who went through the transition. In the event that a longer period of time would have been used for the investigation, other important success factors may have emerged. Unfortunately, a longer-term observation period is beyond the time scope allotted to this study and this additional data would likely have produced little additional value.

5. While this research design is holistic and multi-faceted, there were some limitations with regard to theory building. The nature of phenomena under investigation is complex as it includes strategic focused action, organizational design, and corporate management. As a result, the development of a complete and fulsome theory is constrained (Miles & Huberman, 1994). Given that reality based phenomena tends to be complicated, it follows that this study can only offer a mid-range theory of continuous growth synergy realization while developing thought-provoking and new perspectives that may inspire creative theorizing in the future.

6. Finally, the selection of variables may be incomplete. While the analysis is focused on MUF factors of growth synergy realization, like strategy and organizational design, other factors like leadership efficacy, human resource inspiration, and the embedding of human networks were generally neglected. These factors at the initiative level and personal level may impact successful cross-business unit collaboration (Martin, 2002; Martin & Eisenhardt, 2010) and, consequently, on the sustainable realization of growth synergies. As a result, the scholar suggests that further research is required for developing a more holistic theory on realizing sustainable growth synergies.

## **Summary of Chapter 1**

In the first chapter, the scholar created a platform for the study. The purpose of the study is to create understanding around how a MUF can realize growth synergies through the deployment of a MOS augmented by LIMs and a designed relationship with the corporate center. The outline of the paper was presented along with the purpose and critical results of the study. The background of the single case study was revealed through a discussion of the company's structure, the multi-dimensional organizational design, and the general state of the company. This state was the compelling reason for changing the company's current pursuit of growth

synergies. Existing efforts to expand the company's portfolio proved inadequate for the profitability challenge. The research questions were posed, revealed, and discussed. The scholar indicated how the questions would be answered in this dissertation. Finally, the limitations of the study were noted. Cross-unit synergies are not just a compelling theoretical idea, but they are real as exposed in this empirical study, thus, reiterating the research objectives.

## Chapter 2. Literature Review

In this chapter the scholar will provide a summary of the relevant information that management literature exposes within the scope of this phenomenological case study. As it is a single case study, the information will be relatively high level and broad and should not be considered to be exhaustive. As a result, this leaves opportunity for further inquiry. The scholar is studying a unique combination of organizational factors as applied to a global multi-unit firm for the purpose of achieving growth related synergies. This is the essence of the narrow scope of the study. While referencing the literature, the scholar points to the gaps that ultimately are intended to inform the research questions.

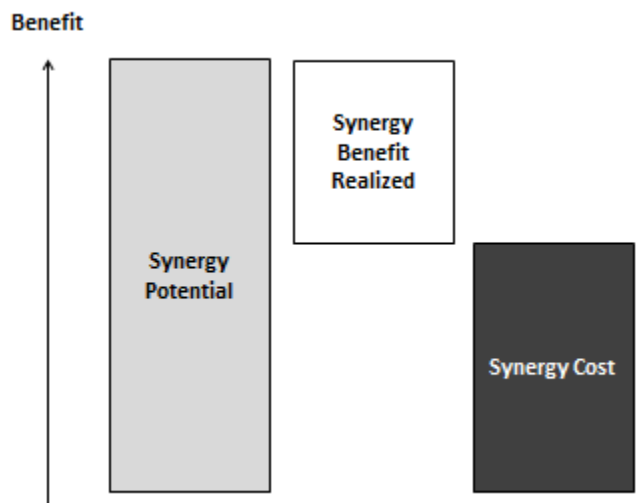
The literature review for the study begins with a discussion on synergy as reflected in the literature. As described, growth synergies in a MUF are a sub-set of operative synergies; consequently, the literature review in this case is focused on research that relates to growth synergies in a multi-unit firm managed by a multidimensional structure and which is supported by secondary work structures. Following Igor Ansoff's (1965) introduction of the idea of synergy as a part of strategic management, scholars have only considered it indirectly as it pertains to diversification. The scholar goes on to describe diversification, as it is a common incomplete strategy that firms use for realizing or sustaining growth. The literature suggests three types of diversification based on the deliverables that come from operational units with common attributes (Barney, 2007; Rumelt, 1974). The scholar continues to discuss organizational structure including multi-dimensional organizational structure, lateral integrative mechanisms, and corporate design. Within any design, leadership is needed to exploit profitable opportunity, which is referred to as corporate advantage (D'Aveni et al., 2010). This is then discussed. In each section the scholar describes critical aspects of each discussion area for the purpose of

identifying general gaps in the literature that suggest the need for this empirical study and the associated research questions.

## **Synergies**

The importance of exploiting synergies in multi-unit firms has been emphasized by researchers for decades as part of the decision-making process regarding mergers and acquisitions (Larsson & Finkelstein, 1999) and for cross-business collaboration in multi-business firms (Ansoff, 1965; Martin, 2002; Porter, 1985). The etymological roots of the word *synergy* are in the Greek word *synergia*, or *together work* (Boyd & Headen, 1978, Synergy, n.d.). The term is refined further by Fuller (1975) in three ways; (a) where combined action is favored over the sum of individual actions, (b) where the behavior of whole systems is unpredictable in relation to the behavior of each part, and (c) where the cooperative behavior of two or more stimuli results in a different or greater response than the sum of the individual stimuli. Ansoff (1965) is credited with bringing this concept of combined action into strategic management. He describes the effect of synergy as the effect of a whole being greater than the sum of its individual parts while understanding that there is a cost associated with combining the parts (Sourabh, n.d.). Martin and Eisenhardt (2001) further define cross-business synergies as “the value that is created and captured, over time, by the sum of the businesses relative to what it would be separately” (p. 3). Other scholars express the value added by synergies between dimensions in a business structure. A substantial contributor is cross-business unit collaboration. Most research suggests that the differences between firm performances are attributable to industry or business level effects (Rumelt, 1991); however, more recent studies have suggested substantial corporate effects (Bowman & Helfat, 2001; Roquebert, Phillips & Westfall, 1996). Furthermore, a recent study by Anand and Byzalov (2007) suggests that cross-business synergies do exist.

**Organizational design.** In this case study, the organizational design critical for achieving growth synergy potential is represented by the layers in the multidimensional organizational design (MOS) as described in Figure 3. Actual synergy realization typically does not equal synergy potential. The actual synergy realized is rather the difference between synergy potential and synergy realization costs, as illustrated in Figure 6. Critical factors in achieving synergy benefits include tacit knowledge, expertise, the presence of mature and relevant processes, a close match in products and markets, financial strength, a clearly communicated vision and strategy, a suitable reward system, leadership efficacy, and the ability to create and sustain change momentum (Loomer & Harington, 2003). Synergy generally enables the increased application of underutilized strengths (Bellis, 2012). In the MOS, opportunities, regardless of the type, are represented by the intersections of the dimensional lines in Figure 3. The scholar will refer to these intersections as nodes. The scholar will now go on to describe synergies more completely.



*Figure 6.* Realized synergy advantage. This figure illustrates the value of a synergistic opportunity that is exploited.



**Growth synergies.** While the first research question identifies the relationship between organizational structure and the realization of cross-unit synergies, the second investigates growth synergies through focused and selected action. The exploitation of growth synergies can lead to profitability, pricing power in the marketplace, the ability to leverage strengths, and scalability with minimal cost. Growth synergy has been neglected in the literature. Operative synergies, prevalent in the literature, represent sustained performance advantages of multi-business firms that leverage operative resources across businesses that exhibit relatedness. According to Mueller-Stewens and Knoll (2006) they are prioritized on corporate agendas. Unfortunately, growth synergies are typically explored through the lens of product and service diversification. Empirical studies typically use operative synergies for describing the impact of relatedness, as described by the presence of similar activities and shared resources at various points of the value chain (Davis & Thomas, 1993). Relatedness may also exist between business units of diversified firms (Amit & Livnat, 1988; Berger & Ofek, 1995; Christensen & Montgomery, 1981; Grant & Jammine, 1988; Lang & Stulz, 1994; Ramanujam & Varadarajan, 1989; Rumelt, 1982; Simmonds, 1990). In order to further contrast operative synergies from growth synergies, operative synergies are now discussed more fully.

**Operative synergies.** Managers of multi-unit businesses desperately search for synergies within their businesses. Recent studies suggest that they exist (Goold & Campbell, 1998); however, scholars have not yet established a research perspective for cross-business synergies in a multi-dimensional context. The exploitation of operative synergies can lead to profitable corporate growth. This type of synergy has, to some extent, been generally neglected in the literature. Operative synergies represent sustained performance advantages of multi-unit firms

which leverage operative resources across businesses that exhibit relatedness (Martin & Eisenhardt, 2001).

**Relatedness.** Empirical studies typically use operative synergies for describing the impact of relatedness as described by the presence of similar activities and shared resources at various points of the value chain (Davis & Thomas, 1993). Relatedness may also exist between business units within diversified firms (Amit & Livnat, 1988; Berger & Ofek, 1995; Christensen & Montgomery, 1981; Grant & Jammine, 1988; Lang & Stulz, 1994; Ramanujam & Varadarajan, 1989; Rumelt, 1982; Simmonds, 1990). Relatedness is sometimes referred to in the context of economies of scope (Bailey & Friedlander, 1982; Panzar & Willig, 1981). While economies of scope refer to economics around increased production of multiple products, economies of scale are related to cost economics associated with increasing the output of a single product. Scope economies often occur together with scale economies and so are often included in firm expansion discussions (Cappron, 1999; Collins & Montgomery, 2005). Operative resources that may be related are tangible and intangible resources necessary for ongoing operations that may include product knowledge, product components, and production facilities that represent production capacity. By contrast, while operative synergies benefit cost-related profitability, growth synergies substantially benefit profitability, as they occur when unique, rare, and complementary resources are combined strategically.

**Resources.** Functional synergies contribute to corporate advantage when resources are better utilized because they are difficult to find. In this way the organization is exploiting the agency and transaction advantages of the firm (Jackson, 2009). A *super-additive* benefit occurs from a cost efficiency perspective if it is significantly less costly to combine two or more highly sought after resource combinations into one organization than it would be to use them separately

(Panzar & Willig, 1981). These profitability benefits are experienced when non-imitable resources are shared to stimulate growth when an opportunity presents itself. This benefit occurs while exploiting the economic impact of underutilized resources across multiple units. While physical production has been the focus of efficiency synergies (Panzar & Willig, 1981), growth synergies may also occur in non-production activities like research and development (R&D) (Davis & Thomas, 1993; Wiessmeier, Axel, & Christoph, 2012) and may include intangible resources like best practices and brand image (Milgrom & Roberts, 1995; Montgomery & Wernerfelt, 1988; Prahalad & Hamel, 1990; Szulanski, 1993).

**Market synergies.** Conglomerate power, also known as market power synergies, are profitability-based advantages of MUFs that are exploited by leveraging relatedness across businesses and market power resources (Dutta, Dutta, & Das, 2011; Martin & Eisenhardt, 2001). Market power resources include all sources the firm uses for reducing competition and increasing prices. This synergy is achieved by several means, including mutual forbearance, complementary products, reciprocal buying and selling, bundling, and predatory pricing (Almeida & Grant, 1998; Bernheim & Whinston, 1990; Karnani & Wernerfelt, 1985). Predatory pricing is when a firm drives competitors out of the market by selling at below market rates and conceding profits in one or more business for enabling another business to gain revenue or market share. Short term losses for long term gain are deemed tolerable. It may also deter new competitors from entering the market. Bundling is selling the products together to extend the monopoly power of one business into another related business. Bundling may also be considered as a form of predatory pricing. Reciprocal buying and selling happens when a potential customer is a supplier to another business. The firm establishes an advantageous buying and selling relationship to gain revenue in a supply chain. Mutual forbearance and collusion are similar. This

beneficial economic situation occurs when MUFs keep prices high through regular contact with multi-market competitors. For example, a product may be ceded to a competitor with the understanding that a concession is made for another product. Or, a predatory pricing scenario for a product may be enacted by a market leader in a competitor's market when the leader encourages a competitor to retreat from a market they recently penetrated that is dominated by the leader. Multi-unit businesses with substantial market share are at an advantage, as single-unit firms are not able to exploit these opportunities for corporate advantage. Market power synergies can contribute to corporate advantage; however, anti-trust laws and other factors may restrict opportunity exploitation (Devos, Kadapakkam & Krishnamurthy, 2009).

**Financial synergies.** Performance advantages gained by leveraging financial resources across strong long-cycle international businesses in a multi-unit firm are financial synergies (Chatterjee, 1986). The firm's capacity for managing risk and its means for financing are considered to be financial resources. Financial synergies are achieved by establishing an internal capital market, reducing corporate risk, creating tax advantage, and the benefits of financial economies of scale, including financial flexibility and autonomy. Stakeholders in this context may be more willing to increase financial decision-making autonomy, invest in the business, explore transaction cost-efficiency advantages, and reduce debt-financing costs. (Martin & Eisenhardt, 2001). Corporate risk is reduced by building a portfolio that improves cash flow. Stakeholders are more inclined to invest their efforts in the firm if the risk is perceived to be relatively low (Andersen, 2008; Calvello, 2013; John, Litov, & Yeung, 2008). An internal capital market produces a number of benefits including increased financial agility, lower financing costs, and more efficient, quality capital allocations due to fewer restrictions. External sources of capital do not benefit from the information available to internal managers and they may not be

inclined to make capital available (Obel & vander Weide, 1979). Further financial benefit for the diversified multi-unit business comes from reducing tax liabilities by offsetting profits in one business, or by using the losses from another. Additionally, a reduction in fixed transaction costs and fees may be experienced due to financial economies of scale (Dyer & Singh, 1998; Xiaokai, 1994).

**Corporate synergies.** Performance advantages in a MUF are achieved when corporate management capabilities are leveraged across business units. The idea is that corporate leaders increase performance through managerial advice, thereby improving the profitability of the individual business unit in the firm. While these capabilities and the resultant positive impact may not be as frequent as desired, they are realizable with the right leadership. Bowman and Helfat (2001) hypothesize that corporate leaders generally create value in a MUF by establishing the scope of the firm, specifying corporate and business goals, generating an organizational climate, implementing corporate control mechanisms, establishing a suitable organizational structure, and correctly allocating core competencies as applicable. Hill and Jones (2007) refer to general organizational capabilities that, when transferred to corporate, increase corporate oversight efficacy. An increase in entrepreneurship, organizational design layout, and strategic capabilities are to be expected. To the extent that corporate managers are not isolated or unaware of business unit issues, they should be able to diagnose the real source of performance problems in underperforming business units and take appropriate actions for remediation. Additionally, corporate should be able to develop leaders, conduct strategic planning, provide financial control, provide international management, and promote decentralized decision making that reconciles with centralized control (Bass, 1981; Bell & Kozlowski, 2002; Grant 2005). According to Goold, Campbell, and Alexander (1994) corporate management resources may

assume a *parent* role that could include deciding on acquisitions, businesses support issues, and alliances with other companies. The corporate parent, depending on its ability to influence and the degree to which it is centralized, also defines the organization design, defines the budget process and capital investment process, determines the relationship between the business units and the corporate center, and sets the tone for corporate values and culture (Martin & Eisenhardt, 2001).

Corporate management synergies differ from operative synergies. They both are value based; however, corporate management synergies are mainly concerned with the value in the relationships between the corporate center and individual business units. In contrast, operative synergies focus primarily on the attributes of the connection between businesses. Corporate synergies tend to be focused on the value-relationship between skills in the corporate center and the functional and strategic fit between business units. Operative synergies tend to be focused on opportunities with similarity and complementarity along the value chain (Pankratz, 1991). While these synergies are different, they are complementary and aim to extract value from resources. Corporate synergies are likely to increase with strategic relatedness between the business units and the overall corporate portfolio. When businesses face common challenges they can benefit from meaningful corporate advice. This is referred to as *dominant logic* (Prahalad & Bettis, 1986). Managerial relatedness is evident in similar size, similar time spans of capital investment, similar requirements of management skills, similar life-cycle stages in the industry, similar competitive positions within markets, and similar time horizons for targets (Grant, 2005). In some cases, corporate may have expertise in a needed skill. For example, they may provide guidance in strategic planning. They may also provide guidance related to appropriate

organizational structure design, assuming they are able to effectively connect beneficial design and market need.

**Profitability.** Studies on operative synergies typically only capture benefits of economies of scope, by sharing similar or slack resources across businesses (Shaver, 2006; Panzar & Willig, 1981; Tanriverdi & Venkatraman, 2005; Williamson, 1975). Relationships among business units need not be limited to economies of scope but also must lead to value-enhanced revenue, or corporate growth (Davis & Thomas, 1993; Mueller-Stewens & Knoll, 2006; Tanriverdi & Venkatraman, 2005) referred to as positive spillovers (Shaver, 2006). This type of corporate growth associated with the combination and transfer of complementary resources is limited as efficiency gains are not necessarily realized through sharing alone (Eisenhardt & Martin, 2000; Tanriverdi & Venkatraman, 2005). These value-enhancing opportunities, or profitable growth advantages, are created by combining complementary operative resources across businesses.

**Sustainable growth.** Corporate initiatives are dedicated to growth synergy opportunities; however, the sustainable realization of growth synergies has received little attention in literature, despite often being identified as a goal for managers (Amit & Livnat, 1988; Bettis, 1981; Eisenhardt & Galunic, 2000; Martin, 2002; Palich et al., 2000; Ramanujam & Varadarajan, 1989), thereby ultimately leading to unrealized value (Goold & Campbell, 1998). Specifically, research on diversification concerned with operative synergies explores the strategic rationale of related diversification (Davis & Thomas, 1993; Tanriverdi & Venkatraman, 2005), but does not reveal anything about realization. It assumes that cross-business synergies are observed in organizational constructs and that they are easily realizable when in fact they are complex and difficult to achieve. With the exception of Martin (2002), research is too empirically immature to

provide adequate insight into growth synergy realization from resource combination, or the unique and timely combination of the elements of the synergies previously discussed.

Synergy realization costs include both direct and indirect costs. Direct costs could include the cost of coordination and control, while indirect costs may relate to the need for a compromise or an adaptation (Campbell & Goold, 2000). Coordination costs may be visible in costs associated with collaborative linkages between business units (Porter, 1985). This could include management time, the cost of a designated liaison, the cost of an embedded team, the cost of integrating sales forces, human resource related costs, marketing costs, moving costs, culture assimilation costs, costs of standardization, the cost of outsourcing, or costs associated with the installation and maintenance of enterprise resource planning (ERP) systems (Loomer & Harington, 2003; Zhou, 2011). Business level managers may spend a significant amount of their disposable time meeting and negotiating with other business managers for coordinating activities, problem-solving, and making decisions. Resources for exploiting opportunities may not be easy to share due to specialization, for example (Teece, 1980). Corporate costs may increase for the same reasons if escalation is needed (Hill, Hitt, & Hoskisson, 1992; Michel & Hambrick, 1992). Furthermore, corporate-level behavior may be unproductive due to self-interest. For example, disruptive technologies that self-cannibalize, or inequitable intercompany pricing, may be deliberate in the business in order to prop up a favored unit or help penetrate a new market. Corporate managers may not be capable of resolving conflict as they are not fully aware of the situation and do not have the needed operational skills for understanding the impact of a decision. They typically do not have to deal with collateral damage wherever it may occur. This may lead to less than optimal decisions, frustrating and alienating business unit managers (Goold & Campbell, 1998; Goold & Luchs, 1993; Michel & Hambrick, 1992; Vancil, 1980).



Business unit managers may also be frustrated by imposed decisions and the requirement to resource share (Beer, 1964; Fleishman & Harris, 1962; Gupta & Govindarajan, 1986; Tannenbaum, 1962,) or redeploy (Cappron, 1999). This overall organizational inertia introduces waste that results in additional cost and smaller profits.

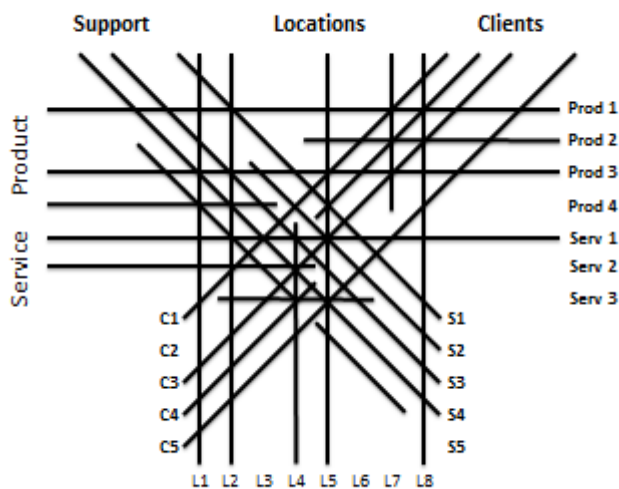
**Multi-unit synergy.** Cross-business or cross-unit synergies were introduced by Igor Ansoff in 1965 largely in the context of alliances (Das & Teng, 2000; Harrison, Hitt, Hoskisson, & Ireland, 2001), mergers and acquisitions (Larsson & Finkelstein, 1999), and for multi-unit firms (Ansoff, 1965; Martin & Eisenhardt, 2001; Martin, 2002; Porter, 1985). Synergy in this dissertation is focused on a multi-unit firm (MUF) with a multidimensional organizational structure (MOS). The term *unit*, shown as L# in Figure 3, has the context of a business entity with a leader in a geographic location, generally, with profit and loss financial measurements. The business unit operates autonomously performing value chain activities. As business units provide products or services to clients that are shared, their performance is measured by a profit and loss statement and a budget. In this case study, the scholar is using a MUF that has a self-contained global value chain (Palmisano, 2006). Cross-unit synergies are the value that business units co-create together relative to what the value would have been separately (Martin & Eisenhardt, 2001; Wiessmeier, Axel & Christoph, 2012). As this definition focuses on value it applies to both cost reduction and revenue enhancement. It is further noted that these benefits are constrained by time to be growth synergy opportunities. While cross-unit synergies describe the value added by the corporate level, they also explain the value that is associated with collaboration between dimensions in a MOS. Value is defined specifically as the net present value of the MUF including all of its business units.

**Interdependencies.** As synergies are recognized and realized, interdependencies between business units are strengthened (Porter, 1985; Prahalad & Doz, 1987; Zhou, 2011). Depending on leadership behaviors, these interdependencies can lead to the obfuscation of relevant facts, and to role ambiguity. This makes it more difficult to measure the synergistic potential. The effort needed to evaluate the businesses requires higher controlling costs, as overhead needs to manage multiple equilibria through critical decision making about joint design, joint scheduling, mutual adjustments, setting transfer pricing, and designing reward systems that encourage cooperation (Arrow, 1974; Becker & Murphy, 1992; Marshak & Radner, 1972). The burden on information systems and the volume of initial and ongoing decisions made, leads to a higher probability of decision errors (Levinthal, 1997; Sutherland, 1980). Knowledge sharing depends on the combinability of knowledge bases and active collaboration (Argyres, 1996; Henderson & Cockburn, 1994). This non-exhaustive resource across workflows and products carries the risk of contamination (Greenwood, Li, Prakash, & Deephouse, 2005).

Effort is needed to manage the *ripple effect* of beneficial and non-beneficial decisions (Zhou, 2011). As more inputs are shared between the integrated businesses and as more relationships need to be adjusted, the sensitivity to the ripple effect increases (Zhou, 2011). Furthermore, the potential for the asymmetrical distribution of benefits is frustrating. It stalls decision making and diminishes entrepreneurial energy. Synergy is instead better served by simplification to reduce waste, the liberation of workers to make creative decisions, and a healthy work experience (Rose, 1990). Moreover, interdependency may also drive the need for compromise, resulting in a less favorable outcome for one of the involved parties. The imposed compromise may result in an interdependency that diminishes the value of a product, enacts self-cannibalization, or diminishes the value of a customer (Goold & Campbell, 2002). Compromise

may also reduce a business unit's ability to be flexible (Eisenhardt & Galunic, 2000; Porter, 1985; Prahalad & Doz, 1998). Rigidity may become evident in slower adaptation to change in a dynamic market, resulting in the inability to innovate due to internal competition (Birkinshaw & Lingblat, 2001; Gulati, 1995; Peters & Waterman, 1988; Prahalad & Doz, 1987) and inefficiencies in organizational design (Sloan, 1986). Furthermore, continued strategy innovation is necessary in disruptive and high-velocity environments where structure and norms are unstable or erratic (Christensen, 1997; D'Aveni, 1994; Hamel, 2000; Markides, 1999). As a result, a typical multi-unit organization looks like Figure 7.

Figure 7 illustrates how an organization can be fragmented, broken, and incomplete. Referencing, by way of comparison, the complete structure from Figure 3, Figure 7 shows the opportunity for lines to be complete across all of the locations, clients, and diagonal functions. For example, there are products and services that have not been developed that could be sold in a variety of markets. This would be represented by an incomplete product line. There are also clients that MediaCorp does not have that they could if they had the right product offerings. There are market locations that MediaCorp should be leveraging. There are support functions that are not available at all locations. Growth synergy realization would make the lattice in Figure 7 more complete and robust such that it would evolve towards Figure 3.



*Figure 7.* The multi-unit organization prior to growth synergy. This figure illustrates the incompleteness of a MOS due the lack of growth synergy exploitation in the organization.

**Conglomerate surplus.** The sustained corporate advantage of cross-unit synergies can be described as the net present value of the combined firm being greater than the sum of the standalone net present values of the individual firms. A cross-unit business synergy is any cross-business activity that increases the net present value of the firm. An M-form based view could result in a business unit market disparity relative to single-business competitors, or the U-form (Bartlett & Ghoshal, 1993), due to imposed compromise benefitting the firm. As a result an M-form based MUF may not be competitive with a single-unit competitor even though a U-form based firm carries the risk of being a captive vendor (Bartlett & Ghoshal, 1993). Due to the rate of change of the vendor-client relationship, single-business competitors that realize a competitive advantage can be a source of frustration for a substantial portion of the duration of a product life-cycle. It is essential, therefore, to describe the climate, or environmental conditions, that lead to the realization of growth synergies. These cross-unit synergies, in turn, lead to corporate advantage that could be described by the resulting conglomerate surplus (Berger & Ofek, 1995).

**Competitive advantage.** When competitive advantage creates a higher economic value for the firm than its rivals can produce, cross-unit synergies contribute to corporate advantage (D'Aveni et al., 2010). The opportunities, as represented by box shade variation in Figure 8 below, can be discovered through SWOT analysis, which is a structured planning method used to evaluate the strengths, weaknesses, opportunities, and threats, internal performance reviews, competitor analysis, or addressable market analysis. The opportunities are located at the nodes, where they naturally reside as these are the dimensional factors that would enable the exploitation of the opportunity.

An opportunity could be an immediate client need, a servicing issue to be resolved, margin inadequacy, a capital expenditure (CAPEX) enabled sale, a filler for a capacity shortfall, or revenue that could be experienced through a critical support function that has been missing. One opportunity could lead to another. For example, the exploitation of C2/Prod 4/S1/L5 could lead to a further opportunity with Prod 1 at L5 and Serv 1 at L1. The link preserves the attachment to any lines at the primary opportunity. Synergistic linkage will enhance profitability and minimize investment to realize the opportunity. The priority of exploiting the opportunities at the nodes could relate to the magnitude of the opportunity, the investment needed to exploit it, or the profitability of the opportunity, as examples.

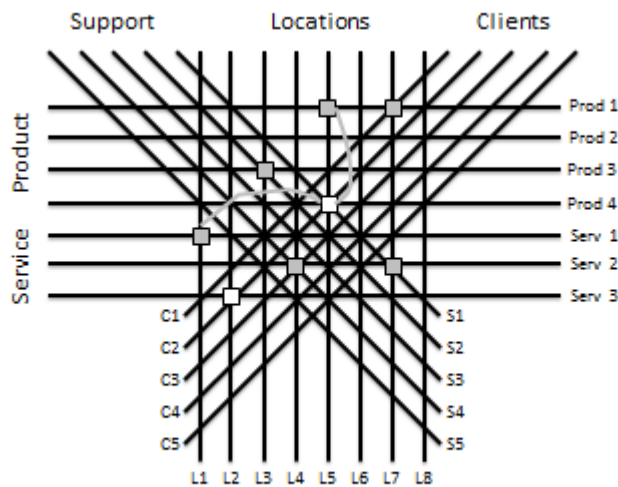


Figure 8. Growth synergy opportunities prioritized at the nodes. This figure illustrates the relatedness of opportunities and the capability of the model to be used for prioritization.

**Sustained advantage.** Opportunities can be prioritized based on corporate growth and synergy value. A resource-based view of cross-unit synergy creates three conditions by which competitive advantage is sustained (Barney, 1991; Conner, 1991; Peteraf, 1993; Wernerfelt, 1984). First, the synergistic resource needs to have value. This happens when these resources are relevant to key success factors of the business (Grant, 2005). They enable the firm to reduce threats to profitability and exploit opportunities available in the environment (Barney, 2007). In the end, these resources need to contribute to the firm's ability to meet customer needs and expectations at a fair price, better than the competition (Collins & Montgomery, 2005; Rose, 1990). Second, the resource needs to be in short supply. If the resource is widely available, the potential competitive advantage erodes (Grant, 2005). The best outcome for competitive advantage is that the resource is rare and valuable (Barney, 2007). Finally, synergistic resources must be difficult to imitate, in order to be a source of sustainable competitive advantage. This is enhanced if competitors have neither the financial capability nor time to obtain them (Grant, 2005; Barney, 2007). This situation may be enhanced through the existence of intellectual

property protection, historical conditions, timing disadvantages, the inability of the competitor to assemble the needed resources, and the existence of socially complex phenomena that cannot be sufficiently influenced (Barney, 2007). To optimize growth synergy choices, firms need to balance the potential value with the associated coordination costs. This must be accomplished with a view towards complexity, consideration for the overall coordination capacity constraints, and an understanding of the opportunity itself so that it can be optimally applied horizontally as well as vertically. Furthermore, the application needs to be accomplished with consideration for the impact of synergy realization on specialization, which may result in a loss of competitive advantage. Organizational capability like managerial expertise, knowledge creation, and adaptation to offset limitations, also need to be taken into consideration (Capron, Dussauge, & Michell, 1998; Hill et al., 1992; Nelson & Winter, 1982). All things considered, firms need to understand and optimize coordination costs that arise from managing complex interdependencies between business units (Zhou, 2011).

**Dis-Synergies.** *Negative spill-overs or contagion* that may spread from one unit to another through integration or collaboration, thereby reducing overall value, may also be referred to as dis-synergies. There is persuasive support in the literature that synergies and dis-synergies exist (Bloch, 2008; Falk, Schepers, Hammerschmidt, & Bauer, 2007). As explained earlier, synergy is a micro-level phenomenon that is typically defined as savings arising from economies of scale or scope that can be exploited. Conversely, dis-synergies occur when related diversification strategies result in internal transaction costs that outweigh realized economies of scope (Besanko, Dranove, & Shanley, 2000; Jones & Hill, 1988; Martin & Eisenhardt, 2001). In some situations, resources do not have synergy potential, or they are not realized, or are not realizable (Gruca, Nath, & Mehra, 1997). Synergy realization should be measured in terms of

outcomes such as revenue enhancement or creation, rather than just cost mitigation (Martin & Eisenhardt, 2001). Dis-synergies occur when an integrated entity does not have the potential for realizing better performance than the two entities would if operating independently. This contagion effect from unit consolidation or collaboration may come from, but not be limited to, the allocation of work to two entities with slack capacity, deploying systems or talent to an entity that does not need it, and cross-selling or bundling to increase consumer acceptance and sales. Brand value can be tarnished by product or service liability, an inability to fulfill orders due to volatility or congestion, increased costs to meet spike demands from unexpected success, capacity issues that drive poor execution or divert attention, and the inability of resources to use existing systems (Berger, Hanweck, & Humphrey, 1987; Gruca et al., 1997). In addition, resources may not be critical for the value chain, sufficiently flexible or substitutable, and may have a fixed capacity. Flexibility, on the other hand, comes with constraints such as; a large acquisition cost, coordination costs may be excessive, they may force miss-alignment, culture, or value shifting to accommodate, and the resource may not be unique to the firm (Barney, 1986; Berger et al., 1987; Deller, Chicoine, & Walzer, 1988; Ghemawat, 1988; Hill & Hosskisson, 1994; Prahalad & Hamel, 1990). Additionally, research on operative synergy strategy does not provide insights into the actual value of the realization of these synergies, even though there are persuasive arguments and evidence for their existence (Shaver, 2006).

In summary, the scholar has briefly introduced and defined synergy types, a substantial empirical component of this study. The scholar defined cross-business unit synergies using an outcome-based definition. It is the sum of the time-based value of business units together as compared to the outcome separately. Synergy total potential value is the difference between the cumulative synergy potential across business units minus the synergy realization expense.



Similarly, realized synergy value is the total value of realized synergy minus the realization cost. Realization cost can include controlling cost, coordination costs, and cost associated with compromise or inflexibility. Additionally, if cross-business unit synergies are either a source of competitive advantage or if they contribute to the firm's ability to realize synergies, they contribute to corporate advantage. In this section corporate advantage is linked to the four distinct types of cross-business unit synergies, all of which the scholar will attempt to leverage within this study for profitable growth. Operative synergies are not limited to relatedness between production functions. They may also exist as resources in other value chain activities. The type of resources, and similarities between common key success factors across business units, relates directly to their exploited value potential. This value is enhanced through complementarities between resources and activities. Most commonly, operative synergies are thought of as leading to cost reductions exclusively. The scholar, on the other hand, intends that synergies are thought of in the context of leading to revenue enhancements. Complementary resource relationships between business units may be required for achieving operating synergies. This is only possible if organizational costs do not outweigh synergistic benefits. Finally, operative synergies may become dis-synergies, or negative synergies, over time in the event that the market changes, invalid assumptions are enacted, or through technology shifts.

### **Diversification**

Research by Mueller-Stewens and Knoll (2006) suggests that operative synergies are prioritized on corporate agendas. Unfortunately, they are typically explored through the lens of diversification and acquired through acquisition (Salter & Weinhold, 1978). Related diversification is described by the deliverables that come from operational units with similar characteristics (Barney, 2007; Rumelt, 1974). These common attributes define relatedness

between business units. Most studies have looked at relatedness and commonality over the business value chain for determining opportunities for operative synergies (Rumelt, 1974; Zhou, 2011). Rumelt (1974), building on the work of Wrigley (1970), looks at relatedness by assessing MUFs through the lens of common skills, resources, markets, and purpose. Rumelt (1974) shows in his study how diversifiers that were related substantially outperformed diversifiers that were unrelated, thereby suggesting that operative synergies yield benefits that are greater than other types of cross-business unit synergies. Even so, all types of relatedness may not be synergistic (Davis & Thomas, 1993). For example, resources that were once related may become unrelated and even dis-synergistic over time. Relatedness attributes may vary over time and become neutral or even negative as they may be influenced by exogenous product or service life-cycles, or megatrends, which influence market life-cycles. As examples, market or technology shifting may influence synergistic relationships between business units in a MUF, making resource interdependencies irrelevant (Davis & Thomas, 1993; Markides & Williamson, 1994). Furthermore, relatedness may be an imperfect substitute for synergy. Direct estimates of synergy benefit provide unambiguous relevant data about growth opportunity in an organization (Davis & Thomas, 1993). Further to this, relatedness, as described by similarities in production-oriented functions, excludes potential relevant similarities and complementarities in other non-production functions. While often ignored, these may potentially influence growth synergies. These include endogenous and exogenous contributors, including the exploitation of strategic assets that are not adequately covered in the literature as it relates to growth synergy realization.

Research has shown that there is an inverse U-shape to the curve that plots diversification against performance. When diversification is limited, it is not optimal and it limits the opportunity to put available resources to beneficial use (Lubatkin & Chatterjee, 1994). Also to be

considered, as the level of diversification increases, there is a point of diminishing returns (Zhou, 2011). This is where an additional investment in organizational costs does not produce meaningful benefits. An example could be adding customers that do not contribute to profitability. From this point on, diversification destroys rather than produces value. Moderately diversified firms are not limited in this way, but rather create operative synergies from slack resources, thus, increasing their performance. Palich et al. (2000) confirm this relationship.

Diversification-performance literature suggests that corporate managers should focus on realizing operative synergies within the group of core related businesses (Amit & Livnat, 1988; Berry, 1974; Dubofsky & Varadarajan, 1987; Jacquemin & Berry, 1979; Michel & Shaked, 1984; Montgomery, 1982; Palepu, 1985; Reed & Luffman, 1986). As corporate leaders pursue related diversification, they should populate their portfolios with common strategic assets and complementary resource bases, such as customer knowledge, product knowledge, and managerial knowledge. Operative synergies should be considered with these resources over multiple points in the value chain. These points may be linked. Regular assessment by corporate leaders should establish the value provided by these linkages, review the rationale behind the portfolio structure, manage interdependencies that result in coordination costs, and monitor business for emerging linkages (Zhou, 2011). While the literature describes efficiency synergies, it does not provide much information on joint growth synergies across business units.

To explain further, similarities in the production function are not limited to relatedness as an attribute; scholars have also started to look at the resources that support performance-enhancing diversification. Markides and Williamson (1994) argue that the similarity between valuable resources, like strategic assets, should be considered for the benefit of diversification. These related assets, which are imperfectly tradable, imperfectly substitutable, and imperfectly

imitable, when shared between business units create a differentiation advantage in the market (Markides & Williamson, 1994). The authors list five asset types that contribute to differentiation advantage, including brand loyalty, distributor assets, loyalty and pipeline assets, distributor loyalty and pipeline stock, inputs to the process, technology and systems, and knowledge assets. MUFs can obtain operative synergies from strategic assets through asset utilization, new asset creation, asset fission, or exploiting assets from diverse businesses, keeping in mind that assets can be used in non-production aspects of a firm (Zhou, 2011). According to Davis and Thomas (1993), synergy patterns shift with life-cycles. This is illustrated in Figure 9.

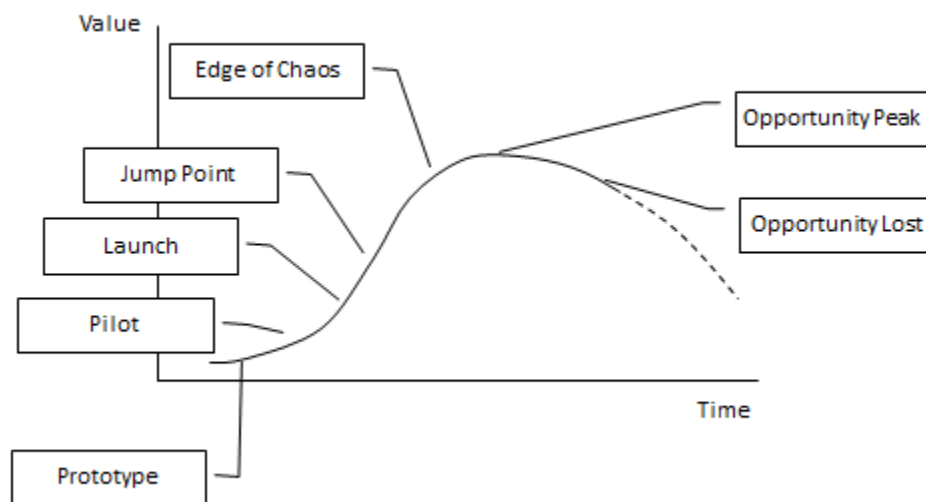


Figure 9. Life-cycle curve of a product or service. This figure illustrates the value of a LOB over time while relating life stages to opportunity.

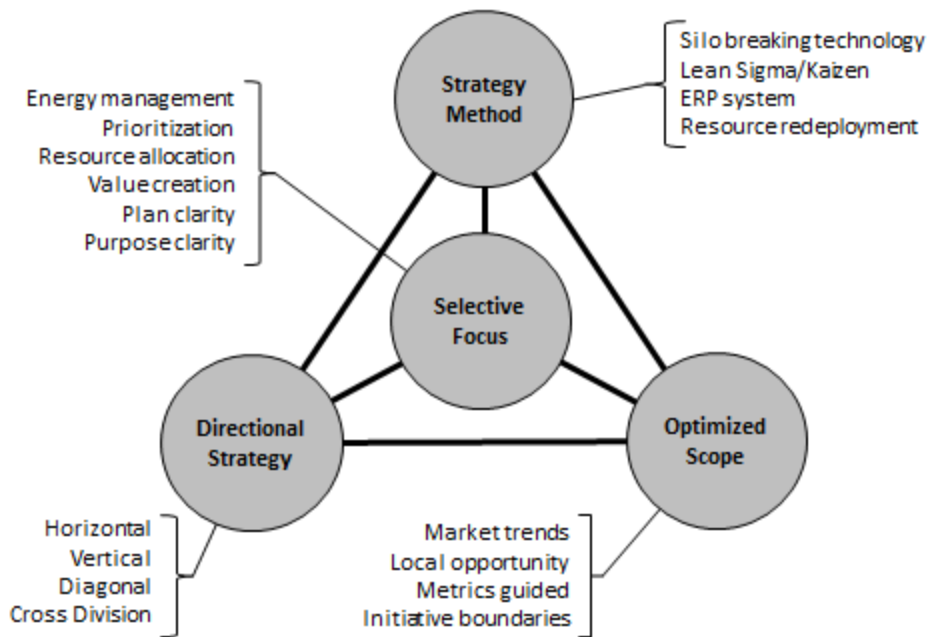
A typical life-cycle has several stages. Following the first successful orders, the volume capacity increases. Shortly thereafter, the ramp up passes an inflection point where the revenue expectations start to diminish. This is the *edge of chaos* because, if caught off guard, the firm starts to panic with the drop off in sales of a core revenue stream. At this point decisions are made that are critical to the life-cycle and which may include cost mitigations for optimizing the margin over the life cycle revenue opportunity. Shortly, the opportunity peak is experienced and

now the firm has to understand the decline and make decisions to optimize the tail of the curve. The firm may be able to extend the tail by adding value to the product or service, *repackaging* it for another sector, or by bundling it with something else that has value. Once the opportunity is lost, it is wise to reallocate resources. Due to the nature of life-cycles, a related resource can become unrelated and even dis-synergistic over time as markets evolve, collide, split, and/or become extinct (Martin & Eisenhardt, 2001). Furthermore, operative synergistic relationships between businesses can change over time. Consequently, limiting synergistic discussions to resource synergy opportunities leads to less than optimal results.

Resources can be thought of as being complementary if the sum of their individual resource cost is less than their value when linked together (Milgrom & Roberts, 1995). Consequently, the benefit from resource interdependency is referred to as super-additive. Complementary resources are interdependent and mutually supportive but not identical. For example, Tanriverdi and Venkatraman (2005) explain that complementary knowledge resources could be exploited across businesses for influencing market expansion and influencing corporate performance. Others have come to the same conclusion (Farjoun, 1998; Larsson & Finkelstein, 1999); however, knowledge resources should not be considered to be purely dyadic between two entities, but may be triadic, or more realistically systemic (Marsden & Franklin, 1993) as described below.

Selective focus is important to the realization of synergistic growth, as it is aligned with the objective to achieve profitable results. Selective focus is achieved by allocating energy strategically to achieve the best results. Available resources can be better utilized through prioritization, plan, and purpose clarity. The effectiveness of these resources can be measured by looking at value creation. The ability to execute through selective focus is augmented by an

appropriate strategic method, a scope that is optimized, and an organization that is directionally exploitable and scalable. The strategic method includes aspects that penetrate boundaries. These may include, as an example, a technology that could break through the walls of a *siloe*d organization, thus, making available the revenue that was previously unrealized. Other techniques can be leveraged; for example, existing resource redeployment can achieve improved profitability as these resources are already capable to perform the synergistic task. Additionally, the benefits of a system can be leveraged to encourage a client to pay more, as the ability to track orders may be considered to be a value-add. The directional strategy relates to the MOS and its scalability. For example, and referring to Figure 7, the complete directional extension of a line in the MOS results in increased synergy exploitation opportunities. Similar skills and resources can be exploited to maximize profits. The structure can also scale and be leveraged across divisional lines. For example, a synergistic activity at MediaCorp can be exploited by another division without incurring proportional additional resource or infrastructure costs. Lastly, the scope needs to be optimized. Out-of-scope strategies drain energy with little return. A focused strategy must include a scope of work that is in alignment with market trends and which is locally available to exploit. Additionally, the part of the opportunity that is profitable should not be burdened with other aspects that are not. These opportunities should be monitored through metrics to ensure transparency and facilitate timely decision making. The guidance of an appropriate strategic method, in an optimized scope, leveraging the directional capability of a MOS will help to ensure that only the most profitable opportunities are selected for focused attention. This relationship between the three key strategic themes on selective focus is illustrated in Figure 10.



*Figure 10.* Strategic complementarity. This figure illustrates the dependent relationship between the strategy method, selective focus, directional strategy, and optimized scope, and includes examples of each.

The literature is limited in its discussion about the exploitation of resources in a MUF, especially with regard to primary enablers like culture and alignment, as examples. The purpose of strategy is to create focus that leads to desirable outcomes. The scholar suggests that this selective focus is enacted by linkages between the strategy method, directional strategies, and scope minimization. There are a variety of methods that can be used for fulfilling strategic goals. For example, directional strategy occurs in a MOS both horizontally across locations and vertically across product lines. The optimization of scope restricts the area of concern, thereby avoiding noise and overwhelming analysis. The recognition of strategic complementarity allows for selective focus for growth synergy realization.

In summary, diversification-performance research provides evidence that related and complementary diversification may be superior to unrelated diversification (Davis & Thomas,

1993; Palich et al., 2000; St. John & Harrison, 1999). It would be expected that a MUF could gain more from operative synergy than from other types of synergy; however, there is more to this discussion, including limiting aspects such as organizational rigidity and complexity (Kaplan & Henderson, 2005). The concept of relatedness typically ignores growth synergies by excluding potentially beneficial complementarities in other value chain functions. Generally, literature excludes information on the sustainable realization of growth synergies in a MUF in favor of diversification-performance.

### **Multidimensional Organizational Design**

A critical result that will emerge from the empirical data is theory about the realization of sustainable growth synergies in a multi-unit firm with a multidimensional organizational structure, as described originally in Figure 3. In this section the scholar will discuss two related themes for sustainable growth synergy realization, including a selective focus on opportunities and an organization design based on decentralized collaboration. Without self-interest there is minimal motivation. A deeper theme of guided and balanced self-interest aligns these principles contributing to a culture of entrepreneurship and healthy growth.

While there is substantial information on the U-form, more on the M-form organizational designs, and some in the literature about matrix designs, there is little information about multidimensional organizational designs. Extremely limited information is available, as only a few studies have been accomplished that explore the implementation of these designs to exploit synergies across business units along multiple dimensions (Strikwerda & Stoelhorst, 2009). Some firms studied were organized along the lines of key accounts, professional services, support functions, or facility management (Strikwerda & Stoelhorst, 2009). Managers were responsible for profits, market position, and customer retention, but they controlled very few



resources. Often, resources are controlled by facility managers who are responsible for the bottom line. This creates tension between sales, as they develop new market opportunities, and facility managers, who are accountable for the efficient utilization of resources (Galbraith, 2009; Goold & Campbell, 2003; Ruigok et al., 2000). Risk-averse behavior of resource managers must be confronted by market opportunities identified by account managers. Concurrently, market managers cannot be overly optimistic in their judgments about market opportunities (Galbraith, 2009; Goold & Campbell, 2003; Ruigok et al., 2000). It is therefore essential that a MOS simultaneously reports performance on two or more dimensions. Managers need to be held accountable for their dimension as it contributes to overall firm performance and the execution of growth synergies. Unique challenges for implementation are present in a globally integrated enterprise with globally integrated support functions such as MediaCorp.

The scholar believes that the organizational design of a firm is what leads to success or failure with regard to the realization of growth opportunity. The most successful form of a MUF is the M-form, named by Williamson (1975), in which activities are organized into separate business units (Roberts, 2004; Williamson, 1985). Resources are delegated to managers charged with creating economic value for the firm. These resources are controlled within business structures that are measured for financial performance. The boundaries of the units are reinforced by financial systems. To illustrate, organizational design has been influenced by corporate agendas driven by synergistic savings evident in the form of corporate account management, shared service centers, and matrix organizations. Consequently, most businesses now depend on some resources that are controlled by other units (Strikwerda & Stoelhorst, 2009). In this section, the scholar will briefly discuss organizational theory as it relates to a MOS, as depicted in Figure 3, and specifically refer to the most frequently occurring M-form for purposes of comparison.

This research attempts to contribute to organizational theory by exploring an innovative multidimensional organizational design with the advantage of collaborative opportunity exploitation in a dynamic market. In the case of MediaCorp, the design includes dimensions that relate to products and services, geographic locations, support functions, and clients. Each dimension is not *flat*, as a layer might imply, but rather is intrinsically variable. For example, products within this dimension are different in complexity, volume, capacity consumption, quality rigor, seasonality, and sensitivity to penalty or liability. Within the support functions there is variability in team expertise and the nature of the support, as examples. Support could be present in the form of ERP enhancements or module creation, or storage, and the availability of workflow assets. There is variability in the client dimension with regard to size, rate structure, administrative load, *hunter vs. harvester* activity, and the meaningfulness of relationships. Geographic locations vary in culture, size, and mix of products used in local markets, further strengthening the idea of a dimension rather than a layer (Armstrong & Cole, 2002). This multidimensional organizational design is applied to a multi-unit business that includes a global value chain. The MUF must be competitively agile in its dynamic market while managing through an otherwise complex organizational construct. The scholar proposes a minimalist role of the corporate center with the addition of secondary work structures, or collaboration platforms, that exploit capabilities across business units (Wiessmeier et al., 2012). These lateral integrative mechanisms, discussed later, reduce costs that would otherwise be overhead in a traditional M-form structure.

The M-form has come into question with regard to its relevancy in modern MUFs (Bartlett & Ghoshal, 1993; Berggren, 1996; Ruigok et al., 2000). Even Alfred Chandler (1962), the economic historian from Harvard who documented the emergence of multidimensional

organizations in the first half of the 20th century, suggests that structure must follow strategy to avoid inefficient results. In the 1970s there was interest in organizing MUFs along several dimensions in a number of publications that were concerned with the dynamic markets in which multi-national corporations operated (Ackoff, 1977; Bartlett, 1982; Coggin, 1974; Prahalad, 1980; Prahalad & Doz, 1979). The M-form design drives high employee costs, internal battles over resources, the lack of standardization, the lack of collaboration, and the loss of market opportunities contributing to tension about synergy exploitation (Strikwerda & Stoelhorst, 2009). This tension needs to be resolved, at least partially, through an organization design that involves multiple dimensions without exacerbating issues around resources and market opportunities. Furthermore, the structure needs to drive clarity and accountability which is an inherent weakness in matrix structures due to the disparate interests of multiple bosses (Galbraith, 2009). Further organizational design evolution is needed for moving MUFs from a resource-centric industrial economy, focused on exploiting tangible physical resources, to a customer-centric, service-oriented economy that is focused on exploiting intangible knowledge-based resources (Davis & Thomas, 1993; Grant, 1996; Markides & Williamson, 1994).

MediaCorp's manager has deployed and stressed the benefit of a MOS to jointly bear the operative responsibilities of the sub-divisions, arguing that it provides for flexibility and responsiveness to client needs in all locations over all functions. The intent is that this structure is built upon as it is extended to other sub-divisions and divisions. This is reflected in Figure 11 and further explained below. The culture at MediaCorp has been one of strategic and operational autonomy. While corporate influences budgets by stretching them, interventions are rare and executives at this level are reluctant to become directly involved as they have been decoupled from operative activities. This has allowed MediaCorp to move to a structure with the four

dimensions described, support functions (S#), clients (C#), products or services (Prod #/Serv #), and locations (L#), as illustrated in Figure 3. The corporate center is outside the MOS and is generally unaware how the MOS exists, largely reflective of the autonomy given to the subdivisions which are given global entrepreneurial responsibility for their markets. MediaCorp business managers unanimously stressed the importance and benefit of deploying the MOS, arguing that it provided for functional support, sales support, product or service support, and local responsiveness. Furthermore, they emphasized a strong culture of collaborative decentralization. While corporate center control was increasing, there remained a strong belief that MediaCorp be given substantial strategic and operational autonomy. Consequently, corporate center interventions were rare as they were cautious not to assume operative responsibilities. As stated previously, the application of a MOS in a MUF is very rarely described in the literature.

As an example, a client (C6) could want more of MediaCorp's products or services. A location (L7) could expand its product or service portfolio due to a local market opportunity. An ERP (S1) could be used by other divisions to leverage profitability, whereupon they would share the cost of the system, improving profitability at MediaCorp. Lastly, a product (Prod 4) could be sold to other clients, possibly external to MediaCorp. The scalability of the MOS, exogenous to its existing domain, points to profitability as all of these instances exploit existing skills, infrastructure, and resources. Figure 11 illustrates the scalability of the MOS.

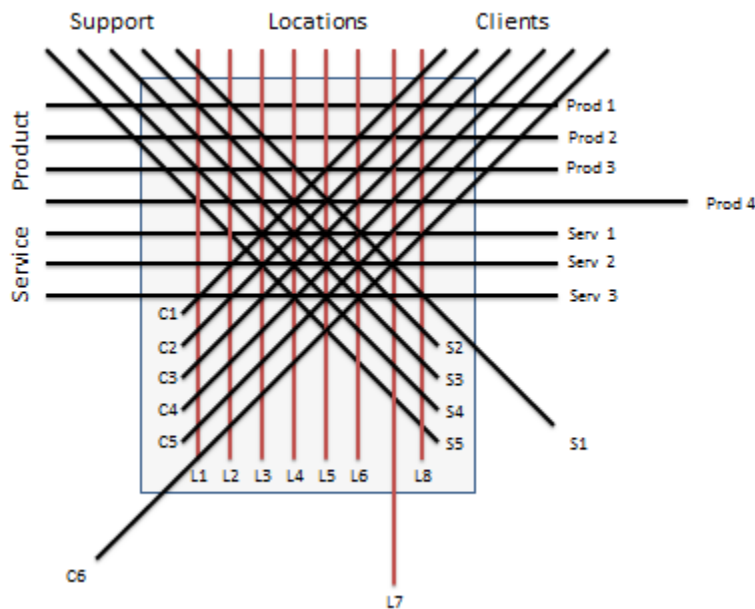


Figure 11. MOS scalability. This figure shows how the MOS lines can scale depending on the need and the dimension.

A business unit in a MUF is given both autonomy and self-interest when it is given the opportunity to identify growth synergy opportunities, when it can define their value-based attributes, when it can determine deployment timelines and the scope of coverage, and when it can determine the task rollout sequence as represented in an operational deployment plan. The scholar has found that business unit autonomy is augmented in at least three ways. The first is through a suitable culture, as defined in part by its organizational design and its reward system. The second is through administration and control, which includes financial review, secondary structures (LIMs), and a centralized workflow management system that provides organization-wide data and analysis. The third augmentation area is related to strategy. The strategy must have structure in order for it to be focused and executed. The framework for the strategy provides this. It is also selective in that it is prioritized based on contribution to the desired outcome as measured by business modelling, such as through a pro forma P&L and a business plan where applicable. Strategy also includes the sequence of the execution of tasks, ordered due to

environmental conditions and dependency. Outcomes of exploiting self-interest include profitability in the form of social impact, organizational efficacy, team efficacy, and personal leadership efficacy (Lovas & Ghoshal, 2000).

The most common form of multidimensional design is a matrix. Other designs with more dimensions are viewed as novel with very little coverage in the literature. The scholar now briefly discusses the matrix design and the design differences when more than two dimensions are used. Additionally, consideration is given to the inadequacies of a matrix design so that similar pitfalls are not experienced in a multi-dimensional approach (Galbraith, 1977, 2009). The matrix design should be thought of as a two-dimensional construct that typically is separated geographically, for the operation, and non-geographically, for support functions. Other construct variations exist. Some inadequacies with a two dimensional design include unclear responsibilities, a lack of accountability, political battles over resources, a risk-averse behavioral pattern, and loss of market share due to a lack of focus (Galbraith, 1971; “Life in a matrix,” 1980; Strikwerda & Stoelhorst, 2009). On the other hand, business units are not completely self-contained as they depend, to some extent, on external resources for achieving their objectives (Barney, 1991; Bower, 1986; Gupta & Govindarajan, 1986). While the M-form still dominates thought processes, the actual tendency is for firms to move away from the underlying logic of the M-form to realize growth synergies (Strikwerda & Stoelhorst, 2009). While mental anchoring on the M-form can render a MUF obsolete, or make a transition difficult, an effective multidimensional structure can enhance a MUFs growth synergy exploitation capability and preserve location managers’ status, power, autonomy, and self-interest.

In this dissertation a multidimensional organization design that has been deployed should not be confused with a matrix design. They are different in several critical ways. In a matrix

organization, the node where the two dimensions meet represents the employee who reports to two bosses, with individual objectives or agendas. Reporting structures may be in a conflicted dysfunctional relationship with each other. In the multidimensional model for MediaCorp, the node is put forward as a profitability enhancing opportunity, or growth synergy opportunity, where representatives from each dimension can meet and align the entrepreneurial energy around discovered opportunities. In this design, managers are stakeholders in the exploitation of discovered opportunities. The leader in each dimension reports in to the same person, allowing for alignment through a singular agenda. Furthermore, this is reinforced through the organizational design and a reward system based on collaboration. Another difference between the two structures is in the planning and control processes. While the profitability of the client oriented P&L is dominant, the P&Ls for products, the support functions, and for locations are also important as they contribute significantly to profitability. Profitability or cost is, therefore, measured and monitored in each of the four dimensions through dimension-specific P&Ls.

A final difference between the structures relates to the influence of management information systems (MIS) in a MUF. The MIS reports performance in each of the dimensions at all levels of the organization. This eliminates information asymmetries and transfer pricing, as examples, thereby turning the MUF into a truly integrated dyadic relationship between a customer-centric focus and operational synergy realization. In many matrix organizations the emphasis is on authority and power (Galbraith 1971, 1973; Goold & Campbell, 2003; Ruigok et al., 2000). The management in multidimensional firms focuses on the firm's joint customer-centric goals by leveraging MIS or ERP supplied business intelligence which point to opportunity rather than the disparate and conflicted agendas of two bosses who may be misaligned and unequally capable (Strikwerda & Stoelhorst, 2009).

A critical success driver in a MOS is an integrated management information system (Pankratz, 1991), assuming that it keeps current with firm adaptations to market dynamics and corporate advantage life-cycles (D'Aveni et al., 2010). An MIS is a lateral integration mechanism because it makes critical information and intelligence available to leaders in all of the dimensions of a MOS, thereby enabling action and mitigation. The MUF must evolve from unique local business systems geared to local needs to a networked social construct that drives transparency throughout the MUF across all dimensions (Hirschheim & Klein, 1994). A single set of common data definitions is necessary so that every transaction can be captured with suitable data density. This data can then be exploited along multiple dimensions, including reporting and analytics, across business units in a worldwide value chain. The information it contains is simultaneously available, providing for real-time sharing, change management, workflow adaptation, capacity manipulation, and production tracking. Additionally, for business intelligence it is also necessary that the MIS include a CRM (customer relationship management) capability so that account managers can mine the database for order information and leads. This enhances the MUF's ability to maximize market share by exploiting customer spend budgets within applicable product categories across customers. It also fosters cooperation between managers, as performance accountability is shared across dimensions.

The multidimensional structure deployed in MediaCorp, that is being evaluated in this dissertation, includes the client as the primary profit center (Galbraith, 2005), the products and services as the secondary dimension, the locations as the third dimension, and the performance of support services as a fourth and final dimension. The MIS makes it possible for all stakeholders to obtain the same information in real-time, eliminating information asymmetries between and across dimensions. Cases are also used across and within all dimensions for monetizing



opportunities made visible through business intelligence provided by the MIS or ERP and CRM systems. The goal of all efforts is profits through the exploitation of growth synergies.

The dimensions in a multidimensional organizational design are important to the market. Business should be conducted with customers in the way that they prefer so that there is sustainable value in the relationship (Galbraith, 2005). The MOS deployed at MediaCorp included a primary dimension that related to client management (C#). A P&L was provided to each account manager with regard to the client's overall global financial performance. This P&L was support function, location, and product agnostic. It allowed the managers to understand the profitability of working with all clients as well as each individual client. It also allowed for an understanding of profitability from the client, as it related to product type and the location where the work is done. The customer-centric nature of multidimensional firms is enhanced by treating clients as profit centers (Galbraith, 2005) and by listening to them for the purpose of discovering service opportunities (Wiessmeier et al., 2012). Economic gain is created by pursuing unique location-specific market strategies, by integrating product and service offerings for maximizing customer profitability (Amit & Livnat, 1988; Armour & Teece, 1978), and by making the relationship *sticky* through optimized complexity and interdependency.

MediaCorp operates in an industry that is networked. Consequently the center of innovation has shifted from the company to the network in which it operates. The network flourishes when it exists in a state of deep collaboration, cross-pollination, and concurrent engineering. This network develops value-based solutions in parallel exceeding time to market requirements (Grossman, 2005). Additionally, growth synergies can be achieved through alumni relationships within the industry-wide network. This network is a LIM. The exploitation of available market knowledge then becomes more critical than creating personal knowledge.

Knowledge can be easily obtained from the network if it is not locally available. Organizational constructs must align with this environmental constraint and facilitate the exploitation of network-based knowledge resources (Drucker, 1992; Goold & Campbell, 2003). Collaborative knowledge workers are increasingly valuable due to their collective influence on profitability opportunities in a multidimensional firm (Bartlett & Ghoshal, 1993; Prahalad & Hamel, 1990), and especially in a firm with a structure that requires collaborative arrangements (Contractor & Ra, 2002; Inkpen, 1997). MediaCorp desires that knowledge workers are attracted to their firm, as they see that it is an opportunity to increase their personal market potential within the industry network (Drucker, 1992; Florida, 2004; Rosen, 2004). Managing the chaos found in these networks is the current opportunity for competitive advantage in a MUF. A brief discussion about network efficacy and chaos theory follows.

There are attributes of the network that can relate to chaos theory as it has been used as a metaphor for explaining social and organizational phenomenon (Bright & Pryor, 2005; Crandall, Parnell, & Spillan, 2010; Fredrick, 1998; Hudson, 2000; Lissack, 1999). A non-linear dynamic framework is needed as a lens for understanding complex interactions. Emerging complexity-based theories related to strategic management seek to find order in patterns that may be related to cause and effect (Burnes, 2004; Dervitsiotis, 2004; Edgar & Nisbet, 1996). Signal or warning detection can be inhibited by underestimating the issues or their impact, hubris, or the inability to *connect the dots* (Barton, 2004). While it is impossible to anticipate every potential issue, chaos occurs when phenomena that appear to be unrelated actually follow an unknown or hidden related pattern. These are referred to as attractors. Chaotic systems have two characteristics; they have a sensitive dependence on initial conditions and they have unpredictability in the long run even when there is some predictive accuracy in the short run (Crandall et al., 2010). Due to

sensitivity in the network, a slight change in the initial conditions can lead to a substantially different, and potentially unwanted, outcome in the system. Outcomes could include bifurcations or oscillations between two possible values in alternating time periods (Gleick, 1987). For example, MediaCorp sees cyclical trends in the market due to seasonality. Layered bifurcations, such as seasonality and product launch trends for example, obfuscate the correlation between variables resulting in outcomes that are complex. These outcomes appear to be random even though undulating attractors exist as illustrated in Figure 4. Chaos theory therefore offers some insight into these systems (Smith, 2002). For example, the transformational changes and ongoing challenges faced by MediaCorp depend on the ability of a system to predict change need, the ability to self-organize, and the ability to morph into a new form without intervention from forces exogenous to the system (Loye & Eisler, 1987). The robustness of the new form evolved during the transition. Recognizing that chaos is a system of events in flux and change (Kiel, 1995), bifurcations can change the system suddenly causing it to behave unpredictably (Edgar & Nisbet, 1996). This drives the need for predictive change and organizational agility in a moderately dynamic market.

Consideration should be given to the fact that negative attractors, due to non-linearity, can accumulate as a potential crisis progresses unmitigated. Consequently, the concomitant intensification of negativity results in a momentum that is increasingly difficult to control. Planned interventions may have little effect because stakeholders stop participating, or disengage, thereby widening the gap between the current state and desired equilibrium. Positive feedback in the system, or amplification, may bring the network to a tipping point, resulting in organizational capability disintegration (Crandall et al., 2010). To avoid this, the multiple contributing factors that influence risk in the system need to be recognized. Listening to negative

feedback in the system can lead to a mitigating influence (Mitroff, 2001). An exception is when this tipping point is needed to trigger a decision or enact an action. Positive feedback mechanisms can, however, slip past outdated or ineffective negative feedback mechanisms undetected (Reason, 1997). It is preferable to enact proactive and effective negative feedback mechanisms to influence chaos in the network and promote more predictive outcomes. When this is not possible, crises can be leveraged to break down, change, and remove encrusted routines and silos (Bertrand & Lajtha, 2002), replacing them with better more capable and agile systems (Sellnow, Seeger, & Ulmer, 2002).

In summary, this section briefly discussed a multidimensional organizational design as described in Figure 3. Typically resources that are needed across business units are controlled by individual units. The MOS provides opportunities to explore the advantage of autonomous collaboration and problem solving at the intersecting nodes. To accomplish this, an understanding of the interaction between variables that describe each dimension should be understood. Lateral integrative mechanisms that can be used to regulate and accelerate interaction between dimensions in a dynamic market were introduced. They also provided agility in a complex multi-national organization that can only be realistically represented as a network or a system. Ultimately, emerging megatrends suggest that the traditional M-form is inadequate for the efficient realization of growth synergies. The realization of operative synergies requires cooperative designs that include the centralization of authority, financial controls, corporate-level incentives, clear accountability, and the use of strong integrative mechanisms. To be sure, the efficacy of the organizational design is dependent on leadership capabilities. While current strategy-structure research suggests organizational designs for operational synergies, it does not make suggestions for dependencies, like this, for growth synergy realization. Contemporary

economic conditions increasingly call for the creation and exploitation of synergies (Ansari, Schouten, & Verwaal, 2006; Chatterjee, 1986; Kinnunen, 2010). This dissertation provides an evaluation of the accomplishment of MediaCorp's goals through the use of a MOS that leverages integrative mechanisms. The scholar believes that the use of this organizational construct creates a competitive advantage, as it facilitates the creation of synergies across units to serve increasingly dynamic, technology-dependent, and fragmenting markets. The design is also suitable for the economic logic around a knowledge-based society, or knowledge economy (Powell & Snellman, 2004). Knowledge-driven production requires that firms are able to integrate distributed and tacit information through knowledge management. This is another example of LIMs. The complexity present in environments and products makes it clear that no one person holds all the knowledge needed to satisfy client needs; promoting therefore, a collaborative leadership structure. The MOS facilitates the teamwork and self-directed problem solving capability needed to successfully create and exploit profit-generating knowledge. It enables the simultaneous optimization and exploitation of market opportunities, while efficiently consuming resources. Moreover, many markets are no longer one-dimensional, but rather require value chain capabilities as well as the capabilities of the other dimensions. Product customization and differentiation drives the fragmentation of products and services that are sold through multiple distribution channels. Preferences change quickly and frequently. Furthermore, client insecurity drives the need for multiple vendors for redundancy, making the requirement for competitive value increasingly salient. MUFs, therefore, must have the capability to adjust to transient client and consumer behavior, or whim.

## **Lateral Integrative Mechanisms**

Lateral integrative mechanisms (LIMs) are critical to this study. In this section the scholar will relate LIMs to knowledge transfer in a MOS, describe LIM attributes, discuss LIM drivers in a MOS network, discuss integrative mechanisms, look at roles within LIMs, and describe the temporary nature of these dynamic situational structures. Situational adaptation is highly complex and changeable (Miles, Snow, Meyer, & Coleman, 1978). Lateral mechanisms, sometimes nebulously referred to as *secondary structures* or *collaborative structures* in the literature contribute to growth synergy realization in a MUF with a MOS. They include work structures that allow for critical contributors across the various aspects of the multidimensional structure to assemble, collaborate, create policy, and to problem solve. This construct promotes stability, helps an organization achieve its purpose, and enables a MUF to exploit market opportunities that cross business unit boundaries. They are applied as needed and the organization may be required to continuously modify and refine these dynamic mechanisms. This may include the description of roles and relationships, managerial controls, and accountability for each product or service life-cycle (Miles et al., 1978). While the organization is an integrated and dynamic whole, it includes interrelationships between strategies, structures, and processes (Miles & Snow, 1978). An agile organizational topology enables adaptive behavior which optimizes effective alignment of the organization with its dynamic environment through the deployment of experience, skills, information, and routines (Almeida & Grant, 1998, Grant, 1991, 1996; Santos & Eisenhardt, 2005; Winter, 1987). With this in mind, the scholar now introduces more formally lateral integrative mechanisms (LIMs) by discussing how they encourage organizational alignment by facilitating knowledge transfer throughout the network of the MOS.

LIMs are further described visually in Figure 12. Exploited knowledge at the point of use is a critical driver for growth. Exploiting shared knowledge in a MOS enables synergistic growth through system, organizational, technological, and other LIM types. The grey shaded areas show connections that LIMs facilitate to support profitability. As an example a LIM may be an organizational structure that links several products together as they utilize similar resources. An example could be a team that inspects components that are used in several different products. A quality LIM would exist in the form of a quality requirement that is similar across multiple locations. This would be intuitive in that it would promote the consistent specification compliance of a singular product regardless of where it is made. A system LIM may provide order tracking for all products across all locations. This information could be made known to clients. Other support functions could leverage this information as well for planning to promote the efficient use of resources. For example, shipping capacity could be determined using system information as described. Lastly, a technology LIM could include a tool that is used across multiple locations. An example would be a measurement system that is under centralized control for maintenance or calibration purposes.

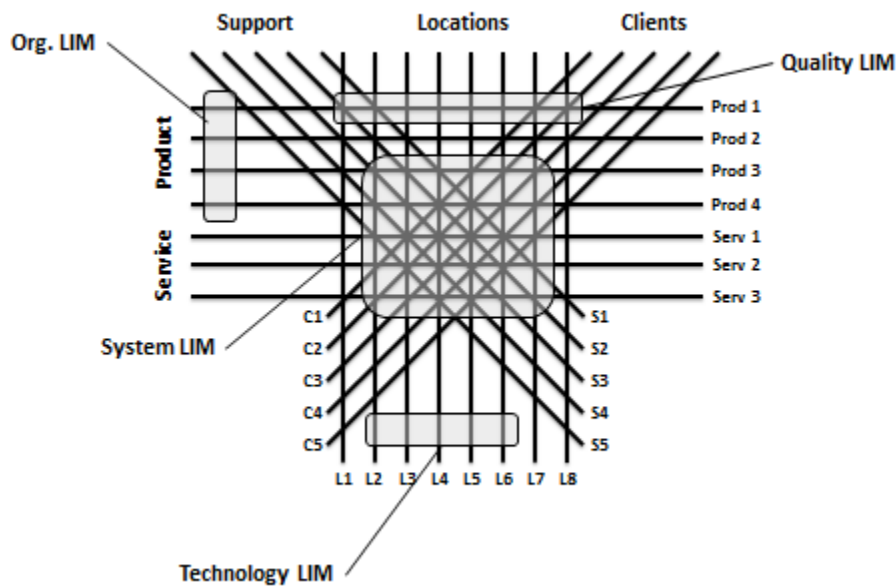


Figure 12. Lateral integrative mechanisms. This figure illustrates how LIMs can map to the MOS structure.

Adaptive transformational cycles in businesses are preordained by environmental conditions, or survival is in jeopardy. Reciprocal task interdependencies increase the effort needed for decision making (Galbraith, 1973; McCann & Ferry, 1979; McCann & Galbraith, 1981; Thompson, 1967). This is best handled by lateral integrative mechanisms (Galbraith, 1994, 2005; Lawrence & Lorsch, 1967) that have the appropriate alignment towards optimizing profits while minimizing risk. Galbraith (1994) suggests that MUFs require higher levels of lateral coordination when pursuing related diversification as compared to those that pursue unrelated diversification strategies. This is logical as the latter has fewer opportunities for interdependencies. Examples of lateral integrative mechanisms include informal networks (Goold & Campbell, 2003). This is apparent when managers perceive a problem and spontaneously connect to resolve the issue, when formal groups are designated by executive management to facilitate coordination between businesses, when integrators who are full-time leaders of lateral groups are assigned liaison roles, and when the multidimensional organization



demonstrates equal authority in all relevant dimensions driven by a growth opportunity. These stakeholder roles are especially relevant to growth synergy during organizational integrations.

As business units are integrated they mature and become influential by adopting beneficial attributes such as participation, influence, coordination, collaboration, and capability in an increasingly complex interdependent production environment (Gupta & Govindarajan, 2000; O'Donnell, 2000). LIMs are needed to span across otherwise confining structures. Contextually embedded knowledge is typically difficult to discover, locate, or leverage. Examples of mechanisms to extract relevant knowledge may include boundary spanning functions, liaisons, and an assortment of team structures informing the organization about opportunities and complementing existing structures (Ancona & Caldwell, 1992; Ebadi & Utterback, 1984; Galbraith, 1973; Gersick, 1988; Tushman, 1977; Tushman & Scanlan, 1981). The scholar considers knowledge flow, whether codified or non-codified, to not be one way, or even two-way, but rather nodal, or systemic (Gupta & Govindarajan, 2000); hence the concept of a *network*. Even though the bandwidth of the network can be increased, absorptive capacity, while expandable, should be taken into consideration as a constraint. The objective is to have relevant knowledge manufactured, if needed, and flow to the right locations autonomously, at the right time, to help MUFs realize growth synergies at the point of opportunity.

Several mechanisms of inter-unit integration have received substantial attention as ways to facilitate the coordination of information flow in dispersed MUF structures (Bartlett & Ghoshal, 1989; Ghoshal and Bartlett, 1994; Gupta & Govindarajan, 2000; Nohria & Ghoshal, 1977). Existing cumbersome organizational configurations must be overcome, or compensated for, by choosing appropriate collaborative mechanisms, especially in complex organizations. Galbraith (1973) put forward three forms including liaison roles, temporary teams, and

permanent teams; however, several other types will be exposed in this dissertation by the scholar. These lateral integrative mechanisms have been shown to impact knowledge transfer and processing capacity (Gupta & Govindarajan, 1994, 2000). The scholar has decided not to let these constructs limit the creation of unique lateral mechanisms in the context of this case study. Actual LIMs discovered and deployed in the MOS at MediaCorp will be described further in Chapter 4, including a discussion about their impact on growth synergy realization and data regarding the co-researchers experience with them.

The operational system allows for the exploitation of entrepreneurial opportunities often that are concomitant with market and technology changes. Concurrently, administrative opportunity, through structure and process, is critical for the reduction of uncertainty within the organizational network. LIMs focus on problem solving to facilitate sustained evolution and innovation. They avoid embedding or inappropriate routinizing that would contribute to inertia (Miles et al., 1978). Strategy is an opportunity to avoid risk, restore equilibrium, standardize, routinize, streamline, mechanize, and promote consistency. Reactive adaptation should be considered as *strategic failure* or *strategy void*, incurring cumulative risk that is not sustainable. Strategy, on the other hand, may promote a limited set of products directed at a narrow market segment enhancing penetration, it may enhance the efficiency of serving a stable market domain, it may enable the exploitation of new products and market opportunities, and it may enact the harvesting of revenue from core traditional products and customers (Miles et al., 1978). LIMs are intrinsic to strategy as they may contain organic structure formations that include, but are not be limited to, cost control specialists that use monitoring techniques and improvement methodologies to improve profitability, decentralized control mechanisms, intensified planning and scheduling capabilities to optimize capacity utilization, enhanced functional structures

including a division of labor in a centralized control structure, administrative systems that reveal intelligence and enable effective decision making, environmental scanning to identify internal and external opportunities, and the deployment of communication mechanisms in all dimensions that inform each dimension optimally (Burns & Stalker, 1961).

LIMs have attributes that contribute to their success or failure within their respective environments (Denison, Hart, & Kahn, 1996). In the event that goals and values in the business units are not congruent with the goals of corporate, knowledge transfer is inhibited (Ghoshal & Bartlett, 1990). Consequently, LIMs may be effective for the exploitation of the collective knowledge and help manage the relationship between the unit and the corporate center. Given that a MUF is a network of business units differentiated by roles, resources, and environment (Nohria & Ghoshal, 1997), it is important to consider that this network of units is simultaneously present in each of its contexts. Business units gain significance and can draw from their local contexts by contributing knowledge and competence to the shared network (Almeida & Phene, 2004; Andersson, Forsgren, & Holm, 2002; Davis & Meyer, 2004; Frost, 2001; Manolopoulos, Papanastassiou, & Pearce, 2005). Harvesting this knowledge from disparate sources on-demand reduces the dependency on centralized sources in the MUF and better ensures relevancy to local contexts (Frost 2001) that may be evident in the limited variety of forms of LIMs illustrated in Figure 11. For example, the time needed for integration completion is often overstated and the effort needed to merge cultures is typically understated (Loomer & Harington, 2003). The challenge initially centers on access to this disparate knowledge so that transfer and integration can occur (Rugman & Verbeke, 2004; Zander & Solvell, 2000). The purpose of the efficient transfer of knowledge is to accelerate the innovation process, encourage the replication of

capabilities, and to exploit the combination of knowledge assets (Hansen & Lovas, 2004; Subramaniam & Venkatarman, 2001; Winter & Szulanski, 2002; Zander & Solvell, 2000).

MUF leaders are concerned with the creation and implementation of LIMs to induce nodes in the network to share and create connectedness for mutual ongoing benefit (Eisenhardt & Galunic, 2000). For example, business unit and products or services leaders (dimensions in the MOS) collaborate in frequent fact-focused and pragmatic group meetings where shared interests, competitor moves, customer feedback, and technology developments are discussed. This structured activity is a LIM that may be named as a periodic activity. Business units need to be viewed as entities with bargaining power and influence in addressable markets where entrepreneurship can be exploited for growth synergy realization (Birkinshaw, 1997; Birkinshaw & Hood, 1998; Cantwell & Mudambi, 2005; Forsgren & Pedersen, 2000). This profitability enhancement can be achieved through opportunity discovery and trust-based collaboration (Eisenhardt & Galunic, 2000) across distributed teams that may be virtual and dynamic (Bell & Kozlowski, 2002). Companywide control structures may not be complementary with local environments which have substantial influence over business unit activities (Andersson & Forsgren, 1996; Nohria & Ghoshal, 1994). The recognition of each business unit's unique situation and the subsequent adaptation of control systems create the capability to share within the network (Nohria & Ghoshal, 1994). This strengthens the networks ability to realize growth synergies.

Knowledge has come to be known as the most strategic resource in an organization (McEvily & Chakravarthy, 2002). This is especially critical in multi-national enterprises with interdependent business units that move work between locations. In this case various influencing factors come into play; including, but not limited to, operational structure, lateral integrative

mechanisms (LIMs), and control mechanisms. The firm's ability to exploit knowledge related resources effectively is a fundamental aspect of the firm's competitive positioning and attributes value to the knowledge. Consequently, knowledge management, for the purpose of efficient exploitation, has been widely researched (Doz, Santos, & Williamson, 2001; Gupta & Govindarajan, 2000; Zander & Kogut, 1995); however, this exploitation needs to be considered in change management schemes related to the exploitation of growth synergies. From this research, an emerging topic has been the relationship between organizational features and the efficient flow of exploitable knowledge (Björkman, Barner-Rasmussen, & Li, 2004; Harzing & Noorderhaven, 2006; Schlegelmilch & Chini, 2003). Despite the difficulties, it is important for this case study that an understanding is created around the efficient transfer of knowledge for growth synergy realization. Organizational factors substantially correlate to knowledge creation, availability, and exploitation. The traditional M-form design does not support the degree of decentralized decision making required to sustain profitability in diversified organizations (Miles et al., 1978). The organizational design must remove rather than promote constraints that block stakeholders from contributing meaningfully to the organization's purpose (Miles et al., 1978). This may include both information flow and ongoing education (Rose, 1990). Hansen (1999) found that project teams quickly searched for useful information in other subunits where there were weak knowledge links. He also found that weak inter-unit ties enhance transfer speed of tacit knowledge as compared to strong ties. When complex knowledge is transferred to both stable and dynamic areas of an operation, strong ties are needed. Bresman, Birkinshaw, and Nobel (1999) found that tacit knowledge is best transferred through intense communication characterized by substantial personal interaction. This is especially the case in international acquisitions involving knowledge transfer (Bass, 1981). Gupta and Govindarajan (2000) suggest

that this intense communication be facilitated in multidimensional organizations through the use of lateral integrative structures like liaison personnel, task forces, or permanent teams with these tasks being performed in addition to regular duties. This structural perspective is extended by Hansen (2002) who found that project teams obtain information faster from relevant sources when there are shorter network paths between units that possess related knowledge. Consequently, they tend to complete projects faster. Additionally, he showed that problems could be mitigated when direct relations are established. This specifically related to the transfer of non-codified knowledge. If the information is not codified it could be harmful, as the enhanced maintenance costs are continued. While Dyer and Singh (1998) emphasize the link between information sharing and alliance success, Tsai (2002) further explores knowledge sharing coordination and found that a formal hierarchical structure, in the form of centralization, had a substantial negative effect on knowledge sharing. He also discovered that when interactions are social, informal lateral relations had a substantial positive effect on business units when they compete with each other in the same markets. Conversely, this is not the case when they compete for internal resources.

Boundary spanning personnel and information gatekeepers create an organizational environment that is conducive to information exchange (Tushman & Katz, 1980; Tushman & Scanlan, 1981). Liaison mechanisms enhance inter-unit knowledge exchange by identifying relevant and potentially beneficial elements of knowledge to consolidate in the MUF. The gatekeeper makes this information available to all units, while keeping it organized, version controlled, and accurate. Research has shown that there is a relationship between communication and its frequency on knowledge transfer (Bresman et al., 1999; Ghoshal & Bartlett, 1988). Team structures enact mechanisms of interaction, creating social capital driven by trust, a shared

vision, similar practices, shared identities, and epistemic cultures (Brown & Duguid, 1991, 2001; Knorr-Cetina, 1999; Tsai & Ghoshal, 1998). These communities of practice (COPs), also viewed as LIMs if oriented across dimensional lines or extended beyond the MOS, create technical language, shared semantics, and help integrate knowledge into the organization through knowledge sharing (Grant, 1996; Shaver, 2006). Teams are typically formally recognized, have legitimate power, a sense of mission, have access to financial and human resource information, have enhanced knowledge in the subject matter, and have substantial experience (Takeuchi & Nonaka, 1996). Temporary team structures may have a subset of these resources. Teams may be limited in size and construct and may exclude needed expertise (Grant, 1996) because it is on-demand, or available as needed. This means that Furthermore, permanent team members may not keep up with relevant information migrations if they are decoupled from their work areas. They may also be caught in an embedded routinized culture, due to experience or other factors, which may encourage rigidity and dampen needed innovation in a dynamic marketplace. The roles of LIMs should therefore be considered as both temporary and dynamic.

Hedlund (1994) suggests with his N-form that temporary teams be drawn from pools that experience these dynamics rather than be a permanent structure across dynamic pools. This keeps the team synchronized with clients, product life-cycles, and the marketplace. Process owners who are unwilling to share for the benefit of the common good would benefit from and be encouraged by an incentive system that rewards the right behavior and an organization design that encourages connectedness. Roth and O'Donnell (1996) found that an appropriate incentive structure adapted to the situation, temporary or permanent, had a positive impact on information sharing.

In summary, the transfer of knowledge across the organizational network must be opportunistic and timely to be meaningful. Timely availability and consumption of meaningful knowledge is critical for organizational agility, enabling the exploitation of growth synergies. LIMs are designed to build bridges between business units and between dimensions in the MOS while connecting the MOS to the corporate center for the purpose of mutual benefit. LIMs promote organizational cultural attributes conducive to growth synergy realization. They span boundaries that otherwise would contribute to organizational inertia and entropy. Furthermore, they may be situationally adaptive, conceptually permanent, and dynamically temporary.

### **Designed Relationship with the Corporate Center**

There is considerable research around the design of the corporate center in MUFs (Collins & Montgomery, 2005; Collis, Young, & Goold, 2007; Goold & Campbell, 1987, 1998, 2002; Goold et al., 1994; Foss, 1997; Markides, 2002; Whittington, 2002). There is, however, little or no information about how the corporate design can be optimized for the success of a MOS in a multi-unit firm augmented by LIMs. Typically the corporate center is made up of hierarchies of support function managers and staff outside of the operations oriented functions in a MUF (Collis et al., 2007; Foss, 1997; Goold et al., 1994). When Eisenhardt and Martin (2000) refer to dynamic capabilities they referred to the corporate process whereby MUFs align their organizations through resource recombination or redeployment to realize synergies and corporate value. Sustained corporate value is critical to growth synergies. The literature suggests four corporate-level processes of resource recombination; cross-unit resource transfer, knowledge sharing, coevolution, patching, and cross-business synergy initiatives. Cross-business knowledge and resource transfer relates to the movement of resources across businesses within an existing organization (Leibold, Probst, & Gibbert, 2002; Martin, 2002; Probst, Raub, & Romhardt,



(2000). Patching refers to the manipulation of the form of a business unit so that it can adapt to a dynamic market (Eisenhardt & Brown, 1999). Coevolution refers to the manipulation of the links between units to exploit synergy opportunities. Cross unit synergies refers to temporary collaboration between business units to exploit growth opportunities. In this section, the scholar will discuss these aspects of corporate design through the lens of organizational design. Specifically, the concepts of the corporate ecosystem, corporate advantage and bias, and finally the impact of merger and acquisition (M&A) theory on organizational design will be discussed. The scholar will then review concepts around organizational design research, corporate center strategy, organizational design within the businesses, and the role of diversifiers, structures, and corporate parenting in the context of a MOS applied in a MUF for the purpose of synergistic growth.

Corporate may be able to assist a business unit to formulate a vision, mission, and long-term corporate strategy, including plans and budgets (Goold & Campbell, 1987). They may be able to assist with a business model and identify other corporate value-adding opportunities ensuring that they are then aligned with corporate strategy. Corporate may have access to trend analysis and be aware of the impact of megatrends. They may also allocate capital for goal realization and assign priority to these goals (Chandler, 1991). Corporate may be able to provide for financial controls whereby various business units are encouraged to achieve financial targets (Chandler, 1991). In the strategic planning mode, corporate may be able to help with the development process and with performance monitoring from a structural perspective; however, the dimensional leaders in a MOS typically know substantially more meaningful information about local markets. Consequently, a shared purpose and cross-business collaboration must be encouraged (Chandler, 1991; Hill et al., 1992). Corporate may be more sensitive to linkages

between businesses and encourage unforeseen opportunities for collaboration, thereby enabling the realization of growth synergies across businesses. Essentially then, corporate governs an ecosystem that may include temporary growth synergy discovery, incubation, innovation, and realization through execution enablement. Corporate managers can also coach, nurture, and transform their leadership structure to benefit from cross-unit collaboration (Wiessmeier et al., 2012). While corporate managers create and maintain the business ecosystem, they also ideally align the business portfolio, enforce strong financial controls, create a meaningful reward system, and build a strong team of business unit leaders as a way to create value in the MUF.

If corporate capabilities are actually rare, valuable to the market, and difficult to imitate, then they are synergistic and additive with regard to corporate advantage. The genesis of competitive advantage is linked to the possession of innovations that improve performance, such as management structures, processes, or practices. This is sometimes referred to as an *operating system* (Birkinshaw, Hamel, & Mol, 2008). The sustainability of corporate advantage depends on how difficult it is to imitate corporate management capabilities. Typically these capabilities are exposed through systems, strategies, and structures. Additionally, the relationship between the firm's competitive advantage and the capability of the corporate center may be ambiguous. Capabilities may be interconnected or hard to understand. Even if they are understood, they may be difficult to imitate or implement due to the requirement to make associated and dependent changes in the management system (Porter, 1996). Performance is reduced further when complex systems are incompletely matured and implemented. This may influence risk during implementation (Milgrom & Roberts, 1995; Rivkin, 2000). Furthermore, implementations become more difficult when the links between biases, evolved routines, and interpersonal relationships and the capabilities of the corporate center are socially complex (Nelson & Winter,

1982). Conversely, corporate management is effective when a business unit can benefit from enhanced strategic agility, significant innovation capacity, performance continuous improvement, and effective leadership efficacy all of which point to corporate value. There is substantial evidence in literature for the existence of operative synergies with cost sub-additives being the dominant theme (Markides & Williamson, 1994; Montgomery & Singh, 1984, Palepu, 1985); however, revenue super-additives in MUFs through the exploitation of operative synergies are present in recent diversification oriented research (Farjoun, 1998; Tanriverdi & Venkatraman, 2005). Competitive advantage based on interconnected assets that are difficult to imitate is essential for growth synergy outcomes (Dierickx & Cool, 1989). The combination of complementary resources rather than similar resources tends to be the basis for these synergies (Tanriverdi & Venkatraman, 2005). The weakness of the literature in this area substantiates the need for new research around growth synergy realization in multi-unit firms and further research around the designed relationship between the corporate center and a multidimensional organizational structure to facilitate consistent and continuous corporate advantage.

Critical to corporate design is the success of knowledge and resource transfer. According to Zander and Kogut (1995) it is attributed to three factors; the characteristics of the transferred knowledge, the sender-recipient relationship, and the organization setup, all of which are assets. Zander and Kogut also found that, while the complexity of knowledge has a negative influence on transfer speed, the observability of knowledge and the degree of codification has a positive influence. As an example, subject matter experts (SMEs) function as LIMs by introducing knowledge effectively. Similarly, Gupta and Govindarajan (2000) found that inflows of tacit knowledge positively correlated with absorptive capacity. Tsai (2002) indicates that absorptive capacity is critical to innovation and performance. Szulanski (1996) confirms that the lack of

absorptive capacity and causal ambiguity are barriers to knowledge transfer. Neilsen (2005) also confirms that absorptive capacity and trust have a moderating effect on a knowledge exchange system. Trust and mutual support between members relates directly to an organizational climate that promotes synergy generation (Alchian & Demsetz, 1972; Ansari et al., 2006; Covey, 2006; Tsai & Ghoshal, 1998). Furthermore, Cummings and Teng (2003) found that transfer success is linked to lower knowledge embedding, knowledge distance, source-recipient norm gap, and the increased ability to articulate the knowledge. Synergistic growth realization is dependent on the free flow of valuable information across locations, products or services, client, and support functions, as well as across corporate organizational lines. The corporate center is an enabler for knowledge asset exploitation across business-unit participants in a MUF.

Business units in a dynamic market use patching to take advantage of shifting operative synergies. This would include recombining, adding, splitting, transferring, or exiting all or parts of a business unit (Eisenhardt & Brown, 1999). Patching is characterized by a sequence of evolutionary changes that are optimally frequent based on absorptive capacity and optimally minimized to ensure control (Galunic & Eisenhardt, 1996, 2001). According to Eisenhardt and Brown (1999), patching companies have unique features including the view that frequent restructuring is normal and that structure as temporary. Patched business units are optimally constructed to be small enough to be nimble, but large enough to be efficient and responsive to customers (Rose 1990). A fast patching process is enhanced by business designs that are modular, discrete, focused, aligned, and somewhat autonomous. Typically there is a high level of internal competition in companies that engage in patching (Eisenhardt & Brown, 1999). They compete for the right to work-specific markets or customers. Resource movement is enhanced by cross-business controls. For example, parity in compensation makes it easier to move employees

between businesses as it avoids wage normalization complications. Finally, timely patching plan execution is informed by sophisticated reporting and business intelligence systems (Eisenhardt & Brown, 1999).

Patching suggests that high-velocity environments in a MUF require frequent structural changes, or recalibrations, in order to realize operative synergies. These changes are accelerated by simple structures with high levels of competition, autonomous entrepreneurialism, and a loose coupling that earns the right to serve a specific market (Birkinshaw & Lingblat, 2001). Corporate managers are therefore encouraged to be supportive and keep organizational structures competitive, nimble, modular, and simple. Additionally, the corporate structure needs to constantly realign and recalibrate itself to market and emerging synergy-based opportunities, through the execution of frequent and incremental evolutionary changes while minimizing its cost burden on revenue producing business units.

While appealing, patching does suffer from several limitations as a synergistic growth tool in dynamic markets. The concept of patching does not differentiate between growth and efficiency synergies and so is theoretically immature (Eisenhardt & Brown, 1999). Patched modular businesses may capture emerging market opportunities through shared production (efficiency synergies) or through shared critical components to create integrated solutions (growth synergies; Eisenhardt & Brown, 1999; Eisenhardt & Galunic, 2000; Martin & Eisenhardt, 2001). While efficiency synergies are typically emphasized in the literature, growth synergy opportunities are not. Additionally, patching appears to prefer corporate restructuring in highly dynamic markets rather than the sustainable realization of cross-unit growth synergies in moderately dynamic markets.

Coevolution is the process of manipulating the collaborative links, or a shifting web of relationships, to take advantage of both operative and growth synergies among business units (Eisenhardt & Galunic, 2000). Coevolution is a complex adaptive system that employs successive changes among unique but interdependent entities. This is achieved through the balance of tension between opportunity exploitation and organizational links that enable adaptation. For example, a product manager may consolidate the products or services of several business units to create a new unique product that improves competitive interdependence. Coevolving leaders improve information flow so that business unit leaders can see opportunities, they re-patch closely aligned businesses together into larger business segments, and they rejuvenate ineffective businesses that are being avoided (Eisenhardt & Galunic, 2000). Over time new linkages are created or terminated depending on demand. Fewer targeted connections and decentralized intelligence negatively influences the agility of the network (Eisenhardt & Galunic, 2000).

Positive collaboration in coevolving business units may include joint product development activities, the exchange of product knowledge, joint purchasing, and shared staff. Business unit linkages change continuously in response to tension and efficiency requirements, and to take advantage of market opportunities. Coevolving companies portray distinct features such as business-unit driven collaboration and execution as well as the associated limited role of the corporate center. In fact, corporate strategy is in the hands of the business unit managers with managerial incentives focused on business unit performance rather than corporate performance. Managers in coevolving business units value business systems, frequent data focused workout sessions, defined boundaries and roles, shared intuition, exogenous metrics about market shifting, and reward systems that favor self-interest through collaboration (Eisenhardt & Galunic,

2000). In this context competition between business units is seen as a driver for innovation such as, for example, alternative technologies, business models, distribution channels, and the time and cost it would take for competitors to develop or acquire similar capabilities across related products and services (Martin & Eisenhardt, 2001). The scholar suggests that growth synergies are realized when opportunities are identified, when there is a portfolio of prioritized tasks to pursue, and when the associated changes are implemented. These three areas are categorized into four parallel paths with dependencies which include decentralization, financial controls, integrative mechanisms, and reward systems. Capability is increased with embedded knowledge in an organization and an effective common organizational design enables its transfer while inhibiting competitor imitation (Mahoney & Pandian, 1992; Markides & Williamson, 1996; Peteraf, 1993). Size matters as business units need to be small enough to adapt, but big enough to combat intense competition and manage capacity demands through economies of scope (scaling) and rapid-learning (knowledge acquisition; Grant, et. al., 2002; Schulz, 2001). In moderately dynamic markets, well-functioning business systems are needed to support frequent decision making sessions that are data-driven. This also suggests that the decision to form cross-unit linkages should be decentralized to the business units and that collaboration should be guided by informed self-interest (Eisenhardt & Galunic, 2000). Business level incentives then drive efficient synergy realization. Coevolution as a meta-concept is also theoretically immature and is too abstract to be consistently meaningful in realizing growth synergies, and so must be situationally applied.

Martin (2002) refers to cross-unit synergies in dynamic markets as temporary collaborations that capture corporate value. He also found that cross-unit synergies with the highest value tend to come from the business units themselves rather than from the corporate

center. These initiatives do not necessarily rely on corporate planning but rather are based on local experimentation. They may also include substantial involvement between business unit heads and may be driven by decision making between teams. The agreement on the implementation typically will involve a significant amount of intense debate resulting in a high level of agreement. Martin (2002) suggests that high-performing cross-business synergy initiatives may include substantial realignment or the redeployment of resources, modularity through the use of a dedicated team, and loose coupling through the use of a few simple coordination mechanisms to handle interdependencies with external entities. Martin (2002) also recommends that the corporate center have a very small part in synergy realization. Instead, they should be more focused on developing the team of business unit managers that are able to promote, and engage in, a suitable multi-business unit decision-making process. The business units would be better served if corporate managers would deploy similar, but relevant, management systems and value-added human resource best practices across business units. Additionally, they could establish and support the formation of collaborative and effective organizational designs. These designs would need to have an optimal level of centralization, corporate-level incentives, non-financial controls, and support the deployment of lateral integrative mechanisms. They would need to avoid over-involvement and synergy biases. A weakness of Martin's study is that he focuses on temporary, rather than consistent, sustainable collaboration (Martin, 2002). Furthermore, he does not differentiate between efficiency and growth synergies, inferring that his recommendations are marginal with regard to growth synergy realization (Martin, 2002). For example, he states that business units come up with product or service solutions but discounts the collaborative involvement of customers in the decision making process. Additionally, he does not address organizational arrangements for



synergy realization such as incentives, controls, culture, and integrative mechanisms (Martin, 2002).

While the role of the corporate center in synergy realization is relevant to the discussion, a negative effect could come from synergy bias. This occurs when the corporate center underestimates the effort of implementation or overestimates potential synergies. This tendency may be enhanced in a desperate or emotionally-charged environment. Four synergy biases were identified by Goold and Campbell (1998) including; (a) wishful thinking (synergy bias) for purposes of self-promotion, (b) assumptions of involvement need (parenting bias) resulting in reluctant collaboration regardless of opportunity, (c) the assumption that corporate has the skills to intervene effectively (skill bias) even though they are not aware of local markets, and finally (d) a perception of opportunity (upside bias) that is emotional rather than rational, thereby overlooking negative side effects such as strategic thinking ambiguity at the business level, unaligned incentive systems, employee dissatisfaction, and reduced agility. These biases lead to overestimates of the benefits of collaboration and underestimates of the costs to achieve the opportunity (Eisenhardt & Galunic, 2000). Furthermore, if corporate leaders take the lead in discovery and synergy realization activities they often do not understand the nuances of the business unit. Conversely, junior managers may lack an overall strategic perspective. Consequently, Goold and Campbell (1998) suggest that when clear parenting opportunities are discovered, it is the role of corporate to intervene selectively and analyze operative synergies carefully. These opportunities may include the following; businesses typically do not have the overview advantage that corporate has (perception opportunities), businesses may not accurately calculate the benefits and costs of the synergy (evaluation opportunities), unsuitable measurement or interpersonal relations (motivation opportunities), and a lack of resources or

skills to implement synergy opportunities (implementation opportunity). It may be possible to conclude then that the successful economic exploitation of operative synergies may be dependent on the corporate center's ability to identify and appropriately act on parenting opportunities.

M&A potentially relates to the realization of growth synergies; however, it is outside the scope of this dissertation and the context is different. Nonetheless, there are lessons in M&A literature, which is plentiful, that are somewhat transferrable. For example, research on M&A has explored the effectiveness of various organizational constructs, including the corporate center-business unit relationship on post-acquisition performance or related acquisitions, as they derive their value from operative synergies (Datta, 1991; Kinnunen, 2010). These studies also reveal information on growth synergy realization. This research has also described the relationship between post-acquisition performance and top management style similarity (Buono & Bowditch, 1989; Chatterjee, Lubatkin, Schweiger, & Weber, 1992; Datta, 1991; Diven, 1984; Marks, 1982; Walter, 1985). The emphasis on structure and authority, the decision-making approach, control preferences, communication patterns, and the attitude towards risk taking are management style factors (Khandwalla, 1977; Datta, 1991). Larsson and Finkelstein (1999) discovered that similarity between management styles and human resource practices influence operative synergy desirable outcomes. Furthermore, the post-merger performance between merging firms is substantially impacted by the compatibility between core values and cultures (Buono & Bowditch, 1989; Cartwright & Cooper, 1992; Chatterjee et al., 1992; Forstmann, 1998; Greenwood, Hinings, Brown, 1994; Nahavandi & Malokzadeh, 1988; Sales & Mirvis, 1984; Walter, 1985). Conversely, Vermeulen and Berkema (2001) found the negative influence that cultural diversity and distance have on realizing benefits from acquisitions. This was also confirmed in other earlier studies (Buono & Bowditch, 1989; Sales & Mirvis, 1984; Walter,

1985). An appropriate level of coordination and interaction between merging organizations is also required for desirable outcomes, according to other studies (Buono & Bowditch, 1989; Chatterjee et al., 1992; Datta, 1991; Haspeslagh & Jemison, 1991; Marks, 1982; Walter, 1985).

Literature on M&A also suggests that organizational design may influence outcomes. Some of these ideas are applicable to a MUF that is aggressively pursuing growth synergy through organizational or functional integrations. The default organizational design is the M-form as conceptualized in Chandler's (1962) work. This has been validated by various studies (Armour & Teece, 1978). Regardless of their diversification strategy, most diversified firms have adopted this form (Fligstein, 2001; Pedersen & Thomsen, 1997; Villalonga, 2004); however, this may be exemplified in unique arrangements with important design nuances (Allen, 1978; Hill & Hoskisson, 1987). According to Wrigley (1970) there are differences that are structural between unrelated and related diversifiers. For example, Rumelt (1974) shows that while a high level of autonomy is given to unrelated diversifiers, highly-related diversifiers typically have centralized decision-making structures. These ideas are further explained by Hill et al. (1992) who suggest that performance levels are higher when the fit between control systems, organizational structure, and diversification strategy is high. These principles are generally applicable to M&A integrations and MUF efforts to realize growth synergies.

Organization design research may provide some insights into the realization of operational synergies, as it assumes that diversification and performance are influenced by organizational design arrangements (Hill, 1994). As exploited operative synergies result in above average economic performance of related diversifiers (Palich et al., 2000; Rumelt, 1974; Wrigley, 1970), organizational designs that moderate this relationship should be designs that contribute to the realization of operative synergies. How corporate managers of MUFs shape and

guide decisions across businesses is partially explained by organizational research (Bower, 1970), which explores elements such as organizational culture and structure, control systems, human resource management, and strategic planning (Collins & Montgomery, 2005).

Corporate may be able to provide advice on leadership style, management systems, and structure. Leadership style may include the selection, training, and retention of key talent (Collins & Montgomery, 2005; Markides, 2002, Markides & Williamson, 1994, 1996; Whittington, 2002). It may include the provision of succession planning and the appointment of key business leaders from external sources or internal leadership pools. Corporate may establish performance enhancing values and cultural norms. Leadership style needs to be aligned with corporate strategy. They may also provide direction for change management when it is enacted. Corporate may be helpful in providing management systems for strategic planning, financial planning, corporate controls, reward systems, and innovation cycle management (Markides, 2002; Markides & Williamson, 1996); however, management systems should be aligned with corporate and business strategy. Lastly, corporate can provide assistance with regard to the overall structure of the MUF (Galunic & Eisenhardt, 2001; Hill & Hosskisson, 1994).

Scholars suggest that the status of diversifiers drives organizational strategy. If the diversifiers are unrelated, for example, research recommends the implementation of competitive organizational arrangements. If the diversifiers are related, the organization should implement organizational arrangements that stress cooperation between businesses to improve performance (Amit & Livnat, 1988; Argyres, 1996; Bettis, 1981; Davis & Thomas, 1993; Hill et al., 1992; Li & Greenwood, 2004; Simmonds, 1990; Wrigley, 1970). MediaEnterprises is a related diversifier, as it provides products and services that leverage similar infrastructure components and have similar workflow steps. A cooperative arrangement may be characterized by greater reliance on

subjective non-financial controls (e.g. the ability to innovate and the degree to which independent divisions cooperate), objective non-financial controls (e.g. labor productivity, capacity utilization, market share, and growth), greater centralization if it is beneficial, the use of integrative mechanisms, and group level incentives (Hill et al., 1992). Additionally, St. John and Harrison (1999) found that cooperative administrative mechanisms such as joint planning processes, task forces, and corporate-level incentives help MUFs perform with higher efficiency, thereby adding value to the corporate center.

Raynor (2000a) suggests that M-form structures differ in three dimensions including (a) the extent to which a division contains the functional ability to execute its market strategies, (b) the extent to which divisions deal with each other through interdivisional relationships like cross-divisional networks, secondary work structures (Goold & Campbell, 2003), and corporate managers, and lastly, (c) the extent to which divisional decision-making autonomy is in place on strategic and operational issues. Reciprocal interdependencies between divisions require resource sharing. This leads to the realization of benefits from related diversification (Thompson, 1967).

The M-form has been criticized following a focus on the added value of the corporate parent to its business units (Goold & Campbell, 1987; Porter, 1987). In the event that the corporate parent adds to the ability of a business unit to create economic value such that the value of the firm is greater than the value of its individual units (break-up value), then this construct is appropriate (Fligstein, 1985). This, however, is typically not the case, and so questions have been raised by scholars about more effective designs that exploit synergies across business units. Goold and Campbell (1998) suggest that there are four parenting opportunities for the corporate center including; (a) making businesses aware of synergy opportunities, (b) helping businesses assess the value of synergy realization, (c) motivation opportunities including reward

systems and collaboration, and (d) providing resources and skills for strategy implementation. Specifically, corporate can help with cross-unit structural designs. With a focus on resources, a typical solution has been *shared service centers*. This is an example of a common resource solution that exploits resources in production, delivery, and a variety of support functions (Collins & Montgomery, 2005; Forsgren & Pedersen, 2000; Galunic & Eisenhardt, 2001). Unfortunately, exploiting economies of scale or scope may at some point have diminishing returns (Sirower & Harrigan, 1997). The M-form assumes that the firm's customers only need to deal with one business unit and that this business unit can effectively control all the resources needed to serve its market. By contrast, the MOS reduces the independence of business units by more effectively exploiting resources in a capacity that is network based.

In summary, the role of corporate in multidimensional organizations is critical to making a MUF successful. Corporate added value lies in creating the conditions that make it possible for the MUF to overcome mental barriers that are legacy in the M-form. Additionally, business unit managers need to give up deeply engrained ideas about organization design (Drucker, 1992). The interdependency of dimensional areas is ingrained in the MOS. Some of the related key elements of a MOS are management information systems, planning processes, and reward schemes. The systems and processes that support a MOS eliminate information asymmetries and allow employees to collaborate and focus on creating economic value for clients. While the MOS is a relatively novel application of organizational design, the structure brings efficiencies to the MUF through a collaborative culture over a defined scope and with the aid of an optimized designed relationship with corporate.

## **Leadership in a MOS**

In this section the scholar will briefly discuss the inadequacy of the previously discussed M-form organization, followed by the significance of roles in a MOS. The horizontal and vertical roles are distinguished next, followed by leadership in corporate roles. The scholar believes, and will provide evidence in Chapter 4, that the MOS is ideal for growth synergy exploitation. With this in mind, leadership, a vast topic, is critical to profitability. Existing leadership is influenced by the history of the organization. A transformational organizational design, such as the MOS, has freed leaders from embedded paradigms to adopt behaviors and traits that result in profitable endeavors.

In the typical M-form organization, top-level managers formulate strategy to set direction and then manipulate resources to fulfill objectives. Mid-level managers then assume the role of administrative controllers and are in the middle between control from above and implementation of strategic tasks below (Bartlett & Ghoshal, 1997). The message of empowerment has spread through organizations as they realize the limitations of this construct, especially in an environment where behaviors and relationships have not changed. While MUF-type organizations need top leaders, there is the tendency for them to drift into familiar and traditional roles with the assumption that boundaries are still present and that all leaders are similar. A study by Bartlett and Ghoshal (1997) showed that leaders within the complex, networked dimensions of a MOS are different, unique, and environmentally situational. In fact, the transition to an organization of empowerment must be enforced through a structure that anchors new behaviors and relationships (Bartlett & Ghoshal, 1997). This is the intent of the MOS organizational framework as it provides objective alignment around growth synergy realization, and as it redefines roles and norms. For example, a norm that has been a cultural pillar at MediaCorp is

entrepreneurialism. Cultivating an existing norm is easier than embedding a new one. Leadership behaviors and the organizational design liberate this embedded capability to enhance operating profitability. The network in a MOS is exploited through LIMs that enhance communication channels, increase the frequency of their use, and accelerate the value-based ethical decision-making process that entrepreneurial leaders stand behind (Jayaraman & Min, 1993). The MOS also allows for the system-wide exploitation of expertise on-demand. As this approach is holistic, responsibility and innovation are brought to the *coal-face* encouraging participation and inclusion in an evolutionary change process. This creates a strong relational link between the employee and the organization (Joensson, 2008). Nested roles are homogenized through decentralization and linkage in the framework. Any node in the network can influence another. It is the responsibility of leaders to create or discover leaders that are tenacious and thrive in an environment conducive to growth synergy realization (Bartlett & Ghoshal, 1997).

To experience growth synergy realization at MediaCorp, the leadership roles had to be recalibrated at all levels. For example, the role of operating manager at a location had to become optimally and aggressively entrepreneurial. The value-add of this role comes from driving business performance, focusing on productivity, meaningful innovation, and growth in local territories. This leader attracts talent and customers in local markets. They also assist and share in the network. The value-add of this role came from bringing the large company advantage to the local geographic unit. This is accomplished by dispersing knowledge, skills, and best practices across units. The role of a senior-level manager had to become substantially supportive through coaching and advocacy. Top-level managers had to become institutional leaders. The value-add of this position comes from embedding a sense of direction and commitment. This comes from challenging embedded assumptions, institutionalizing an appropriate set of norms,



and from setting an overarching ambitious purpose. Leaders liberate their people to pursue entrepreneurial opportunities in a growth-oriented culture that fosters commitment along with a strong emotional attachment to the organization. They are also connected to the purpose of the organization (Phelps, Rogg, Downey, & Knight, 1994). This is enhanced by a belief and acceptance of the organization's goals and values, a willingness to exert effort on behalf of the organization, and a strong desire to maintain membership in the organization (Mowday, Steers, & Porter, 1979). As a result, other offers for employment are not attractive. Specific drivers of commitment from today's workers may include contract terms, emotional attachment to the industry, entrepreneurial involvement, the nature of the work, job challenges, role clarity, confirmed expectations, reward systems, skills training, and succession planning. Leaders enable invested and committed stakeholders to exploit growth opportunities through advocacy for resource fluidity and the enablement of timely execution (Doz & Kosonen, 2008). They must see untapped potential in resources available to them while assisting with the coordination of disparate but relevant sources of support. This support-based management is augmented by applicable organizational development for operator-level entrepreneurs so that they (a) become a critical source of support and guidance for front-line entrepreneurs; (b) link resources and competencies; (c) assist with the development, documentation, and defense of plans; and (d) resolve the many tensions and conflicts that are a part of realizing growth synergies (Bartlett & Ghoshal, 1997).

Horizontal leaders represent the products (Prod #) and services (Serv #) dimension of the MOS. They identify best practices, coordinate R&D, and apply performance management through cross-unit linkages. They create and manage communication channels and decision forums to capture differences of opinion and interests turning them into exploitable

opportunities. Where applicable they connect vertically between product and service workflows to leverage infrastructure or other workflow-based resources as applicable. Concurrently, they absorb demands in a capacity construct that is cross-geographic.

Leadership at a distance, a substantial aspect of this role, was originally identified by Bogardus (1927); however, distance is not only physical, but social. The perception of distance relates to interaction frequency, for example, but also can be measured by status, rank, authority, social standing, and power (Antonakis & Atwater, 2002). Napier and Ferris (1993) describe distance between leaders and those who are influenced, as psychological (demographic, power, similarity, values), structural (physical, organizational), and functional (closeness, quality of working relationship). Similarly, Howell and Hall-Merenda (1999) found that LMX (leader-member exchange theory) positively affects follower performance but that distance is not a dependency. Other scholars have also found that the supervisory relationship is not distance related by rather more related to job satisfaction levels (Ramos-Sanchez et al., 2002) or situationally dependent on goal commitment (Klein & Kim, 1998). Furthermore, physical distance, or leadership in a distributed context, has been shown to influence the commitment employees have to the organization (Podsakoff, MacKenzie, & Feller, 1993). Horizontal leaders, therefore, have the unique challenge to keep location leaders from becoming overwhelmed by demand, capability needs, ambiguity, complexity, cultural inconsistencies, conflicting messaging, isolation, and potential conflicts. The networked horizontal organization allows location leaders to focus on harvesting as much profit from local markets through shared technology, information systems, and entrepreneurial tasks (Avolio & Kahai, 2003; Bartlett & Ghoshal, 1997).

In the construct of the MOS, vertical leaders are geographic, or location based leaders (L#). These leaders are charged with running the location facility efficiently, with the support of the horizontal line of business (LOB) oriented leaders, while harvesting as much profit from local markets as possible. They discover, create, and pursue growth opportunities. Employee commitment to their employer was much stronger in the past. Now they are more mobile, they can pursue their dreams, and they have to balance multiple dimensions in their own lives (Phelps et al., 1994). Location leaders have to be able to attract skilled resources locally. They also manage continuous performance improvement at their location. The attributes of vertical leaders would include, but not be limited to, creative, intuitive, persuasive, engaging, competitive, resilient, and persistent. They have detailed operating knowledge of the businesses' competitive capabilities as well as their customers' expectations and needs. Vertical leaders focus their energy on opportunities and are able to recognize potential, make commitments for delivery, motivate local labor to meet expectations, and focus organizational energy around demanding objectives (Bartlett & Ghoshal, 1997).

In the MOS, the diagonal leaders are designated as leaders within the support functions (S#) from top left to bottom right and similarly within client relationship based functions from right to left (C#). Support functions could include, but not be limited to, IT support, human resources (HR), finance, R&D, system support, etc. Client relationships are allocated by client, sector, or client cluster or sector assignment. These assignments are based on volume of work, product type, leader tenure, complexity of the product, market trends, market saturation, and other relevant factors. A client and support function line can meet on a node where a location could experience a product that requires technical assistance for the product launch. While

diagonal leaders do not *touch* the product, they do make sure that the product comes into the workflow and leaves it on time through the influence of their support.

Corporate leaders have historically been focused on strategy, structure, and systems rather than purpose, process, and people (Bartlett & Ghoshal, 1997). The primary responsibility of top corporate leaders is to make sure that organizations are working effectively together to realize growth synergies (Doz & Kosonen, 2008). While management systems are critical to the operation, they may isolate corporate leaders from the organization by encouraging them to think of employees as factors of production rather than factors of growth critical to the rapid deployment of strategic initiatives (Doz & Kosonen, 2008). Leaders in the MOS should be thought of as agents of strategic agility (Doz & Kosonen, 2008). Top corporate leaders need to be optimally in touch with MOS leaders so that they can focus MOS leaders on influencing growth through a work environment that fosters entrepreneurial initiative and innovation, rather than just monitoring collective inputs and compliant implementation. Respect for the individuals and their ideas that can grow the organization profitably come through trust, support, and listening while questioning and challenging mindsets. Influential entrepreneurs want change in an environment that achieved equilibrium quickly and that is marked by sustainable economic growth, and a positive impact on society (Bartlett & Ghoshal, 1997). They want a sense of purpose and are proud, and motivated by belonging to an organization that is living out its purpose through its top leadership (Bartlett & Ghoshal, 1997). Frequent communication encourages participation which contributes to higher job satisfaction, lower levels of conflict, while strengthening commitment (Cummings & Teng, 2003; Semmer et al., 2015). Top corporate leaders create an entrepreneurial environment conducive to growth synergy realization that is sensitive to market trends more through inspirational influence than positional authority

(Doz & Kosonen, 2008). Leadership roles in the MOS are critical to the success of the organization. As this structure is somewhat novel, all leaders must be open minded, capable, and flexible to enable growth synergy realization within this construct.

### **Contribution to Theory and Management Practice**

The scholar intends to create insight into the attributes of the corporate effect, by clarifying and deriving empirically strategic success factors for sustainable profitability (Bowman & Helfat, 2001). This study also aims to contribute to theories of managerial practice, organization, and strategy. Additionally, the study provides a topology of corporate resources that may influence the achievement of sustained corporate advantage. The scholar attempts to contribute to corporate strategy theory by exploring the value-producing effect of combining complementary resources that are energized by growth opportunities. The role of a corporate center that creates value by combining resources is further clarified (Hill, 1994; Markides, 2002; Rumelt, Schendel, & Teece, 1994). The study will confirm the importance of similarities and complementarities within and between resource pools (Davis & Thomas, 1993; Tanriverdi & Venkatraman, 2005). Furthermore, this research will provide an empirical example of dynamic capabilities through organization design. Finally, this research will provide insights into corporate strategy oriented around interactions between business units. This contrasts with literature that primarily discusses the creation of strategy between businesses and corporate or within businesses (Burgelman, 1983a; Floyd & Woolridge, 2000).

### **Summary of Chapter 2**

In this chapter the scholar presented an overview of key ideas covered in the dissertation and the associated literature references, if any. While there is generally limited information about the key themes discussed, there is little or no information available with regard to the

combination being studied; growth synergy realization in a MUF organized in a MOS augmented by LIMs and a designed relationship with the corporate center. The tendency in the literature is to discuss the strategy for growth through diversification. Insufficient consideration is given in the literature to relatedness between units in a MUF and the relevancy of timing associated with dynamic product life-cycles to sustained corporate advantage. Synergies were then discussed in the context of growth opportunity exploitation in a chaotic environment. Behaviors in the MUF are substantially influenced by organizational design. In this case, the MOS, along with LIMs, provide the network management needed to realize growth synergies. Alignment around mega-strategies helps with focus and self-interest management. Critical aspects of a collaborative organization, such as coevolution, patching, resource redeployment, and knowledge flow aided by an MIS that informs decision making, were discussed. Finally, leadership in the MOS and in the corporate center was presented. These themes are uncommon or nonexistent in the literature due to the unique combination that is being studied in this dissertation.

### **Chapter 3. Empirical Approach**

The purpose of this study is to establish a perspective based on empirical research on cross-business synergies that lead to growth in a multi-unit global business. This chapter begins by providing an overview of the empirical approach. It goes on to discuss the research design and its rationale. The chapter then reviews the methods from site selection and data collection to data analysis that relate to answering the research questions that have been posed. The research describes the data collection methods, identifies the subjects, describes the data collection tools, and discusses the data analysis methods that will be used. Finally, the scholar describes steps taken to ensure trustworthiness of the study, epoché, and ethical considerations.

By answering the research questions, the scholar intends to develop a theory of continuous growth synergy realization in multi-unit firms (MUFs) with a multidimensional organizational design (MOS) and therefore, to some extent, close a void in this area of inquiry. The methodological basis determines which research approach the scholar uses to generate insights (Guba, 1990; Guba & Lincoln, 1994; Lamnek, 1995; Morgan & Smircich, 1980). A detailed view of the phenomenon will be employed to aid future research in this area. The scholar is attempting to study the nature of the social world through a post-positivistic lens using a phenomenological case study as the best fit for the research method. While the ontological position of the scholar attempts to reveal the essence of reality (Guba & Lincoln, 1994), the epistemological position understands the need for limits and validity by stating the assumptions made, the knowledge basis, and how it is obtained (Guba & Lincoln, 1994; Hirschheim & Klein, 1992). The scholar's positioning is post-positivistic because reality is assumed to exist, but is only imperfectly comprehensible due to human cognitive limitations and because of the fundamental complexity of natural phenomena (Guba & Lincoln, 1994).

## **Qualitative Research Design**

To satisfy research questions and objectives, the research design reveals the concrete steps and actions that the scholar will follow (Yin, 1994). The overall strategy for obtaining sound scientific insights is the purpose of the research method. The scholar will use a qualitative method to investigate growth synergies. The qualitative research method is guided by several factors: (a) the nature of the research questions, (b) the exploratory nature of the study, (c) the need for a detailed view of the phenomenon, and (d) a need to accommodate the study of individuals in their natural setting (Creswell, 1998). A qualitative design is ideal when the scholar does not know the range of variables to examine (Creswell, 1998, 2014; Miles & Snow, 1994). Creswell (1998) defines qualitative research as follows:

Qualitative research is an inquiry process of understanding based on distinct methodological traditions of inquiry that explore a social or human problem. The scholar builds a complex, holistic picture, analyzes words, reports detailed views of informants, and conducts the study in a natural setting. (p. 15)

The nature of this study fits the scholar's post-positivist assumptions about the nature of reality that guides the creation of theory through an iterative process around collecting and analyzing data (Denzin & Lincoln, 1994; Glaser & Strauss, 1967). Theory that is grounded in data is inductively developed from that data. An active, data driven dialog, between theory and practice leads to the exploration of practical relevant theories (Suddaby, 2006). Research theory makes it clear that scholars have cognitive limitations; however, the goal of this study is to use the data collected to derive general assumptions and principles (Strauss & Corbin, 1990, 1996). Specifically, the scholar chose this research methodology because it enables the scholar to draw out generalizations and build theory, discover patterns and frameworks, and deduce hypotheses



with regard to growth synergy realization. It is suited for the explorative generation of new insights making theory around growth synergies more consistent with nature. It also helps gain more practical insights through a data driven context rich analysis (Pettigrew, 1990; Siggelkow, & Rivkin, 2006; Yin, 1994). Therefore, this post-positivistic stance is well suited as a guide for this study. The practitioners that will be interviewed in the study are stakeholders, not just suppliers of data, who are competent and invested in the outcome of growth synergy realization. They are able to provide direct information needed for theory building that is generally unbiased. Strauss and Corbin (1996) suggest that scholars may enter the scope of research with a-priori theoretical assumptions or relationships. The scholar will follow this more moderate approach and will not discard preliminary assumptions gleaned from the literature; however, these assumptions are subject to consistency with new insights that emerge from the data. The scholar is, therefore, sensitive to new insights and inspiration from the study (Eisenhardt, 1989; Suddaby, 2006).

The scholar accepts that findings in this study may be temporarily valid because the nature of discovery is continuous. Consequently, a post-positivistic perspective allows the scholar to make generalizations to the existing theory and contribute to new theory while recognizing the existence of limited mental models (Myers, 1997). Post-positivism best reflects the beliefs of scholars with limited cognitive capability; however, the scholar believes that the endless creation, validation, and refinement of theories enable continuous improvement in the comprehension of reality.

Phenomenological research, founded by German philosopher Edmund Husserl, uses the analysis of substantial statements made by data sources, or interviewees (Richards & Morse, 2013). This research method is an engaging mode of inquiry that, according to van Manen

(1990), documents an individual's perceptions of presence in the world at the moment when things, truths, or values are constituted. It also includes reflections on concepts of time, space, body, and relations. People are connected to their world and phenomenological study aims to create understanding around experiences about things, people, events, and situations (Richards & Morse, 2013). Perceptions present us with evidence of this connection by focusing on sense-making around lived experiences (Richards & Morse, 2013). Consequently, this study is approached as a type of phenomenological case study based on the following: (a) the scholar's belief that an understanding of a phenomenon is best achieved through lived experience; (b) the scholar's desire to explore sense-making at a deeper level than has been presented to date; and (c) the understanding that lived experience is irreducible as it cannot be reduced or derived from the third-person perspective (Lutz & Thompson, 2003; Thompson, 2007; Varela & Shear, 1999a; Varela, Thompson, Roach, 1993).

A phenomenological case study approach, following Lincoln and Guba's (1985) naturalistic inquiry, is used within an organizational setting to bound the study, by time and location, and to move forward a "naturalistic basis for generalization" (p. 120). Yin (1981A, 1994) suggests that case studies are used for exploratory purposes when *how* or *why* questions are posed, when the scholar does not have complete control over events, and when the focus of research is on a "contemporary phenomenon within some real-life context" (Yin, 1994, p. 1). Merriam (2001) posits that a case study approach can be selected as a means to reveal knowledge about a phenomenon that may be missed by standard statistical approaches, that may occur infrequently, and that is nonobvious or counterintuitive. The study is framed by an organizational event (bracketing) that the participants in the case study were all exposed to at the same time,

including the scholar. By bracketing reality, the true meaning of the phenomenon under study can be pursued.

Phenomenology can be broadly thought of as “providing a disciplined characterization of the phenomenal invariants of lived experience in all of its multifarious forms” (Lutz & Thompson, 2003, p. 32). Phenomenal invariants are categorical features of experience that are describable across and within the lived experience (Lutz & Thompson, 2003). Disciplined characterization is a phenomenological mapping of experience that uses first-person methods for increasing an individual’s sensitivity to his or her own lived experience (Depraz, Varela, & Vermersch, 2003; Lutz & Thompson, 2003, Varela & Sheer, 1999a, 1999b). Moustakas (1994) characterizes phenomenology as the first method of knowledge because it begins with *things themselves*. This event was used as a precipitating event that perturbed or punctuated the experience of the participants and, thus, created conditions for sense-making processes to emerge. The precipitating event formed the basis of the phenomenological interview phase of the study.

All research is driven by certain methodological assumptions that have their origins in the philosophical underpinnings of a research approach. In the case of qualitative research, these basic assumptions are related to the nature of reality; the relationship of the scholar to what is being researched, the role of values in the study, and the process of research (Creswell, 1998, 2014). According to Strasser (1969), Lincoln and Guba (1985), and Creswell (1998, 2014), the assumptions that guide qualitative research are that (a) reality is subjective and multiple; (a) systematic procedures recognize both co-construction of reality and the scholar as the instrument of data collection; (c) the inquiry is oriented to inductive and generative analysis; and, most importantly, (d) evaluative procedures are used to judge the value of the research. While many

scholars of methodology contrast the naturalistic assumptions (qualitative) with conventional or positive assumptions (quantitative), Creswell (2014) did not believe this was necessary, as “qualitative research is legitimate in its own right and does not need to be compared to achieve respectability” (pp. 75-76). While qualitative research has its own set of assumptions, so a set of assumptions guides how phenomenological research should be conducted. Moustakas (1994) offers specific guidelines for phenomenological research:

1. Phenomenology focuses on the appearance of things, a return to things just as they are given, removed from everyday routines and biases, from what we are told is true in nature;
2. Phenomenology is concerned with wholeness, with examining entities from many sides, angles, and perspectives until a unified vision of the essences of a phenomenon or experience is achieved;
3. Phenomenology seeks meanings from appearances and arrives at essences through intuition and reflection on conscious acts of experience, leading to ideas, concepts, judgments, and understanding;
4. Phenomenology is committed to descriptions of experience, not explanations or analysis. Descriptions that retain, as close as possible, the original texture of things, their phenomenal qualities and material properties;
5. Phenomenology is rooted in questions that give a direction and focus to meaning, and in themes that sustain an inquiry, awaken further interest and concern, and account for our passionate involvement with whatever is being experienced;
6. Subject and object are integrated – what I see is interwoven with how I see it, with whom I see it, and with who I am;

7. Intersubjective reality is part of the phenomenological process;
8. The data of experience, my own thinking, intuiting, reflecting, and judging are regarded as primary evidence of scientific investigation;
9. The research question must be carefully constructed in order that the primary words appear immediately, capture my attention, and guide and direct me in the phenomenological process of seeing, reflecting, and knowing. (pp. 58-59)

A phenomenological approach is well suited to this study, as the research design engaged the interpretation that emerged from participants' observations of their experiences of awareness within their own sense-making process.

Moustakas (1994) refers to these observations as *essence descriptions*. They are helpful in sense-making, as they are the lived experiences described by participants (Giorgi, 2009; Moustakas, 1994), or stakeholders in this case. They are grounded in reality, as they are reflections on actual field data (Creswell, 2014). This study is consistent with the phenomenological perspective of Allard-Poesi (2005) and Petitmengin (2006), which is as follows: (a) the study of sense-making is an active and subjective sense-making process in itself, (b) participative action research is a means to fully engage in sense-making with others (vs. on or against others), (c) in order to study cognition it is essential to take into account its subjective dimension as it is lived from the inside (Varela et al., 1993), and (d) an interview method is necessary that enables an individual to become aware of his or her subjective experience and describe it with great precision. The interpretive nature of sense-making is such that it places the scholar in the role of *making sense of* the associated phenomena (Allard-Poesi, 2005 ;Weick, 1995). Phenomenology, a first-person-oriented research method (Moustakas, 1994), is the most likely methodological lens through which to study the role of individual awareness in sense-

making. Phenomenology is the reflective study of the essence of consciousness as experienced from the first-person point of view (Moustakas, 1994). The scholar was deeply immersed in the activities in MediaCorp, so that the essential features could be extracted from it “to obtain a picture of the experience” (Creswell, 1998, p. 52). Van Manen (1990) differentiates phenomenological study from other types of study by explaining that it uniquely tries to gain insight into the description of the way the world is experienced. This experience will be captured from participants who are also stakeholders. To gain insight into the descriptions of their experiences, the scholar will capture idiomatic phrases, obtain experiential descriptions, and will observe and reflect further as needed. Expressions believed to be irrelevant will be removed. Groups of expressions that seem to be related to a core of common elements will be clustered and labeled. As the scholar has experienced many large-scale change experiences, he is already at a starting point for interpreting and making sense of the participants’ attempts to interpret their world and so is in an optimal position to enhance completion and clarity through follow-up questioning and interpretation.

The research process is structured to be goal-oriented, purposeful, and systematic. The complexity and dynamic nature of the investigated phenomenon, however, will make it impossible to be inflexible during the course of the research process. The research process is therefore iterative and agile. The research questions, methods, and field study method coevolve. This approach is described by Pettigrew (1990) as *planned opportunism* and is prevalent in qualitative studies that cover complex phenomena. Following Eisenhardt’s (1989, Eisenhardt & Graebner, 2007) suggestions, the scholar will enact a process for building theory from a case study. In addition, to ensure both agility and the openness required by qualitative research, the

scholar will iteratively cycle between data collection and analysis (Strauss & Corbin, 1996). To illustrate, the research will consist of both an exploratory phase and a *deep dive* phase.

The objective of the exploratory phase will be to establish the scope of the field of study and then provide an initial explanation for the phenomenon. As cross-business synergies have been identified as a valuable area for investigation, the guided empirical work will be executed to assess the potential for the realization of the expected value of synergy realization. The scholar will harvest qualitative data from participants' experiences through an interview protocol and leverage preexisting data used to drive the organizational transformation. While preexisting data is being reviewed and the first exploratory investigations are being executed, the scholar will deepen his understanding of the academic literature on the subject. This will be accomplished by screening strategic, financial, and economic literature that relate to MUF management.

The preexisting research provided sufficient information on cross-business growth synergies such that the scholar believed that a dissertation on the topic could make a theoretical and practical contribution. An academic literature review suggested, in a limited way, that an increasing number of MUFs are starting to make strategic decisions in this area; however, these actions are neither described nor explained sufficiently as the frequency of occurrence is very small. The scholar had confidence in the topic but it is too broad and unstructured. Consequently, it was decided to add an element related to a more modern organizational design as a coherent organizational topology that required collaboration, another critical emerging trend. This unique application of collaboration would lead intrinsically to more focused and rapid discovery due to the vested interest of participants. The opportunity in these growth synergies would then be exploited through collaborative activities. This informed the first research question which

explores how MUFs can realize corporate value through different types of cross-business unit synergies.

As discussed, the four types of cross-business synergies are general management synergies, market power synergies, financial synergies, and operative synergies. By exploring these prior to formal data collection the scholar will be able to focus the investigation. With this structure in mind, the scholar will also be able to review in detail initial explorative data that includes structured meetings, preexisting data, and economic literature. This made it clear that while MediaCorp managers were more interested in entrepreneurial growth through synergistic collaboration, the literature was more interested in cost reduction through synergies driven by economies of scope. This attitude was also pervasive at corporate. Additionally, theory did not provide insights regarding this phenomenon even though practitioners were seeking advice. As a result, and to enhance the existing body of knowledge, the scholar, following research on operative synergies in the literature and for further investigation, will use the discoveries from the initial research of preexisting data and related literature to support a general research question relating to growth synergies. The five subsequent research sub-questions followed.

The managers at MediaCorp are fundamentally entrepreneurial and are *wired* for growth. They were motivated to further investigate sustainable growth synergy opportunities at MediaCorp. The objective of the second phase of the research is to do a deep-dive to determine how MUFs can continuously realize growth strategies. The case company, MediaCorp, will be studied for growth synergy realization through an iterative process. Data in this phase will be collected and analyzed for the purpose of deriving constructs and hypothesis.

The scholar has chosen the case study research approach as a method of investigation. This selection is necessary because of the limited information available on growth synergy



realization in a multi-unit, multidimensional organizational design. Miles and Huberman (1994) describe a case study as a phenomenon that occurs in a bounded context. This case study is situated in the context of a real-world practice, occurring in the moment, in an organizational setting (Bamberger, 2008). When exploring complex phenomena where immature theoretical insights exist, case studies are an established research approach (Brown & Eisenhardt, 1997; Ghoshal & Bartlett, 1994; Lovas & Ghoshal, 2000). The methodology accounts for the holistic role of the scholar as both participant and observer within the study (Miles & Huberman, 1994; Moustakas, 1994, Petitmengin, 2006). The scholar is challenged to recognize the complexity and context of this case study while exploring the phenomena holistically (Eisenhardt, 1989; Punch, 1998; Siggelkow, 2007; Yin, 1981, 1994). While quantitative studies expand and generalize theories through analytical and statistical generalization (Yin, 1994), the phenomenological case study approach is more inductive and explorative in character. Following Maturana (1978), Strasser (1969), and Varela et al. (1993), the study employs a constitutive ontology, wherein constitution is the process of providing an *ever clearer meaning* (Strasser, 1969). Maturana's (1978; Maturana & Varela, 1987) constitutive biological perspective holds that living systems cannot refer to an external, independent reality. This unique perspective reflects an epistemology in which individuals pull in reality. They do not construct it, nor does it exist independently of them. Thus, it is possible to extrapolate from Maturana's (1975, 1978; Maturana & Varela, 1987) constitutive perspective that sense-making occurs in individuals moment-to-moment, either as a change triggered by interactions or *perturbations* coming from the environment and/or through an individual's own internal processes. The individual level of analysis is also consistent with the epistemological and ontological perspectives of this case study.

When developing theories that are close to managerial practice, case study research is recommended (Merton, 1968). In this case the external triggers were related to environmental dynamics that included growth stagnation, product-requirements shifting, and financial pressures due to assumptions made in the budget that occurred during the previous year. Organizational outcome enablers included the MOS design, appropriate norms, alignment through the 1MC initiative, and an organization-wide ERP system. The external pressure and organizational enablers forced the organization to implement sector-based sales initiatives, a variety of sales strategies, and prioritize the portfolio of clients based on value to the MUF. These tasks led to the preexisting data used for the transformation and the realization of growth synergies as illustrated in Figure 13. Desirable results were obtained with the combined influence of the organizational design, selective focus, alignment, and systems influenced by environmental dynamics. These dynamics include growth stagnation, product requirements, and financial pressures. The MOS was able to achieve desired results by exploiting synergistic neighboring sectors, exploiting the existing addressable market with current clients, and enabling market penetrators to achieve growth.

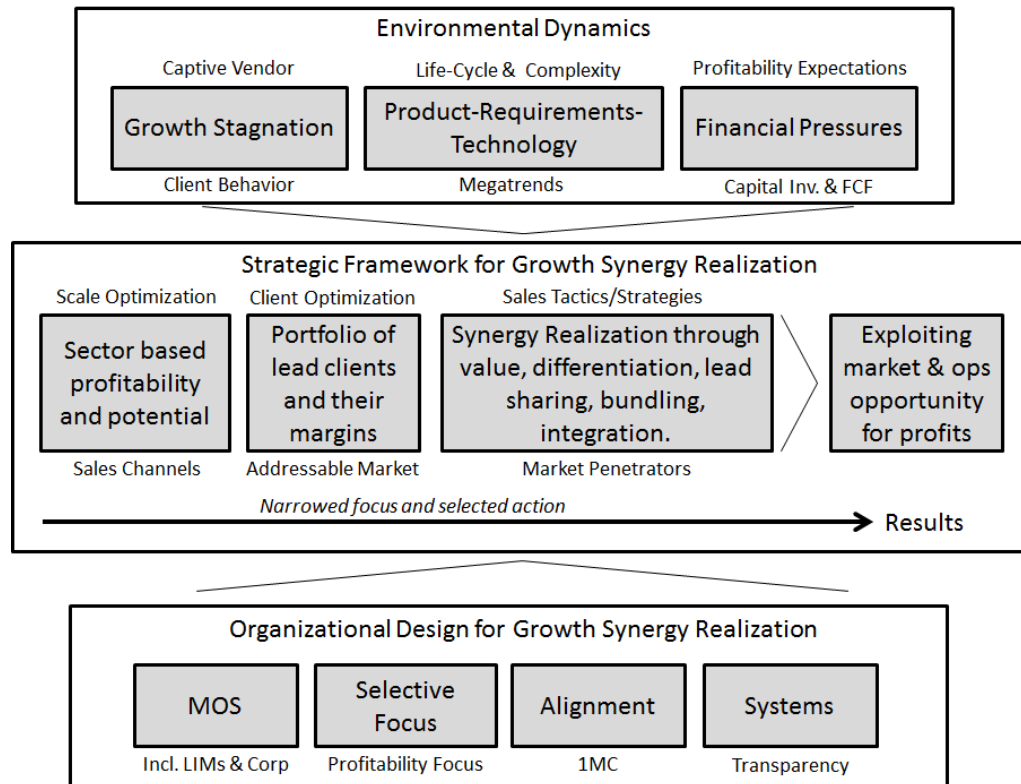


Figure 13. Single case study framework for profitability. This figure illustrates how desired results are achieved through the influence of organizational design and environmental dynamics.

There are a number of constraints that must be honored with the case study approach. For example, in order for research to begin, the phenomenon explored must be defined within a bounded context (Miles & Huberman, 1994; Yin, 1994). Case studies are also ideal for exploring complex phenomena where immature theoretical insights exist (Brown & Eisenhardt, 1997; Ghoshal & Bartlett, 1994; Lovas & Ghoshal, 2000). The scholar must expose both complexity and context to explore a phenomenon holistically (Eisenhardt, 1989; Punch, 1998; Siggelkow, 2007; Yin, 1981, 1994). The phenomenon that the scholar is exploring is the sustainable realization of growth synergies in multi-unit firms that employ a multidimensional organizational structure augmented by lateral integrative mechanism and a designed relationship with the corporate center. The phenomenon, or object of the analysis, is permanent cross-unit collaboration within MUFs. Secondly, the analytic level, or unit of analysis, on which the

phenomenon is explored must be clarified to avoid a *boil the ocean* scenario (Yin, 1994). The scholars unit of analysis is the strategy and the organizational design that leads to sustainable desired outcomes. This exploration is done on multiple levels including the business level, corporate level, and a level that includes secondary constructs, or LIMs. This enables a dependable process for inductive theory building (Yin, 1981, 1994).

The focus of this phenomenological study is on the perceptions and meanings constituted by the scholar. Therefore, it is necessary to conduct the study in a naturalistic setting (Lincoln & Guba, 1985), or in situ. The number of cases within the study scope and the duration of the event being studied had to be established. In this study the case is singular, a central site is used for the precipitating event, and the duration of the transition was over a 10-month period. Single case studies create focus and are preferable for uncovering complex and unexplored phenomena (Siggelkow, 2007; Stake, 1994; Yin, 1994). A single case study also allows for a holistic and focused investigation within the area of interest (Yin, 1994). The study will leverage preexisting transformation based data and data from in-depth phenomenological interviews over a 90-day period as previously described. By contrast, multiple cases within a study would have required theoretical replication to provide more generalizable findings (Yin, 1994). For this study, a single case study approach will be taken using a medium-sized multi-disciplined global conglomerate. The participants were involved in sense-making while finding and creating structure in a complex evolving situation (Weick, 1995). The scholar will investigate the unit of analysis (strategy and organization design) for the object of the analysis (permanent cross-business collaboration) that led to the outcome of the analysis (sustainable realization of growth synergies) at a MUF in a moderately dynamic market.

The reasoning behind the approach is fourfold. First, a single case study approach is appropriate for the investigation of a complex phenomenon (Siggelkow, 2007; Stake, 1994; Yin, 1994). The sustainable realization of growth synergies based on complementary resources (Tanriverdi & Venkatraman, 2005) requires organizational designs that are complex (Stieglitz & Heine, 2007). When there is a multi-level organizational design, a holistic study is called for, especially if the scholar has to explore the related phenomenon in its full complexity, in depth, over time (Pettigrew, 1990, 1997; Siggelkow, 2007; Yin, 1994). Secondly, a single case study approach in a MUF with a multidimensional structure is relevant in this case, as prior research has not investigated growth synergy-based profitability in this context. As a result, there is no theory to guide the investigation. Without guidance the exploration of multiple cases could result in superficial and meaningless results due to the effort required and the availability of resources (Yin, 1994). Furthermore, Yin (1994) suggests that a single case approach is relevant in a *critical case* scenario. Thirdly, a single case approach is suitable when there is the need for rich descriptions. The activity of leaders in various aspects of this organizational construct and their specific outcomes supply valuable situational context and organizational design knowledge to this highly abstract research area. These descriptions through the comprehensibility and utility of this research is then significantly increased (Siggelkow, 2007; Weick, 2007). Lastly, this is a unique research opportunity. The opportunity to do a holistic investigation of the transition to a sustainable realization of growth synergies within a MUF, organized as a MOS, is a unique situation. The ability to observe and analyze a phenomenon that has been inaccessible to previous scientific investigation on its own, justifies this approach (Siggelkow, 2007; Yin, 1994). Furthermore, the single case study approach chosen by the scholar fits with the post-positivistic position because of its inductive and explorative attributes.

Punch (1998) indicates that the specification of the research question is an important part of the research design because it focuses the research and so reduces complexity. The data can become overwhelming without a focus (Eisenhardt, 1989; Yin, 1994). Punch (1998) also suggests that a research question can be derived deductively from existing research before the actual study or it can be generated inductively during the empirical study. The scholar decided to follow an approach that combines these strategies. The specification of the research questions is through an iterative process that cycled between deduction from the literature, the review of preexisting data, and induction from the empirical study.

A preliminary overall research question (ORQ) was derived from the literature review:  
ORQ: How can a multi-unit firm realize cross-unit growth synergies? Some exploratory research indicated that while the topic is relevant it is too broad. Operative synergies were present in the literature however growth synergies by leveraging complementarities were not. Five more specific and meaningful research questions were then determined. A more focused review of the literature suggested that there is a need for a contribution to theory as it relates to these five areas in the context of this case study, hence the additional sub-questions:

- RQ1: What types of growth synergies, if any, can a multi-unit business, multidimensional organizational structure realize?
- RQ2: How do multi-unit firms with a multidimensional organizational structure continuously realize the benefits of growth synergies?
- RQ3: What is the role, if any, of the corporate center in the context of this case study?
- RQ4: How can lateral integrative mechanisms influence, if at all, growth synergies in a MOS?

- RQ5: To what extent, if any, does a one-ness strategy align a MUF to influence growth synergy?

### **Case Study Selection**

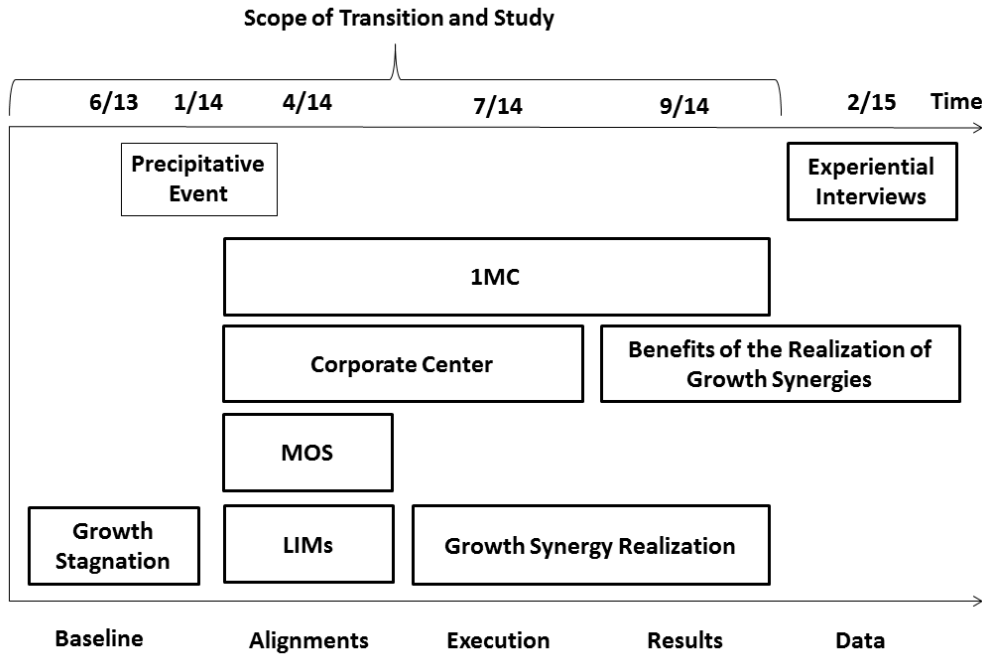
The selection of an adequate case is one of the most important aspects of case study design. The scholar chose MediaCorp, a globally diversified firm with a number of businesses oriented in a global supply chain. These businesses also connect with businesses external to the division in the form of inputs and outputs. The case selection was influenced by the scholar's ability to obtain observations and derive insights into the sustainable realization of growth synergies in MUFs. This manifested itself in four ways: (a) a dedicated focus on the sustainable realization of growth synergies, (b) the ability to measure success, (c) moderate environmental dynamism, and (d) accessibility. MediaCorp already had a strong cultural component that is entrepreneurial. Consequently, there is already an embedded desire for growth synergy realization. The company is dedicated to growth synergies as a critical and immediate strategy. MediaCorp is also advanced in its desire to attempt novel means to achieve their goals. This included organization design, redesign, rapid evolution, and recalibration against new objectives. A high tolerance for action enabled the change needed to achieve the deployment of the MOS. This further enabled the observation of its impact. Furthermore, there were some early successes that could be exploited. As the investigation continued it became more evident that MediaCorp had achieved significant market share in most of its moderately dynamic markets. The ability to gain holistic access at all levels of the firm, including corporate strategy and the ability to change the organization design, made this research opportunity compelling.

The single case study of MediaCorp (MC) will include experiential observations based on a transition that happened over a period of time (1/24/2014 – 10/30/2014); as illustrated in Figure

14. The transition began shortly after the company announced its intentions to be a single supplier of end-to-end products and services. This is an emerging market trend with mutual benefits and challenges between vendor and client. This initiative had a purpose to align the firm for the sustainable realization of growth synergies. Ongoing observations of the organization during this alignment allowed the scholar to identify components of strategy and organization design (units of analysis) that relate to permanent cross-business collaboration (object of analysis). The scholar would then be able to assess whether strategies and designs would be successful by measuring profitable cross-business growth at multiple points in time. These measurements primarily were based on objective performance data such as the increase in cross-business growth and profit, the increase in the number of cross-business projects, and the profitability of cross-business projects. This information would be complemented with subjective evaluations by managers on multiple levels. The timeline of the transition is simply described in Figure 14 with the identification of critical elements and the sequence of their occurrence.

This single case study intends to examine the experiences of participants in a transformation, or precipitating event, over a time period as illustrated in Figure 14. The event was precipitated by significant growth stagnation. This was followed by alignment around the goal of achieving improved profitability. Alignment was achieved through the deployment of a MOS augmented by LIMs, a designed relationship with corporate, and a one-ness initiative. With this execution came the resulting benefits of realizing growth leveraging synergies. The participants will be interviewed to capture data about their experiences from this transition.





*Figure 14.* Transition timeline. This figure illustrates the timeline around the precipitating event.

This relatively short investigation will allow the scholar to pursue information that is fresh in the participants' minds. This will also help to reduce retrospective bias (Huber & Van de Ven, 1995; Mintzberg, 1979; Pettigrew, 1990). Furthermore, it will allow the scholar to pursue the identification of components of strategy and organizational design that contribute to the sustainable realization of growth synergies (Siggelkow, 2001). Siggelkow (2007) highlights such an approach as being meaningful in getting closer to organizational constructs and in illustrating causal relationships more directly. Additionally, Ghoshal and Bartlett (1994) similarly and successfully employ a transition-based case study approach for their investigation of an organizational context that increased firm performance.

In summary, the advantages discussed strongly support a single case approach for investigating the sustainable realization of growth synergies in a MUF that employs a multidimensional organizational design. Historically, single in-depth case studies have had

significant impact in the field of strategic management (Bower, 1970; Burgelman, 1994; Ghoshal & Bartlett, 1994; Lovas & Ghoshal, 2000; Mintzberg & McHugh, 1985). The approach is further affirmed by the appeal for academics in strategic management to conduct more qualitative small sample studies. For example, Markides and Williamson (1996) conclude that the issue of strategy and structural fit in MUFs are too complex for large-scale statistical analysis. They recommend, consistent with this research, a small-sample single-case study of limited numbers and limited duration to accelerate learning. In this case, approximately 20 participants will be interviewed over a 3-month period. These participants will be commenting on their experience during the transformation. The transformation occurred over a 10-month period. Whittington (2002) argues that corporate strategy and organizational design should be understood through study internal to the organization. Mintzberg (1979) stresses the importance of rich descriptions from in-depth single case studies that explain the relationships evident in data used for theory building. Porter (1991) is convinced that the very nature of strategy requires case-based research. Finally, Siggelkow (2007) emphasizes the power of single cases to influence theory.

### **Research Approach**

The scholar aims to structure the research process to be as systematic and goal-oriented as possible. Consideration is taken regarding the complexity of the investigated phenomenon in that a strict plan may be difficult to follow. This mandated the need for agility in the planning during exploration activities. The research process is therefore iterative and flexible including the exploitation of preexisting data. The research questions and field scope coevolved with the discovery of the research opportunity. This approach is referred to by Pettigrew (1990) as planned opportunism and is common in qualitative studies of complex phenomena. The research process followed Eisenhardt's (1989, 2007) suggestion for building theory from case studies

(Strauss & Corbin, 1990, 1996). The flexibility and openness demanded by qualitative research is ensured by having the ability to frequently switch between data collection and analysis (Strauss & Corbin, 1996). The research cycle includes exploration, deep-dive, review, and refinement when an opportunity presented itself. This is then followed by focused action planning and execution in phases as follows.

**Phase 1.** The objective of the exploratory phase was to scope the field of study and investigate for purposes of registering meaningful observations, detailing opportunities, and determining focused action. Once a fruitful opportunity was discovered, it was then possible to mine the data for opportunity clarification through deeper investigation. Financial reports, workflow diagrams, quality performance information, specifications, and other documents were used for reference and as evidence. Minutes from operational meetings were also considered to be part of preexisting data. This data will be referred to indirectly and for purposes of coding to determine themes that emerge from the data.

**Phase 2.** By October of 2014, sufficient transformational evidence (preexisting data) was collected to conclude and confirm the investigation of cross-business synergies. This was accomplished with the intention of making a theoretical and practical contribution towards growth synergy realization. These insights enabled the scholar to formulate the empirical research questions and move to the next phase.

**Phase 3.** An in-depth investigation of how MUFs can continuously realize growth synergies is to be conducted by reviewing the experiences of participants in the enacted change. Growth synergy realization is studied in this way during the beginning of 2015 in an iterative process, during which time data will be collected and analyzed to derive constructs and

hypotheses. The emergent themes will be validated against preexisting data and is presented in Chapter 4.

In summary, the sequence of data collection is as follows:

- Phase 1. Transformational data (preexisting).
- Phase 2. Research questions are determined based on preexisting and need for new data.
- Phase 3. Formal interviews are conducted about experiences with the transformation.

### **Data Collection and Recording**

The phenomenological case study approach allows for a wide range of data sources (Eisenhardt 1989; Yin 1994). In the case of holistic case studies, such as this one, methodology scholars specifically suggest the combination of multiple methods of data collection (Eisenhardt, 1989, 2007; Stake, 1995; Yin, 1994). Once the MOS was in place, key stakeholders were able to assume their roles and begin with the plan to realize growth synergies. Data was collected, regarding the transformation time period allowing for the refinement of the data collection process. This also improved the quality and fulsomeness of the data. The purpose of collecting and analyzing this information was so that sense-making could occur and be documented for subsequent communication to the scholarly community. The data collected through in-depth phenomenological interviews will be validated against and supported by preexisting data as described.

The scholar will enter into conversations with no presuppositions regarding evidence of participants' connection with their experiences. Iterative conversations will occur as needed following the initial interview to clarify and optimize the interview data. An ad hoc interviewing

style will be used to stimulate and gain emerging relevant information even though an interview guide will be followed. The notes from the interviews will be used as a basis for reflection to validate the participants' data collection efforts as applicable. The scholar also will reflect on the experiences that others had (heuristic phenomenology), the way that knowledge is created (transcendental phenomenology), the reciprocal relationship between the observer and the phenomenon (existential phenomenology), and the process of writing, rewriting, and thematic analysis as the scholar describes and interprets the essence of meaning of lived experience (hermeneutical phenomenology; Richards & Morse, 2013). There will be approximately 20 participants (who they are) in the single case study, involved through in-depth conversations and interviews. The scholar uses the five steps recommended by Giorgi (1997) including: collecting verbal data, reading and reflecting on the data, breaking the data into parts, organizing and expressing the data with discipline, and synthesizing and summarizing the data. The scholar will also attempt to develop themes and create meaning through the application of codes that linked data to ideas. Furthermore, phenomenological reflections will be added to further describe the scholar's and participants' experiences from the scholar's point of view that may include feelings, meaning, and emotions. Some of this information may come from journal notations from the scholar informed by preexisting data or general observations.

A unique strength of the case study approach is its ability to deal with a wide variety of data sources (Eisenhardt, 1989; Yin, 1994). For holistic case studies, scholars specifically suggest the combination of multiple methods of data collection (Eisenhardt, 1989; Eisenhardt & Graebner, 2007; Stake, 1995; Yin, 1994). Data triangulation is therefore enabled in this study by allowing for an increase in the quality of data in three ways. First, it allows for a holistic perspective on the unit of analysis, as data can be obtained through various methodological

techniques. Second, scientific artifacts as misunderstandings that lead to incorrect interpretation can be identified and corrected (Eisenhardt, 1989; Lamnek, 1995). Thirdly, it enhances validity through multiple measurements of the same phenomenon (Eisenhardt, 1989). The data collection methodology that will be used in this study leverages triangulation through a holistic approach to data collection, by using peer review to challenge the insights of the collectors, and by allowing other participant stakeholders to opine on their views.

The scholar will conduct interviews at the case company site as tracked by an interview tracker. The interviews will be chosen iteratively (Miles & Huberman, 1994) and cumulatively (Straus & Corbin, 1996) based on sampling availability. The objective is to obtain rich data on the growth synergy initiative. Employees will be questioned on multiple levels to capture the full breadth of the initiative and to triangulate observations (Yin, 1989, 1994). This may lead to slight modifications to the interview protocol and influence the follow-up questions. The interviews will be conducted within multiple levels including corporate, within secondary work structures, within support functions, and within the production organization. Continuous follow-up interviews will be conducted to capture new information, identify emerging phenomenon, and to ensure clarity and fulsomeness to the extent the scholar thinks is necessary.

### **Participants**

The scholar will use purposeful and purposive (Lincoln & Guba, 1985) sampling to select information rich participants who can provide the greatest insight to the research question (Miles & Huberman, 1994). Four criteria will be used to select participants: (a) Ability, willingness, and comfort in participating in the study; (b) Interest in the phenomenon being studied (individual awareness, and present moment aspects of sense-making); (c) Employment by the same organization at the same time; (d) Have a functional role concerning the precipitating event.

Creswell (1998) recommends “long interviews with up to ten people” (pp. 65, 113) for a phenomenological study. Interviews allow the scholar to capture situational reality and the personal experience of stakeholders through communication and interaction (Langley, 1999; Punch, 1998). Consequently, this study uses interviews as the main exchange method for data collection. The selection of interviewees is driven by their relevant importance to continuous growth realization (Denzin & Lincoln, 1994) further strengthening the ability to collect relevant information within the embedded research approach. During the course of the investigation, additional interviewees may be identified on the basis of their ability to provide relevant data and the need for more data. In some cases additional candidates may be recommended through referrals by interviewees. In other cases the additional candidates may become obvious based on the progression of thought or due to a shortage of participants as a result of unwillingness to participate. Additional interviewee searches will be stopped once a perceived data saturation point is achieved or further references to increase the scope of candidates have ceased.

The scholar followed the provisions of the Pepperdine Institutional Review Board (IRB) as determined by 45 CFR 46 (code of federal regulation) on the protection of human subjects in studies. This includes the communication to participants, the duration of the study, foreseeable risks or benefits, the confidentiality of records, that there will be no compensation, that they can volunteer with no penalty of withdrawal, the number of participants, that the scope is related to behavioral observations, the lack of subject identification or traceability, the protection of personal financial, reputation, or employability damage, and that they are contributing to generalizable knowledge. Additionally, the interviewees will agree to sign the legally effective informed consent form. They will be recruited through a conversation whereupon the request is made known to them. They will then be asked to sign a Research Information and Consent Form.

The scholar will meet individually with each interviewee. Consistent with Moustakas' (1994) perspective the scholar and the participants in a phenomenological study are involved in an integrated subject-object relationship. Consequently, the participants in this study will be considered to be co-scholars.

### **Instrumentation**

Data will be collected using one-on-one, in-depth, semi-structured interviews with follow up dialog to augment the collected the data. The interviews will be semi-structured positioned between an entirely free narration and strongly structured questioning provided by an interview protocol. The scholar will adjust his questions to focus the discussion in the interviews on the relevant issue. Knowledge acquired in previous interviews will be used to inform subsequent lines of questioning, as applicable, in the interest of collecting a fulsome set of information. As the interviewees are easily accessible, although not physically so, frequent communication for the purpose of data collection is possible verbally or through written form. To ensure consistency, the interview guide will be used to structure the questions. It was developed based on Witzel's (2000a, 2000b) recommendations for problem-centered interviews. The interview guide includes topics such as the personal background of the interviewee, the history of the function of the interviewee, the strategic alignment of growth synergies, the alignment of organizational design elements, the role of the corporate center and alternate work structures, and the success as represented by key success factor measurements. Most of the interviews will be done within one of the company's sites, one-on-one, and will last up to 2 hours on average. Almost all of the interviews will be summarized and stored within 48 hours of the data receipt or the interview completion.



A second method of data acquisition is through direct observation. The scholar has spent a substantial amount of time on-site and is personally in contact with the activities and operations of the firm. The scholar led the transition and has been able to constantly reflect on and revisit the meaning of what was occurring (Stake, 1995). This provided the scholar with several opportunities for direct observation, widely appreciated in the literature as a worthwhile source of data for case studies (Denzin & Lincoln, 1994; Yin, 1994) through the provision of context rich information and impressions, in addition to the spoken word (Foddy, 1993; Lovas & Ghoshal, 2000; Pettigrew, 1990). Direct observation and existing historical data will also be used to validate interviewee statements providing the opportunity for further directed discovery (Foddy, 1993). The scholar had no agenda other than growth synergy realization through the use of a MOS augmented by LIMs. In the event that these organizational structures prove to be inadequate based on determined metrics, then this will be documented as the basis for the study. The data then will allow for refinement in the organization to ensure growth synergy realization.

### **Data Process and Analysis**

The overall objective of the data analysis is the development of a mid-range theory around continuous growth synergy realization. Mid-range theories include concepts that are close to managerial practice (Merton, 1968). They are ideal for practitioners as they are less abstract, more focused, and have a more practical orientation (Merton, 1968). Conclusions about the mid-range theory of continuous growth synergy realization are derived from data. While guidance for quantitative data is mature, guidance for qualitative data continues to emerge (Eisenhardt, 1989). Additionally, the analytical process used in this study is like those used by Ghoshal and Bartlett (1994) in studies that are similar. This includes the provision that the data collection period overlaps with the data analysis period which supports flexible and open theory building

(Eisenhardt, 1989; Strauss & Corbin, 1990, 1996) and helps to focus data collection (Witzel, 2000a, 2000b). To be specific, the interview data will be used for triangulation. Regarding analysis, the scholar will use techniques such as abstracting and comparing (Miles & Huberman, 1994; Punch, 1998; Strauss & Corbin, 1990, 1996; Yin, 1994). The ability to create groupings of items leads to higher order concepts (Punch, 1998) that finally lead to constructs and/or propositions grounded in theory.

Each stakeholder participant will receive an initial overview of the complex reality of this study including information on the objectives, key elements, organizational design, and roles and responsibilities. The co-scholars were heavily involved in the transition initiated by the precipitating event. During this time they discovered opportunity and constructed plans that related to synergies. These synergy opportunities related to the four dimensions within the multidimensional design; sales, product, support, and geographic location. Each co-scholar, therefore, is able to provide a lens through which data around growth synergies can be collected. Each co-scholar is able to provide a vivid account of the underlying dynamics, themes, and qualities of the experience within the dimension that they occupy. The interview data will be collected from these co-scholars and then reduced through the application of methods of open and axial coding and clustering (Creswell, 1998; Strauss & Corbin, 1990, 1996) in four iterative steps; the identification of core categories, the inferring of overarching sub-categories, the inferring of overarching constructs, the inferring of core items, and finally the integration of categories. The data will then be interpreted. Moustakas (1994) views data analysis as the process of clustering data into themes; organizing them further into coherent textual descriptions of the phenomenon. The scholar has provided an illustration of a potential breakdown of the coding system used to identify emergent patterns and themes in the data that would reflect the

essence and nature of the participants’ sense-making experience in Figure 15. This illustration describes the data coding related to a singular core category: *guided and balanced self-interest*. Coding will also reduce bias in the interpretation of the data. Using horizontalization, the scholar will list every relevant expression after reading the transcript three times to better understand the experience being studied. This will subject each expression to examination for purposes of efficiently abstracting and labelling expressed themes. Irrelevant and repetitive statements will be omitted, through reduction and elimination, leaving only unique aspects of the participants’ experience to emerge. Then the themes will be clustered in relation to the thematic category. These clustered and labeled themes will be the core themes of the experience. The scholar will then check the themes against the complete record of the research participant while triangulating responses with preexisting data and personal observation for validity based comparisons.

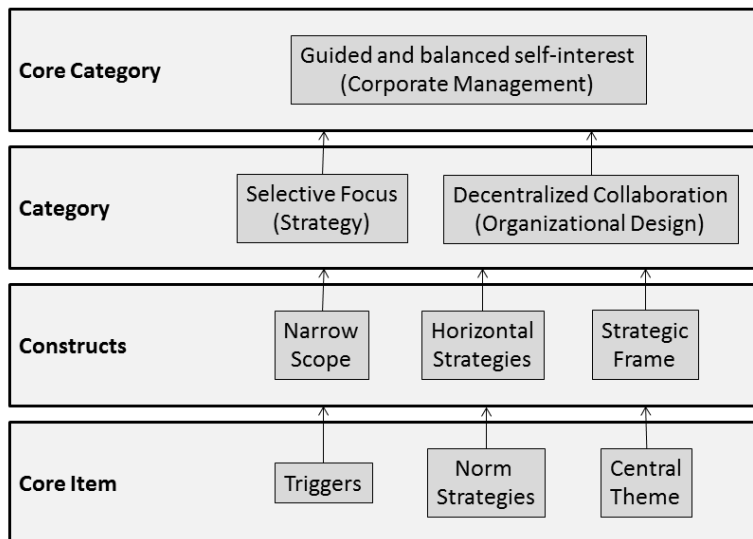


Figure 15. Coding scheme sample for data analysis. This figure illustrates the flow of data from harvest to theme map topic.

In each interview the scholar will explain the purpose of the study and the rights of the study participant, prior to starting the discussion around the precipitating event thereby providing context. The initial interviews will be audio recorded while the follow-up conversations will not

be as they will occur ad hoc and iteratively until the data saturation is appropriate. Several neutral questions will be asked initially to put the participant at ease. To add structure to the interview sessions and to move the process along, the scholar will use open-ended questions, while remaining open to follow-up probes for clarification, to deepen meaning, or to continue along an emerging path of interest relevant to the study.

Dialog will be the primary instrument of the communication during the interviews. As described by Isaacs (1999), dialog is shared inquiry, “a flow of meaning” (p. 19), intended to create understanding around a topic of interest. During the course of dialog, the participants will describe how they experienced sense-making and awareness by reflecting on their experience. The dialog process will generate rich, detailed descriptions of experiential sense-making around the precipitating event. This process is supported by selected aspects of Petitmengin’s (2006) protocol (i.e., question development, interview process, tone of inquiry, and stabilizing attention), using semi-structured questions augmented by deeper probing questions. During the interview, the scholar will take notes to capture key words, phrases, or gestures and to record observations gathered from co-scholars’ responses to questions. At the conclusion of the interview the co-scholars will be asked if they have any questions and they will be thanked for their participation. They will also be told that they can review the interview transcript and make edits as needed.

The following tools will be used for data analysis and validation: analytic tables, case illustrations, comparison with existing literature, discussion with managers, discussion with support function managers, and the comparison of results with other cases found in the literature. When theoretical saturation is achieved and elaboration has occurred on all constructs and categories, the analysis will be concluded (Glaser & Strauss, 1967; Strauss & Corbin, 1990). The

individual categories will then be integrated into an overarching core category and a comprehensive case study report on the sustainable realization of growth synergies at MediaCorp. The data records will only be used for the intended purpose of completing this study. They will be stored on a thumb drive and kept in the scholar's home office. All hard and electronic copies of data will be destroyed within a year of the conclusion of the study. The scholar seeks to access the personal experience of each participant by developing a trusted relationship, by being respectful, committed, and professional throughout the study.

In summary, the data collection and analysis is based on Moustakas' (1994) revised Van Kaam method of analysis. It will start with purposive sampling within the single case study site. Recorded interviews, with follow-up discussions to ensure accuracy and completeness, will create raw data from textural-structural descriptions. These will be analyzed. Following the analysis of the data, it will be subject to horizontalization, reduction, and elimination. Emerging patterns in the data will then be recognized. These will then be clustered and validated. Textural and structural descriptions will then be defined. A composite of the descriptions will be assembled in the form of a table or a mapping diagram. Finally, findings will be documented and discussed.

### **Precipitating Event**

MediaCorp transitioned from a traditional M-form organizational structure to a multidimensional organizational structure (MOS) in the interest of realizing growth synergies. This affected the performance of the global value chain created by MediaEnterprises generally and MediaCorp specifically. The MOS was augmented and stabilized through the addition of lateral integrative mechanisms (LIMs). Concurrently a designed relationship with corporate was applied to the overall design. This organizational event is the object of the study. The event

selected had gravitas with the participants, as their employment future relied on its success. The impact of the event was not well known in advance of the action as the structure is novel. The precipitating event followed the realization that a structural change could enhance profitability of MediaEnterprises. This organization is operating in an extremely competitive and complex environment and, as such, client satisfaction is critical to gaining and maintaining market share. The need to make a substantial change was recognized by the leadership of the enterprise and is the subject of the study.

### **Quality of the Research**

In qualitative research, “validity does not carry the same connotations as it does in quantitative research” (Creswell, 2014, p. 195). Qualitative research does not use statistical numbers to support findings or significance levels to indicate whether or not findings are meaningful (Worthen, 2002). Instead, Creswell (2014) describes validity in qualitative research as being “used to suggest determining whether the findings are accurate from the standpoint of the scholar, the participant, and the readers of an account” (pp. 195-196). In this case, language and meaning are the data. Creswell (2014), in parallel with Lincoln and Guba’s (1985) approach, offers qualitative scholars eight possible strategies for checking the accuracy of findings; triangulation, member-checking, rich descriptions, clarification of bias, the use of negative or discrepant information, prolonged time in the field, peer debriefing, and the use of an external auditor. The scholar will selectively use these strategies to ensure data validity with a focus on triangulation, peer debriefing, and member checking. Findings from qualitative research are especially vulnerable to bias, incompleteness, and blurred perceptions of reality by the scholar. As a result, it is important that the quality of the research is assessed on generic criteria enabling comparability with other research designs (Lamnek, 1995). The quality criteria applicable to this

research design and the tactics for quality assurance have been taken into consideration. Literature on methodology suggests four additional measures for assessing the validity and reliability of case-based research (Cook & Campbell, 1976; Larsson, 1993; Scandura & Williams, 2000; Stake, 1994). The first measure is construct validity, which measures the degree to which a study investigates what it claims to investigate. The second is internal validity, which refers to the degree to which findings correctly map to the phenomenon in question. The third is external validity, which describes the extent to which findings can be reproduced in another setting. The fourth is reliability, which is the degree to which the study is free of random errors. The specific measures the scholar will take to ensure that the research is of a high quality are explained below.

Construct validity refers to the extent to which a research procedure leads to an accurate observation of reality. It refers to the appropriate and accurate measurement of key constructs. To ensure the validity of the constructs, the scholar will employ four techniques that have been suggested as relevant for case study research (Denzin & Lincoln, 1994; Eisenhardt, 1989, 2007; Mayring, 1996; Stake, 1994; Yin, 1994). The first is the use of multiple sources of evidence, including triangulation with sources of preexisting data. The scholar will use different methods of data collection by interviewing people with differing personal perspectives and different levels of observation. The scholar also has had prolonged engagement in the field and will assist with appropriate questions, follow-up questions, establishing context, and providing for data interpretation (Bamberger, 2008) to build trust with participants and minimize distortions. The use of first-person experience by the scholar is also validated by Varela and Shear (1999a, 1999b). Effort will be expended in order to obtain complete data, to enable triangulation, and to minimize the perception of bias (Stake, 1994; Yin, 1994). A second technique is a-priori

specification of key constructs. As Strauss and Corbin (1990, 1996) suggest, the scholar will use existing theory to highlight general constructs like cross-unit synergies and growth synergies. This will help to focus the study and improve the findings. Thirdly, a closed chain of evidence will be evident, linking the data to the constructs. Through case descriptions, interview citations, and clearly referenced interviews, a closed chain of evidence will allow an external observer to follow the link between the research questions and the study conclusions (Yin, 1994). This will increase construct validity. The last technique will be applied through the review of results with key informants (Mayring, 1996). This is analogous to Creswell's (2014) peer debriefing and member discussion provisions. Peers and members will be used to corroborate and confirm the data. Factual accuracy will be validated by a wider participation in data review. Discussions around the adequacy, meaningfulness, and relevance of constructs will occur between managers of business units and support functions. The constructs will also be improved through the testing and validation of initial results in subsequent interviews and through peer reviews. Additionally, key informants will be asked as a means for further triangulation to review the case study (Yin, 1994).

Endogenous validity refers to the validity of established causal relationships (Lamnek, 1995; Yin, 1994) or internal logic of the research (Punch, 1998). This will be achieved by establishing a clear thematic focus that guides the case selection, abstracting and comparing, conducting peer reviews of causal relationships, and open and comprehensive explanation building. A thematic focus will be evident in a clear definition of an overarching research theme (cross-unit synergies), a narrowing research focus (operative synergies), and a specific research question (the sustainable realization of growth synergies) along with a compatible case selection in which the constructs of interest can be discovered. Continuous abstracting and comparing



(Strauss & Corbin, 1990, 1996) occurs as the scholar continuously compares data sets to build higher order constructs, preliminary results to emerging data to confirm or refine results, and observes causal patterns within the existing literature. This will improve the validity of causal relations (Yin, 1994). Peer reviews of causal relationships will be discussed with research colleagues for the purpose of capturing and testing additional perspectives based on experience in the field. Additionally, it will enable the validation of internal consistency and theoretical relevance of the scholar's arguments. The final technique for internal validity will be through open and comprehensible building of explanations and causal relationships. The results will be documented in such a way that the reader could reconstruct the causal relationship (Mayring, 1996). Openly, the scholar will indicate initial ideas, deducted assumptions, and potential inconsistencies.

Exogenous validity refers to the generalizability of research results critical for robust theory development (Sutton & Straw, 1995; Weick, 1995) and depends on the research approach (Yin, 1994). Single case study empirical findings are difficult to generalize. Yin (1994) emphasizes that case studies do not allow for statistical generalization. More specifically, it is difficult to make inferences about a population based on empirical data collected in a sample. While issues of generalizability from case studies are severe (Denzin, 1989; Yin, 1994), single-case studies are recognized to be substantial from an evolutionary perspective (Stake, 1995). Single case studies can also provide new ideas and new thinking paradigms. They can help modify existing theories by exposing gaps and helping to fill them. There are several facts about this study that will support the scholar's conclusions that it will be at least somewhat generalizable. Several of the constructs can be confirmed as being present in existing literature, indicating general theoretical relevance of the research (Eisenhardt, 1989). The findings will be

confirmed through consultation with the co-scholars, who are operationally capable with varied experience in the industry, suggesting the potential transferability of the claims. Finally, the findings will be somewhat generalizable due to the continuous comparison of similarities and differences within case items across different levels of analysis.

Reliability refers to the possibility that scholars can replicate the research activity and produce the same findings (Eisenhardt, 1989; Yin, 1994). A challenge for this replication is the attribute of qualitative research, in that it is bound to the context in which it is conducted (Lamnek, 1995), including time. Reliability in qualitative studies is best served by presenting sufficient information so that the reader can draw his/her own conclusions (Yin, 1994). The scholar attempts to ensure reliability through the explicit disclosure of the research design, including a detailed description of the research process, case selection criteria, interview guide, and methods for collecting and analyzing empirical data. Furthermore, empirical raw data will be made available to allow the reader to draw their own conclusions.

### **Summary of Chapter 3**

In this chapter the scholar presented the strategy for collecting data for purposes of achieving growth synergies. This will be the result of the exploratory empirical work described, including practitioner interviews, documenting data analysis, and a survey of critical leaders. The overall empirical approach was described and justified. The post-positivist research position was established and a case study was presented as the research design. A post-positivistic lens was chosen to enable the holistic study of a single phenomenological case study. The phenomenon to be studied is the growth synergy realization in a multi-unit firm managed by a multidimensional organizational structure augmented by lateral integrative mechanisms. The research method is applicable due to the interpretive and explorative character allowing for the creation of a mid-

range theory of continuous growth synergy realization. The single case study, while relatively short in duration, allows for the investigation of complex phenomena of continuous growth synergy realization. The research approach and the data collection strategy were described including the use of preexisting data, formatting the research questions, and the data that will originate from formal interviews. “The scholar has an obligation to respect the rights, needs, values, and desires of the informant(s)” (Creswell, 2014, p. 201) and so the use of a consent form was discussed as well as informing participants about the purpose of the study. The description of the participants and the instrumentation was followed by information on the data processing methodology. It was explained that a global MUF, MediaCorp, was chosen for the in-depth study due to the unique opportunity to observe the successful alignment of a firm to its growth synergies. This observation allows for the inference of constructs and propositions regarding growth synergy realization. Finally, the strategy for ensuring the quality and validity of the study was discussed along with the methodological assumptions.

## Chapter 4. Data and Analysis

The purpose of this qualitative phenomenological research study, using Moustakas' (1994) modified van Kaam method, was to explore the real-time experiences of stakeholders, or co-researchers, as they lived and influenced events occurring around them. Awareness is a transient experience (Freeman, 2000) that may involve exerting influence, letting go, and redirecting energy and attention (Depraz et al., 2003). It also involves being present physically and mentally in daily life (Varela et al., 1993). Stakeholders have to anticipate events, make sense of existing environments, and exert influence over future trends. Weick (1995b) suggests that sense-making is a retrospective cognitive process that explains unanticipated events. He also suggests that events in a socially-created world both support and constrain action. Weick, Sutcliffe, and Obstfeld (2005) later suggest that individuals form both assumptions and conscious anticipations of future events. By examining sense-making and the development of mental models through actual lived, shared experiences, this study captures the subjective processes that have been largely ignored in the context of the connection between organizational design and growth synergy in a multi-unit firm. Using the experience of stakeholders, the researcher presents a conceptualization of how individual participants in this study made sense of their lived experience. This was an ongoing process for participants as they refined their understanding of lived experiences and established new equilibriums. As suggested by Weick et al. (2005), participants developed individual action plans to address outcomes (prospection) and exhibited a self-directed capacity to create action plans (action orientation). Real-life sense-making processes include awareness, selective and focused responses, need for information, collaboration, and action planning.

This chapter presents the empirical part of this dissertation through the thoughts, perceptions, and lived experiences of 20 participants who took part in this phenomenological case study. These participants went through the precipitating event that led to the subsequent organizational transformation of MediaCorp. The purpose of this study was to explore a single case study of a multi-unit firm by examining how a multidimensional organizational design augmented by lateral integrative mechanisms and a designed relationship with the corporate center contributed to the realization of growth synergies. The constructs that emerged from the data identify key elements and organizational designs that contribute to continuous synergistic growth. This chapter presents the strategy, results, analysis, and findings of this study divided into three sections. The first section discusses what the researcher is referring to as endogenous data. This is data that relates to issues internal to the MOS. The second section discusses aspects of the research that are exogenous to the MOS and its design. These are ways that the MOS is affected by external influences and ways that the MOS can influence external to itself. Lastly, data are presented with regard to the ability of a MOS to influence other parts of the company by scaling. A robust and effective structure aligned for growth, such as the MOS, needs to be exploited to enhance profitability. Furthermore, data are presented with regard to how the MOS structure can influence alignment within MediaEnterprises and how it can extend its influence through the execution of focused strategy.

Each section includes individual textual descriptions as well as composite descriptions concisely oriented and illustrated in a theme map structure. Moustakas (1994) suggested that the integration of textual and structural descriptions into a composite description, such as relational table, is a path for understanding the essence of an experience. The composite description is an intuitive and reflective integrative description of the meanings and essences of a phenomenon, of

which the entire group of individuals is making sense. The co-researchers create meaning through their awareness of the environment, reflection on their experiences, consultation with others, focused response to an enquiry, and iterative refinement to these enquiries. The textual descriptions are quotes with references to the data collected. A data reference could be in the form of *(RH123)*, which would, in this case be, *Role Horizontal data item 123*. The quotes are modified with brackets in some cases for the purpose of increasing clarity. Otherwise, verbatim text is included from the participant interviews.

### **Data Collection Schema**

A data collection tracker was used to guide the overall data collection process. This kept the researcher on track, ensured completeness, and was adaptable as needed. The sequence of data collection events facilitated the necessary build-up of relevant knowledge and enabled iterative sense-making. The data collection schema supported the collection of information in the three context areas previously described. Each data collection event was directed by an interview guide used by the researcher and stakeholders as a protocol to enhance the efficiency of data collection while minimizing noise. Noise is superfluous information that would obfuscate reality embedded in the raw data. It was eliminated. Data was collected from both preexisting data and through interviews with co-researchers. The sources of the data in the section below are mapped as follows:

- Endogenous Data
  - Roles
    - Horizontal themes - Interview and preexisting data
    - Vertical dimension - Interview and preexisting data
    - Support diagonal - Interview and preexisting data

- Client diagonal - Interview and preexisting data
  - Products and services - Existing catalog
- Synergistic experiences - Interview
- Self-interest - Policy deployment event
- Collaboration in the MOS - Interview
- Financial observations - Interview
- LIMs - List of existing
- Drift mitigation - Interview
- Focused action - Action trackers
- Exogenous Data
  - Megatrend impact - Budget commentary
  - Corporate center - Interview
  - One Media Corp (1MC) - Existing program
- Scaling the MOS - Interview
  - Growth - Customer data
  - Market penetration - Interview

## **Purpose**

The purpose of the data collection and subsequent findings was to inform the research questions. Each research question is mapped to the associated data protocol element as described through categories including endogenous, exogenous, and alignment for growth. The interview question schema progresses from left to right in Figure 16. In order for the data collection activity to be valid, it had to correlate directly to the research questions. The data, per the data plan, maps to the research questions as illustrated. The significance of the correlation is indicated

in the intersecting cell. For example, alignment strategies are directly related to the roles in a MOS, while lateral integrative mechanisms do not help with externally oriented focused actions. With the relationship between the data and the research questions now clear, the researcher will discuss the process around the discovery of findings within the data. The research questions will be discussed in Chapter 5 by linking them to the propositions associated with the data collected.

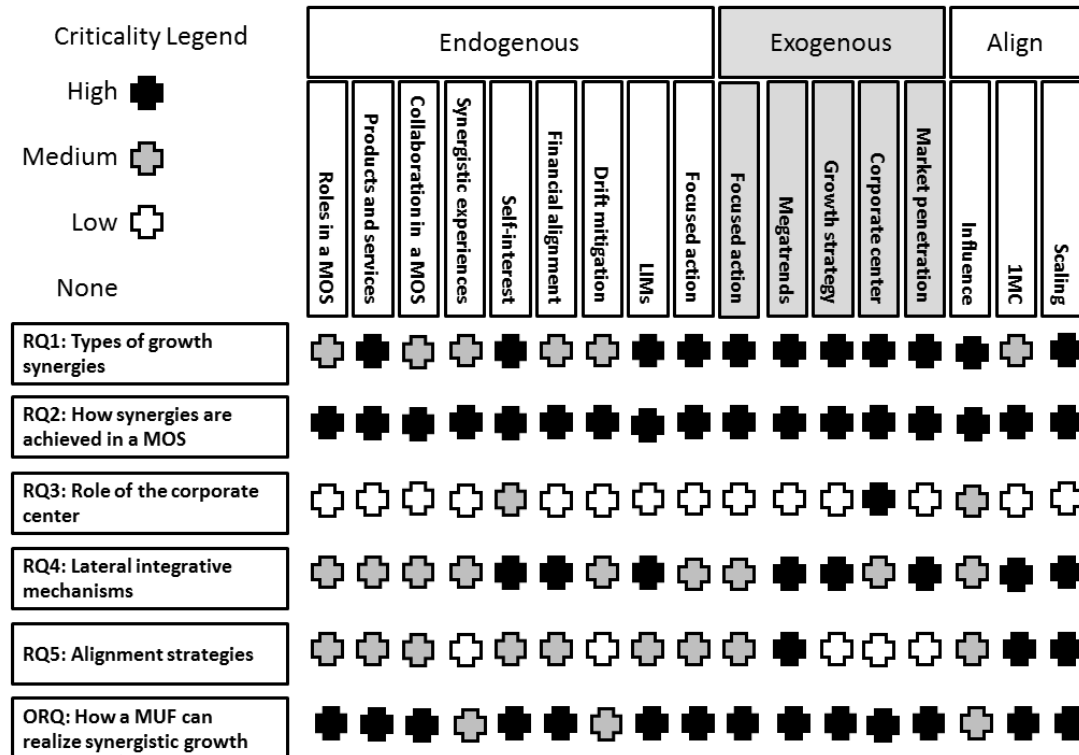


Figure 16. Linking propositions to research questions. This figure illustrates the way the data domains will link to the research questions.

### Coding

Data collection was facilitated by an interview protocol with specific questions oriented in a sequenced schema. Participants were solicited as volunteers from a pool of leaders based on a willingness to share information about the transformation of the sub-division. Each volunteer co-researcher participated in the changes personally. Following each question, the participants' response was determined to be linked to the question asked and was determined to be meaningful prior to continuing. An answer could trigger a clarifying question, or a question formed to solicit



a more fulsome answer, if needed. The additional information modified the answer and once again was determined to be fulsome or not. The data was added then to the data sheet and coded. Sub-code themes were also determined and grouped by code and sub-code. The data was surveyed by the researcher, who, due to personal experience, was able to apply an *analysis of good* (ANOG). Slight modifications were made as needed to reduce the noise in the data and ensure completeness and clarity. This was accomplished by consolidating like data points and simplifying others by stripping out noise and redundancy in the answers. The data was then re-sorted and generalized through categorizing. A pivot-table was used to extract themes in the wording. The raw data was then posted in a table. In some cases most of the themes were unique in which case a table was not used. From this data, dependencies, relationship, and the sequence of events were determined and organized into a theme relationship map. In some cases the data collected appeared as though the participant was confused about the question. In these cases the researcher followed up with the participant and then added the newly acquired information to the raw data previously collected. The coding flow chart is illustrated in Figure 17.

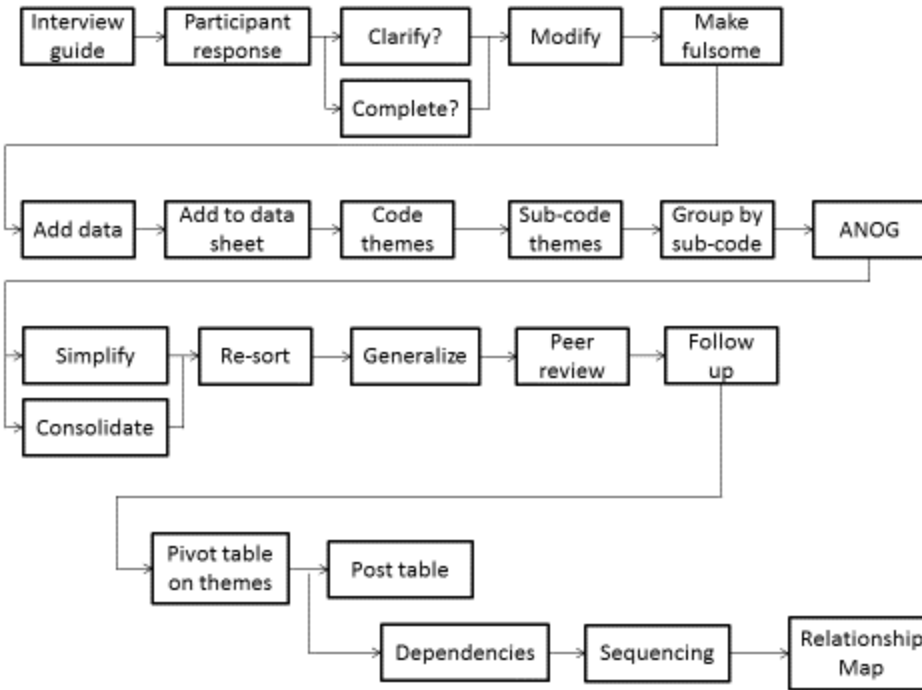


Figure 17. Coding flow chart. The chart illustrates how tables of coded data and relationship maps were created from data harvested from interviews.

The raw data was collected from each participant for each data domain and sub-domain in the sequence in which it is presented in this chapter to promote a progression of thought. The data are separated into exogenous and endogenous domains as well with selected focus in both areas. In some cases, like roles, the participants offered information on themselves while commenting on data provided by their peers. In these cases, the data was tracked with regard to if they were providing data on themselves or on someone else. An interpretive paragraph was then written about each theme by going back to the raw data to capture the meaning in each response. Patterns that emerge in the data are presented as textural responses (what happened), structural responses (how it happened), or composite descriptions (what the group experienced). Data responses that occurred most frequently within the theme category were given more significance and were typically mentioned first. Data were interpreted into theme patterns. These were broken into themes and then concisely into propositions, or findings of the study. Data

items that referred to individuals, functions, lines of business, locations, systems, or company names were obfuscated, eliminated, or given a pseudonym. Finally, overall concluding remarks, in the form of a summary from the researcher, were then used to close the section for that data event. As part of the closure, the propositions, or findings, were formed and listed numerically. Within each proposition, a two-word summary was formed along with a statement that sums up the finding. The coding schema is identified in Figure 15. For example, a central theme, norm strategy, or trigger may have emerged from the data as a result of coding. This data could then be categorized or filtered through the constructs being discussed that may include the strategic frame, horizontal strategies, or a narrowed scope as examples. This was the beginning of the theme map, or the outermost layer. The layers could then be elaborated on by breaking the outermost layer into sub-layers until it was reasonable to stop. This theme map was created to better describe the themes in the data and to show relationships and sequences between unique data items.

### **Analytical Dimensions**

The data are divided into four analytical dimensions as illustrated in Figure 18 as data domains. They are directional strategy, optimized scope, selective focus, and strategy method. The directional strategy dimension is concerned with the organizational design component of the study. The optimized scope is concerned with the focused application of energy in the right places based on what is happening in the marketplace. Selected focus relates to deciding only on actions that will enhance profitability. Selected focus, products and services, and LIMs are all darker gray in Figure 18 as they leverage preexisting data. Finally, strategy method refers to the tools and tactics that can be used to penetrate markets and achieve profitability. Each of these will be discussed in detail.

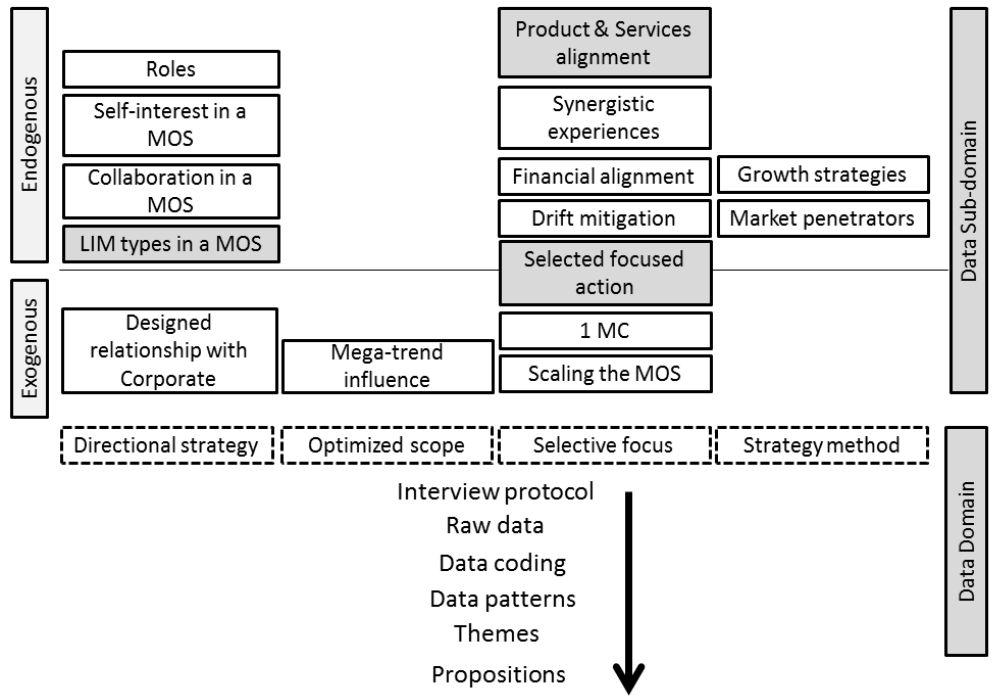


Figure 18. Data domains. This figure illustrates data domains and the flow of collected data that becomes a proposition.

## Data Domains

**Directional strategy.** An organizational design that promotes decentralized collaboration is assessed in this study. Related diversification research suggests cooperative organizational arrangements for the efficient realization of operative synergies (Ansoff, 1965; Hill & Hoskisson, 1987; Rumelt, 1974; Wrigley, 1970). Typical designs contain a high level of centralization (Hill, et al., 1992). The design of a MOS encourages a different perspective. Decentralized collaboration includes cooperative design elements, like incentives and strong integration mechanisms, with competitive design elements, including strong local financial controls. The result is productive, rather than destructive, self-interest that balances stability and flexibility. At MediaCorp the realization of growth synergies is decentralized and supported by organization design. This design choice was then described by data that emerged from the following sub-domains:

- Roles (horizontal, vertical, support, and client): the dimensions of a MOS.
- Self-interest in a MOS: the reward for leadership success.
- Collaboration in a MOS: effort optimization through synergy.
- LIM types and effectiveness in a MOS: support structure to enhance collaborative capability.
- The designed relationship with corporate: the interface with external support functions.

**Optimized scope.** The achievement of profitable growth comes from pinpointing and exploiting synergistic opportunity (Campbell & Goold, 2000; Goold & Campbell, 1998). Clear objectives focus attention (Daft & Weick, 1984; Ocasio, 1997), while reducing ambiguity (Weick, 1995) and complexity (Collins & Porras, 1994). A strategy for growth is augmented by a culture of entrepreneurialism and a bias for action, or action tendency, which summons the needed energy to exploit a discovered opportunity. Energy may come from emotions that help people manage fundamental tasks (Lazarus, 2001). While complex team structures are highly dependent on each other for success (Stringer, 2006), a robust organizational design is a design that can thrive in a moderately dynamic market. Information from markets may cause an emotional response that creates a tendency for action (Mouilso et al., 2007). Data was collected from stakeholders regarding market-influencing forces creating the following data category:

- Megatrend influence: external market trends forcing adaptation.

**Selective focus.** Each stakeholder is sensitized to opportunity and therefore channels attention and concentrated resources towards the opportunities with the highest realizable profit potential (Goold & Campbell, 1998; Campbell & Goold, 2000). With this attitude, the best opportunities are sought out and brought forward. Obvious triggers for action become apparent

and are expected. The evidence from this study suggests that these can be exploited to pursue sustainable corporate advantage. The data in this section will convey strategies for growth that relate to the following areas:

- Products and services alignment: operative and sales channel clarity.
- Synergistic experiences (positive and negative): change management experiences.
- Financial alignment in a MOS: financial clarity to ensure performance measurement.
- Drift mitigation: operative entropy remedies preventing profitability losses.
- Selected and focused actions: focused tasks to influence profitability.
- 1MC – alignment: a one-ness that enables small and large-scale sales strategies.
- Scaling the MOS: opportunities to expand the structure leveraging synergies.

**Strategy method.** Growth strategies may include optimization across business domains. This requires an understanding of valuable sectors with common cross-business market segments. Overlapping segments present synergistic opportunities. For example, some clients may be negative contributors to profits. These clients should have the chance to grow, take on more services, and agree to price increases, or be removed from the client list. These actions lead to a focused scope with the effect of making it more possible to obtain a more precise and realistic picture of the most likely profitable synergies. MediaCorp’s strategy focuses on continuous growth synergy realization within a few selected areas for the purpose of channeling attention towards the most influential opportunities while avoiding managerial perception bias. A restricted exploration scope may lead to better discoveries and the continuous realization of corporate advantage. Collaboration and implementation energy is also focused with an optimal

list of initiatives, otherwise projects are stalled or funding dissipates. The strategic method used could be broken into two parts as follows:

- Growth strategies: actions intended to increase revenue and profitability.
- Market penetrators: actions intended to break through silos that otherwise prevent growth.

MediaCorp desires to bring a unique portfolio of products and services to its clients to solve their problems. The result is sustained corporate advantage. Market penetration strategies emerged in the data. The need for improved profitability was triggered by intense competition in saturated markets, price erosion from critical clients, changing customer requirements, and discounts associated with significant sales initiatives in order to create a unique value proposition. A strategic frame improves the selection of growth synergy initiatives while avoiding illusive opportunities that have little value potential. Clear objectives focus attention (Daft & Weick, 1984; Ocasio, 1997) and reduce ambiguity (Weick, 1995). Furthermore, focused attention can reduce complexity and create collaborative energy (Collins & Porras, 1994).

### **Endogenous Data**

This section discusses data internal to the MOS. Previous research pertaining to growth from related diversification recommends that organizational designs include cooperative constructs (Ansoff, 1965; Hill & Hoskisson, 1987; Hill, et al., 1992; Rumelt, 1974; Wrigley, 1970). These studies stress the need to limit business unit self-interest through centralized decision making at the corporate center. The results of this study suggest a different view. The data suggests that the MOS is an organizational design that stimulates, rather than restricts, business unit self-interest. It liberates entrepreneurialism embedded in existing employees. The MOS is based on a design of decentralized collaboration that balances stability and flexibility for

continuous and efficient growth synergy realization. Furthermore, the study reveals integrative mechanisms that further enhanced the capability of the MOS to influence profitability.

As previously discussed, the endogenous data collection is focused on nine areas. The first focus area relates to roles in the MOS. Clarity of roles is critical for accountability and in this study it helped with the focus on selected actions. This data includes self-evaluation as well as input from colleagues and peers for all of the four dimensions in the MOS structure. The researcher then turned to products and services for purposes of creating clear operational scope and sales channels to avoid overlap-related redundancy, channel encroachment, and potential self-cannibalization. The efficient use of available energy better enhanced the possibility for desirable outcomes to be realized. The third area of endogenous data focus is on synergy driven change management. Critical leaders were asked about their experiences with synergistic change. This included positive and negative experiences. It was beneficial for leaders to capture and share historical experiences that went well, along with experiences that did not go well, so that these lessons could be reviewed and exploited during future change initiatives. Next, the concept of self-interest is then explored. Without self-interest it is difficult to encourage the right behaviors within entrepreneurial-minded business leaders. In the event that behaviors are driven by policy, they become autonomous and require little effort to enforce. If the influence of policy is ignored, organizational inertia becomes a significant force in the entrepreneurial environment. The goodwill of great employees will only go so far and then self-interest, or even survival, becomes the primary motivator in decision making. The fifth area of discovery was collaboration in a MOS. The MOS itself is dependent on this; consequently, it is explored in depth in this chapter. The stakeholders explored financial reports to discover anomalies that would require financial alignment. If financial systems are not aligned, such that cost follows revenue, the



measurement of profitability cannot be accurate. Additionally, financial trends, key financial ratios, and P&L integrity were examined to ensure alignment between cost and revenue. The profitability of locations across all clients and products, products across all locations and clients, and clients across all products and locations were examined. The allocations of cost centers, or support functions, were also examined. The seventh focus area is lateral integrative mechanisms. Data regarding LIM structures and their effectiveness was collected from stakeholders during the interview process. The variety and influence of the LIMs was significant. They had to match the unique situation in which they resided. The eighth focus area was drift mitigation. The horizontal dimensional leaders had to make sure that their operations did not drift away from gains once they were achieved. This may also be referred to as organizational entropy (Levins, 1968). Information regarding actions taken to prevent this is discussed. This is especially true during growth cycles, as gains can be a distraction and drifting can erase the benefit of new growth. Finally, the ninth area of discussion is selected and focused action. This area represents the themes and areas associated with the execution of growth opportunity. The data reveals areas of execution that relate to the implementation of the MOS, LIMs, and the designed relationship between the MOS and the corporate center. It also includes data regarding the alignment of financial reporting so that there is performance clarity. Patterns in the action trackers were also instructional with regard to selected focused action.

**Roles.** The roles of leaders in the MOS, in this scenario, were determined through the understanding of a vision, the ability to self-reflect on leadership attributes, and the selection of actions in focused areas of impact. Each stakeholder determined that certain leadership attributes would be needed in order for a leader in a MOS to be successful, including efficient collaboration. MOS leaders related collaboration to a variety of job responsibilities.

“[We needed to] work closely with facility leaders worldwide, to improve business metrics and operational data (lowering costs, increasing throughput, higher quality, etc.) on [the] product line by transforming the way we perform various [LOB] services.”

(RH1)

“[We] work in tandem a lot with large orders or launches...” (RH129)

“Coordination and influence of ERP development will be more effective and efficient if we stay aligned with our priorities.” (RH131)

“[We will] encourage partnerships between business units, to better utilize existing capacity.” (RH191)

Data was also collected from other stakeholders at a similar level. The scope of the role data includes P&L leaders in all four dimensions of the MOS, including (a) horizontal leaders, (b) vertical leaders, (c) support leaders, and (d) client-facing leaders as depicted in the MOS model in Figure 3. First, data was collected from thorough interviews regarding the roles of the horizontal (products and services) leaders, as illustrated in Table 1.

***Horizontal themes.*** Horizontal leaders were defined as leaders with responsibility for any aspect of a product or service category through direct contact with an asset or a deliverable (Van Wart & Kapucu, 2011). The functions within this scope were all production areas, asset handling, configuration enhancement, and invoicing. Table 1 illustrates the critical themes in the coded data collected from participants who provided 17 themes and 267 rich data descriptions with regard to their role and the roles of their peers. This data explains what the participant leaders learned as a result of the transition to a MOS about what they would need to focus on in order to successfully execute their responsibilities as an effective leader. Following the table, a description of the role is discussed based on the raw data in order of frequency of occurrence. To

manage complexity, the line items are not weighted and so the frequency of occurrence should not imply significance as each item could be weighted differently depending on the situation at the time. Additionally, it could be argued that some of the delineations between themes are not exact. Furthermore, given the dynamic nature of the market and the organization, a broad range of themes needs to be considered by the organization due to the influence of trends. The researcher, based on his knowledge of the operation and his experience, made these judgments. Moreover, there are some items in the raw data in one category that may link to an item in another category. With these realities in mind, the researcher attempted to organize the data in such a way as to convey, in a most accurate and concise way, the findings generally inferred from the data.

Table 1  
*Horizontal Role Attributes by Category*

Theme Category	Count
ERP	40
Capacity	33
Cost	31
Standardization	26
Communication	24
Revenue	21
Performance	17
Leadership	14
Strategy	11
Financial	10
Problem solving	8
Knowledge	7
Security	7
Best practices	6
Asset	5
Transparency	4
Culture	3
Total	267

**ERP system.** Williamson (1975) suggests that corporate management needs to control the opportunism of business level managers who would otherwise neglect their contribution to cross-business issues and shared resources. The transparency of an organization-wide business system enables a decentralized approach. It is then no surprise that the data suggests that MOS leaders can contribute to profitability. They need to be accountable for results. This accountability is augmented and encouraged by the transparency provided by an ERP system. Consequently, the first category in the horizontal theme data table relates to the ERP system. It is no surprise that leaders in a MOS who influence multiple facilities in different areas of the world value an ERP system that enables them to see what is happening at all locations simultaneously. Without a system, change management becomes very difficult. The raw data suggests that the overall concern is the ability to use the system consistently. This is critical such that data are entered correctly with the consequent benefit of the exploitation of that data. The raw data suggests that MOS leaders have six areas of concern: (a) that existing departments are using the system correctly, (b) that new modules become available for critical workflows that exist or may be deployed, (c) that other departments in the supply chain are brought into the system, (d) that other disparate systems are supported or integrated, (e) that development efforts are optimized, and (f) that tools are developed as appropriate and timely. Further detail in the data suggests that for (a) existing departments may need training before they use the system. Leadership's commitment to the system is also necessary for the transition.

“[We need to] partner with local teams to coordinate deployments and enhancements of [the] ERP for [product] pipeline services.” (RH25)

I will be joined at the hip on security / chain of custody issues. This area is getting more significant all the time and we need to make sure the worldwide (WW) facilities are

unified in terms of compliance and process. We also need to work together on making the ERP [LOB] management functions so they properly track assets for all our facilities.

(RH144)

Additional data for (b) suggests that there is the need for several specific modules within functional areas that were called out by the stakeholders, in this case billing and ingest. With these new modules there is connectivity between functions within a business unit that results in data entry efficiency, supply chain visibility, and the ability to extract business intelligence from the data.

“[MOS leaders need to] be a hub to communicate with each facility and prioritize internal/ external client enhancement request. When [a] global enhancement is being deployed, communicate with the each facility beforehand to incorporate requests from individual facilities.” (RH52)

Additional data for (c) suggests that there are other businesses that could be brought into the system that have not yet been introduced. This would create connectivity with other parts of the supply chain, enhancing data visibility and trends.

“[MOS leaders need to] assist in rolling [the ERP] out to our other locations.” (RH57)

Additional data for (d) suggests that there is the need, prior to their integration, for the support of other existing systems. This is necessary for business continuity and data exploitation. Further efficiencies are gained by repurposing existing synergistic modules in new areas. Where systems already exist, the code can be imported and leveraged, eliminating development efforts.

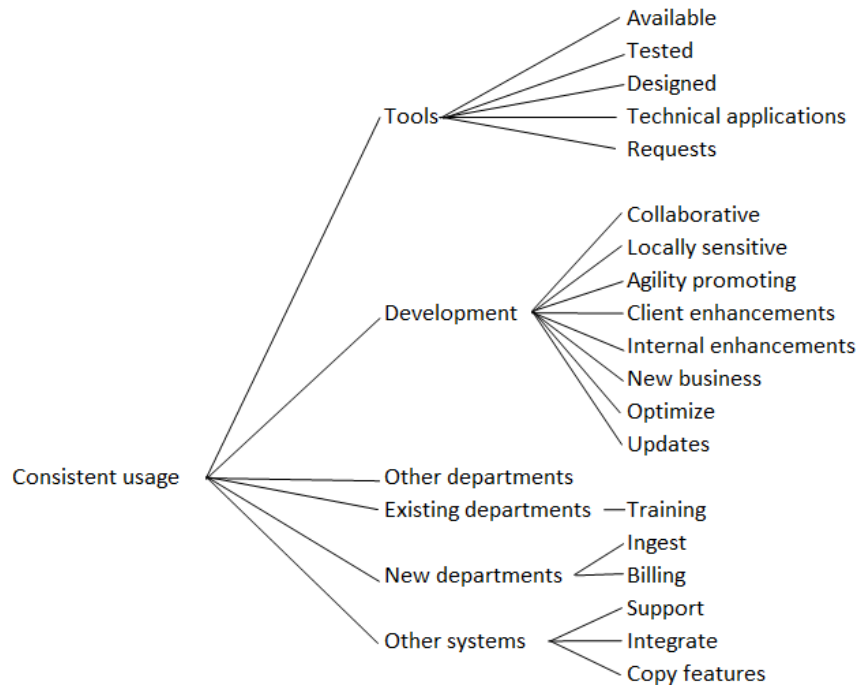
“[The] coordination and influence of ERP development will be more effective and efficient if we stay aligned with our priorities.” (RH131)

“Migration to the ERP will also be a big area for [LOB] and it needs to be done as a coordinated effort and leveraging [name] experience with business systems.” (RH136)

Finally, additional data for (e) suggests that there is the need for development that is collaborative, locally sensitive, sensitive to client requests, and sensitive to internal enhancement requests. The purpose of system development efforts is to promote consistent usage that makes the system agile, scalable, and attracts new business. The system optimizes workflows that evolve and so constant updates are needed.

[MOS leaders can] help me push projects like the implementation of a physical source retention policy for all sites so vaults do not fill up with material and increase storage needs/ costs. [This] could include helping push the ERP enhancement to include ‘source return date,’ implementation of new policy in Client Services. (RH62)

To conclude, it is clear that a system, continuously in the improvement-deployment cycle, is necessary for the role of a horizontal leader in a MOS with responsibility over multiple facilities. Figure 19 illustrates the theme dependencies in the data. The coding path for the data map starts with the theme category, then goes to the theme attribute, and then to the raw data theme.



*Figure 19.* ERP: Consistent usage theme map. This figure maps the consistent usage of the ERP as a theme category into descriptive sub-groupings.

In summary, the data suggests that ERP systems are critical for the realization of synergistic growth in a multi-unit firm. An ERP system is an asset to be used. The utilization of the system is dependent on functional capability, the consistent usage of the capability, and the extent of coverage that the system has on the supply chain. This capability must be location agnostic in a fast-paced global supply chain. The following propositions summarize the key findings of this section:

- Proposition 1 (system usage): The consistent accurate use of an ERP is an aligning platform that enables accountability for performance and synergistic growth through transparency.
- Proposition 2 (deployment rate): The rate at which enhancements, called out by stakeholders, are developed and deployed broadly relates to the growth rate of an enterprise in a moderately dynamic marketplace.

- Proposition 3 (system consolidation): The transparencies of relevant data are enabled by the consolidation of disparate systems that hold valuable data otherwise not easily made available.

**Capacity management.** Horizontal leaders in a MOS indicated, by way of the second most frequently cited category, that management of capacity is critical to their role. The need for coordination of capacity on a global scale is critical to the success of business units that are constrained by resources being allocated to a business with extreme swings in capacity demand as illustrated in Figure 20. This business phenomenon relates to profitability as local markets often offer up revenue opportunities that are beyond the capacity of the local facility, either by volume or type, which may be followed by times of very low volume. A significant concern of the businesses is the ability to sell any product to any market size using the strength of the MOS. The raw data suggests that the overriding concern here relates to the ability to utilize capacity on-demand in accordance with the work load.

“[MOS leaders] enable MediaCorp... facilities WW to leverage one another as a ‘globalized’ capacity to enable load balancing, service flexibility, [and the] capture of ‘limitless’ customer demand.” (RH98)

The desirable attributes of capacity availability are (a) scalability, (b) local availability, (c) strategic planning, and (d) the appropriate allocation of capacity. Capacity management is directly linked to meeting client expectations and profitability. Additional data for (a) includes the ability to give the impression to clients, and location leaders, that the *production network* has *infinite capacity*. This encourages a willingness to take on *bulk* orders. This has become a market trend. The MOS leaders also need to encourage locations to scale back capacity when the demand shrinks. This may depend on the ability to move work from location to location.



Additional data for (b) suggests that capacity planning needs to be local, cross-business, and external to the division. Additional data for (c) suggests that capacity strategy needs to include an off-load methodology that includes the financial aspect of site-based revenue recognition and embraces the idea of functional centralization. Finally, additional data for (d) suggests that the allocation of capacity is driven by visibility into available resources, especially any latent capacity. A leader’s success in the MOS relates to the ability to manage capacity effectively across the network of facilities; however, resources expended need to match the work that is being run.

“[MOS leaders] determine the needs of each local facility in ... production and level of support required.” (RH14)

“[MOS leaders] work closely with facility leaders worldwide, to establish effective load balancing and off-load methods to eliminate capacity constraints in local offices.”  
(RH16)

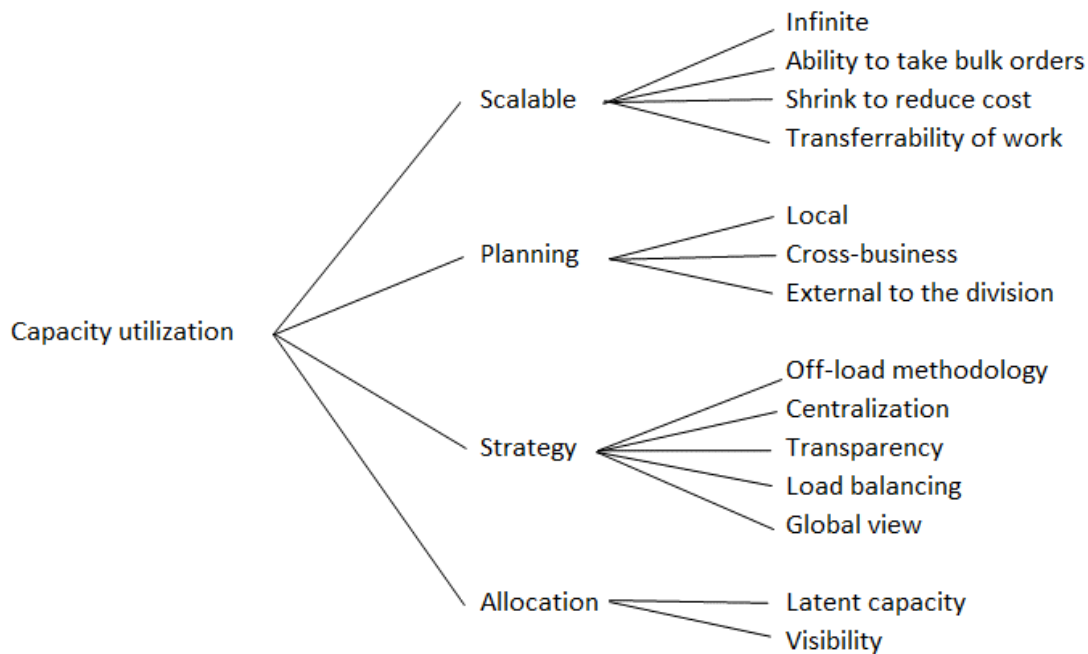


Figure 20. Capacity utilization theme map. This figure maps capacity utilization as a theme category into descriptive sub-groupings.

In summary, the data suggests that capacity is critical to the network-based production (NBP) model. MOS leaders are able to scale capacity within the network, regardless of volume trends. This includes the ability to take spikes in a pooled capacity construct. This capability is dependent on the ability to shift work anywhere in the network and is subject to planning, a methodology for work shifting, and transparency about capabilities and resources. The following propositions summarize the key findings of this section:

- Proposition 4 (allocated capacity): Clients will allocate volume work to vendors perceived to have both the technical ability to meet their specifications and the availability of more than sufficient capacity to process the volume.
- Proposition 5 (local markets): As local markets originate orders, local facilities need to leverage known available network capacity to meet client expectations.

*Cost mitigation.* The third category within the horizontal role attributes relates to cost management. Profitability relates directly to cost efficiencies and mitigations in a dynamic environment. Existing and growth-oriented revenue needs to be fulfilled in the most efficient way possible. These efficiencies have the follow-on effect that leads to the ability to take on more work and increase market share. A MOS leader needs to understand and manage cost in order to help the organization experience growth synergies as illustrated in Figure 21.

“[I] drive various cost savings initiatives, locally and globally, in regard to stock purchasing, courier and freight services, and off-site media storage.” (RH235)

The desirable attributes of cost mitigation are (a) measurement, (b) waste reduction, (c) workflow efficiency, (d) centralization, or pooling resources, and (e) workflow alignment. Additional data for (a) suggests that measurement should include accurate cost allocations, financial performance measurements, and the application of key performance indicators that

accurately reflect the performance of the business unit. Additional data for (b) suggests that there is a need for waste reduction that includes streamlining, lean sigma projects, and a zero defect mentality. Additional data for (c) suggests that focus needs to be placed on workflow efficiency in two focus areas: core workflows and profitability by line of business. Additional data for (d) suggests that there is opportunity for centralization, specifically for ingest, but also for other functional areas. Finally, additional data for (e) suggests that workflow synergistic alignment can help to negate redundancy, but a MOS leader should also look outwards to discover opportunities for other business consolidations. In conclusion, the MOS leaders indicated that cost management was critical to MOS leadership.

“[I] increase LOB profits by creating efficiencies and lowering costs within the operation.” (RH178)

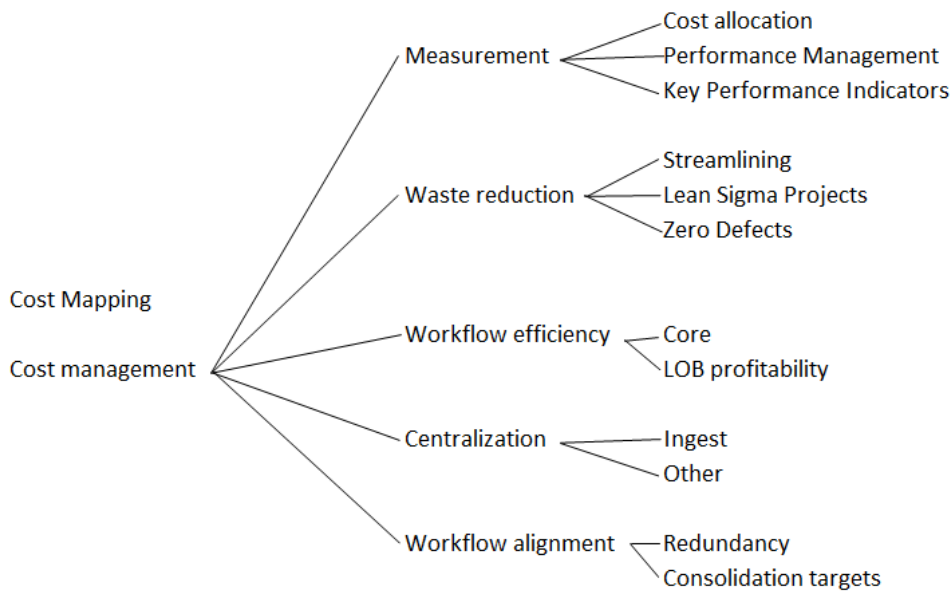


Figure 21. Cost mapping and management theme map. This figure maps cost mapping and specifically cost management as a theme category into descriptive sub-groupings.

In summary, the data suggests that cost mapping is critical to the measurement of business unit performance. This cannot be achieved without transparency, accuracy, and timely reporting. Cost performance is enhanced by waste discovery and reduction. This is further

enhanced by opportunities for alignment that provide for compatibility within workflows. Core workflows experience most of the volume and should be given significant cost-performance attention. The following propositions summarize the key findings of this section:

- Proposition 6 (cost measurement): Accurate cost measurement for each LOB creates awareness of workflow profitability variation that may lead to targeted cost mitigations.
- Proposition 7 (workflow design): Workflow synergistic alignment and capacity pooling, where there is demand variability, improve utilization and increase profitability.

*Standardization.* The fourth category relates to activities concerning unity and consensus. The MOS leaders brought up standardization as it ensured performance through the reduction of complexity. In a chaotic environment, the enhancement of predictability is desirable for financial and capacity forecasting accuracy.

“[I will] establish [location] as a center of excellence for... workflows through bi-directional visibility, process alignment, and procedural standardization.” (RH74)

The beneficial attributes of capacity availability are (a) unification, (b) workflows, (c) scalability, (d) data efficacy, and (e) predictability. Additional data for (a) suggests that, unification enables the capability to update a system, to audit a system, to take a system to another facility, and to describe the system with common semantics. Additional data for (b) suggests that standardization as illustrated in Figure 22 is made possible in workflows through the deployment of work instructions and procedures that guide the activities in the operation. Standardization is also possible with inputs and outputs that have meaningful specifications that are universally known. Additional data for (c) suggests that scalability is important for, and a

constraint for, growth. Additional data for (d) suggests that standardization enables the use of metrics. Without metrics, an operation cannot assess its performance status. Additional data for (e) suggests that predictability is a benefit of standardization that enables accurate and profit bearing pricing, the creation of tools, and consistency.

“[I will] partner with local leaders to drive unification, standardization, centralization, and operational efficiencies across key WW locations.” (RH264)

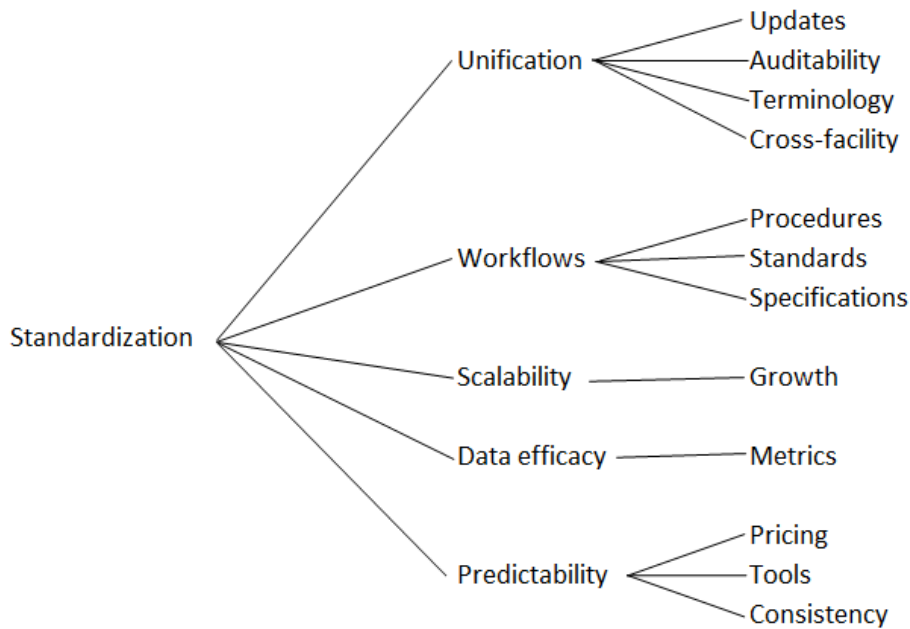


Figure 22. Standardization theme map. This figure maps standardization as a theme category into descriptive sub-groupings.

In summary, the data suggests that creating commonality and compatibility between workflows in all locations is desirable. Standardization, guided by documentation, can achieve scalability. Performance predictability is encouraged by tools, automation, and performance monitoring. Unification of practice and semantic unity enable both monitoring and the discovery of enhancements. The following propositions summarize the key findings of this section:

- Proposition 8 (chaos reduction): Standardization is a complexity reduction technique that enhances scalability, capability, predictability, updatability, and transportability in a chaotic environment.
- Proposition 9 (best practice): Standardizing on best practice includes both deploying a common language needed for more accurate profitability measurement and creating a platform for efficient organizational evolution.

*Communication.* The fifth category of interest within the horizontal roles of a MOS relates to communication. While communication is often cited as a reason for issues, its significance is typically underestimated. Unbelievable communication may create cognitive dissonance and frustration. Dissonance could occur when logic, opinions, and environmental knowledge are inconsistent (Festinger, Riecken, & Schachter, 2008). MOS leaders need to exchange information that would result in dissonance reduction. Furthermore, there is an optimal level of communication that, when exceeded, is ignored. When minimized, it creates an information vacuum that breeds insecurity and frustration. A MOS leader needs to understand the optimal way to communicate, recognizing that execution is situational.

“[I] establish cohesion and strategy of inter-facility operations, and unify best practices among ... WW ... facilities through free-flowing communication.” (RH95)

“[I] establish lines of communication between [support functions] encouraging cooperation and streamlining intercompany transactions.” (RH193)

The data suggests that the desirable attributes of communication relate to (a) plans, (b) transparency, and (c) the method used. Additional data for (a) suggests that communication plans need to include a deployed escalation plan, a single point of contact, periodic communication, and a flow of information. There is also an optimal level of transparency that should be achieved

through the communication strategy. MOS leaders required that there was the ability to be transparent about policies and capabilities. They wanted a common terminology to enhance communication efficacy. Additional data for (b) suggests that, like (a) above, communication needs to be routed to a business unit, across business units, to a client, or to a vendor. While routing is important, transparency provides information about policies, capabilities, and includes terminology that is understandable both internally and external to the business unit. Additional data for (c) suggests that the method chosen is relevant. MOS leaders need to be able to hold a presence and communicate clearly one-on-one and in a video conference event, as applicable. The importance of one-on-one communication should not be underestimated. The ability to read and react to body language may be critical to both maintaining attention and guiding thought patterns. The rate at which an organization or individual is influenced may depend significantly on face-time. To be successful in achieving growth synergies a MOS leader needs to be an effective communicator both internal and external to their assigned organization as illustrated in Figure 23.

“[I] work closely with facility leaders worldwide, to develop and implement organizational communication plans for effective communication between all key [operational] groups in WW [LOB] operations.” (RH269)

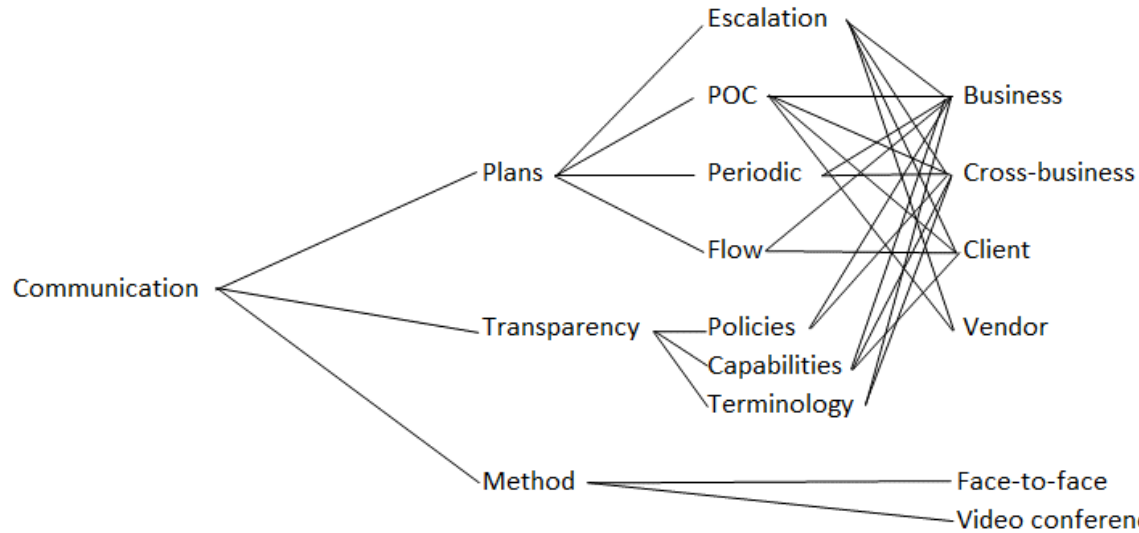


Figure 23. Communication theme map. This figure maps communication as a theme category into descriptive sub-groupings.

In summary, the data suggests that a MOS leader needs to be able to create and execute communication strategies both internal to the business unit and external. Clients have commented in surveys about their desires regarding MediaCorp’s ability to communicate.

“[I will do a] better job of interacting across all MediaCorp departments in communicating difficulties in working with certain formats and/or advising easiest way to proceed with [workflows] when multiple options exist.” (CS52)

The complexity of these strategies should not be underestimated. Not only does the strategy include content, but it also includes frequency, audience, volume, method, and consideration for the local market *climate*. A MOS leader needs to be able to correctly plan for each of these variables. In addition, the MOS leader needs to determine the optimal method for delivery of the content. The following propositions summarize the key findings of this section:



- Proposition 10 (structured communication): Communication is situationally routed and structured to include escalation paths, optimal timing, and a focused scope.
- Proposition 11 (communication strategy): Communication should be optimally frequent, transparent, correctly routed, and timely executed to reduce ambiguity driven waste.

*Revenue growth.* The sixth category relates to revenue, specifically as it relates to profitable growth. Growth synergies, when experienced, will improve financial performance depending on the revenue opportunity. With cost controls, this will turn into an enhanced contribution margin. To ensure profitability, revenue must be pursued with a margin in mind. A MOS leader needs to be able to stimulate revenue locally and globally.

“[I will] partner with both inter-divisional and extra-divisional resources ... to capitalize on synergistic opportunities and coordination of business strategy to motivate revenue capturing opportunities along the ... supply chain.” (RH102)

The desirable attributes of capacity revenue growth potential relate to (a) adjacent markets, (b) a growth strategy, (c) portfolio diversification, and (d) profitability enhancement activities.

Additional data for (a) suggests that it could be possible to transform existing products, services, and infrastructure so as to enable the penetration of adjacent markets with products that are synergistic to the existing portfolio, infrastructure, and workflows. Additional data for (b) suggests that growth should be considered in the context of local markets, across geographic boundaries, with the goal to increase market share, and in regards to new business opportunities. Additional data for (c) suggests that diversification should be pursued with two interests in mind: expanding the product and service offering and creating next-generation products to stay ahead

of the industry and penetrate or create new markets. Additional data for (d) includes the ability to pursue profitability enhancement by billing for line items that are not being used and also through consistency and integrity in the rate card itself. Pricing schemes may not be appropriate. Billable items that were previously given away for free may need to be considered for invoicing to enhance profitability as illustrated in Figure 24.

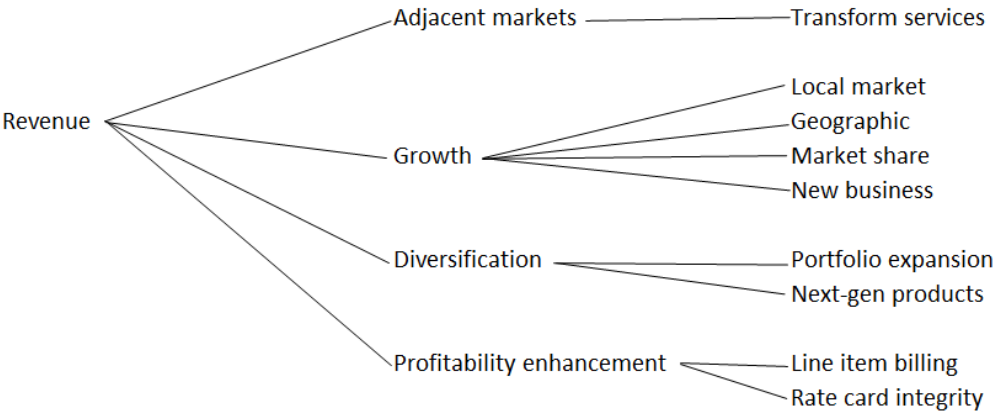


Figure 24. Revenue theme map. This figure maps revenue as a theme category into descriptive sub-groupings.

In summary, the data suggests that a MUF will need to transform their services and mindsets to capture revenue in other sectors. Addressable markets need to be understood, especially with regard to profitability opportunity. The product portfolio may need to be expanded to include products that will be needed by clients. Getting in on the beginning of the product or service life-cycle provides the opportunity for enhanced profits. This, however, needs to be balanced against development costs. During a billable life-cycle a billing strategy must be optimized to harvest as much profit from the associated LOB as is possible. The following propositions summarize the key findings of this section:

- Proposition 12 (adjacent revenue): When existing workflows and infrastructure can be used to deliver new products and services to an adjacent, new, or similar

market in a different geography, there may be an opportunity for synergistic profitability.

- Proposition 13 (structured pricing): Pricing structures applied after the jump-off point in the life-cycle of a product or service may need to be reviewed to include line items that previously were discounted or given away as loss leaders.

*Operational performance.* This section combines six sections that fall under operational performance. The data suggests that the MOS leader must understand operational performance to be an effective contributor to company growth.

“[I] work closely with facility leaders worldwide, to improve business metrics and operational data (lowering costs, increasing throughput, higher quality, etc.) on ... [LOB] by transforming the way we perform various ... services.” (RH1)

“[I] provide global operations support to local office leaders for the expansion of ... services, with a focus on scalability and reliability.” (RH22)

According to the MOS leaders, the desirable attributes of operational performance are (a) security, (b) transparency, (c) problem solving, (d) financial aspects, (e) best practices, and (f) asset management. Additional data for (a) suggests that security is directly related to compliance with controls already in place. Even so, the business unit is continually taking advantage of the opportunity to enhance controls proactively in light of the dynamic threat-scape. Additional data for (b) suggests that transparency is bi-directional; the role of listener and speaker may alternate. This information exchange includes requirements or specifications, a performance scorecard that reflects quality and reliability, and the deployment and exposure of effective productivity metrics. Additional data for (c) suggests that problem solving is critical to revenue growth and includes resolving new workflow deployment issues, corrective actions when errors are made,

the ability to discover opportunities, the ability to innovate, and the introduction of value-added products that solve customer problems. This is important to clients' perception of MediaCorp's abilities, as reflected in a client survey response.

“...the gap has now been plugged and was dealt with swiftly and professionally.” (CS34)

Additional data for (d) includes financial aspects of business unit performance, including fair and acceptable revenue allocations, billing velocity that does not tie up cash, and standard financial reporting through a worldwide P&L that is timely and meaningful. Additional data for (e) suggests that best practices are important to capture, create, model, and propagate horizontally across locations. MOS leaders help unify operations around excellence, produce skills, and lead continuous process improvement. The data specifically suggests an appropriate methodology, lean sigma, as an example. Additional data for (f) suggests that assets are important to clients and must be tracked while they are in the custody of MediaCorp. Additionally they have to be purged or immediately returned once they have been used. Otherwise, they are a security risk and a burden to the vault. Best practices apply to a variety of operational functions, all of which are the responsibility of horizontal leaders who push policy across locations to improve operational performance as illustrated in Figure 25.

“[I] partner with local leaders to drive unification, standardization, centralization and operational efficiencies across key WW ... locations.” (RH7)

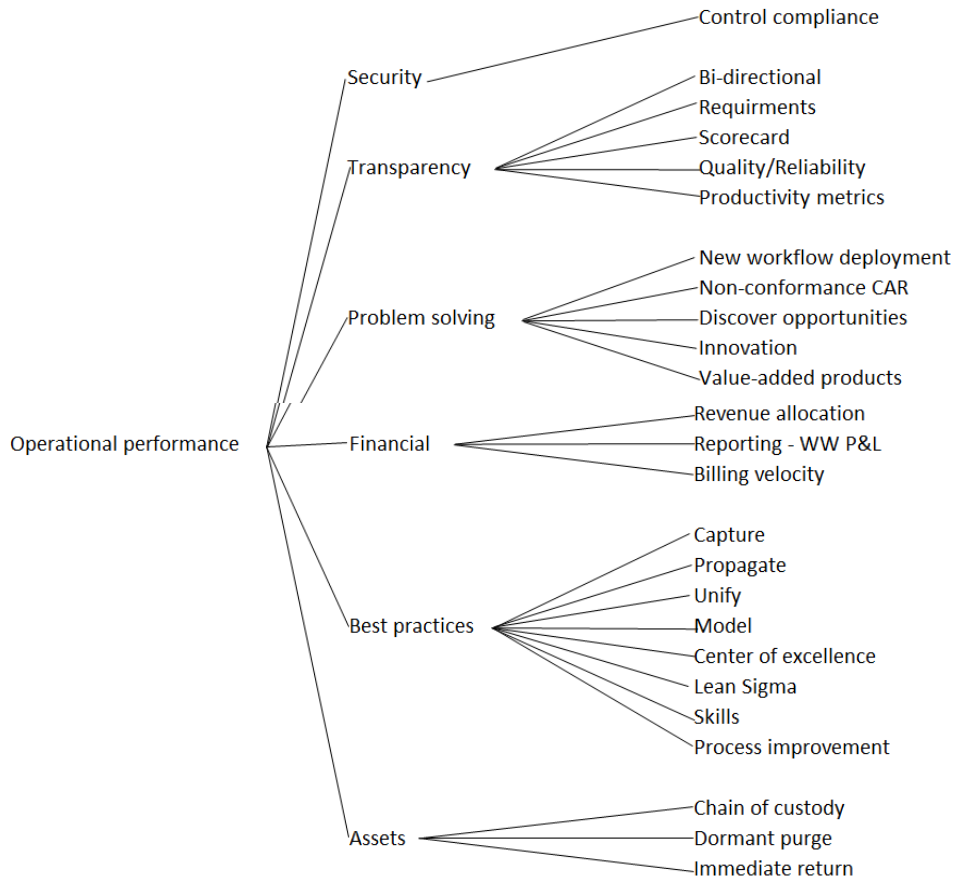


Figure 25. Operational performance theme map. This figure maps operational performance as a theme category into descriptive sub-groupings.

In summary, the data suggests that operational performance is associated with practice compliance, transparency, and the ability to solve problems. The ability for a MOS leader to be aware is enhanced by transparency of information that is relevant. Compliance allows for control and entropy mitigation. Controls and practices need to be optimized, effective, thoroughly deployed, and continuously evolving. Awareness and compliance provide a platform from which the organization can evolve. Organizations should be seen as organic or complex adaptive systems (Burns & Stalker, 1992). Similarly, Eisenhardt and Bhatia (2002) through complex adaptive systems theory, describe a naturalistic approach to organizing through the actions of a change agent. The gap between a competitive advantage and the current state is found through transparency and gap closure by the change agent. The ability of an organization to learn from

issues and close these gaps promotes performance that stimulates profits and growth. As Freeman (2000) suggests, organizations propagate intentional action at the rate that the organization can absorb it. The following propositions summarize the key findings of this section:

- Proposition 14 (liability prevention): Compliance with liability prevention controls must be at least as dynamic as the evolving threat-scape.
- Proposition 15 (resolution transparency): Transparency that leads to client and business problem resolution and innovation is multi-directional and speed sensitive.
- Proposition 16 (process grading): Financial and asset management processes should be graded on their accuracy and speed.
- Proposition 17 (propagation capacity): An appropriate methodology is needed to propagate best practices at the rate of absorptive capacity.

*Leadership.* The last horizontal MOS leader category is leadership. The researcher has confirmed five related areas covering the remainder of the data points. Ultimately the MOS leader is a stakeholder and must exhibit strong leadership skills to achieve the goals of the organization and the production network that supports it.

[I] partner with local leaders to develop strategic plans for ... services with timeframes and measurements of improvement. The strategic plans should support the business goals of local facilities and be developed in coordination of each group and in alignment with the strategies/operations of the broader global ... team. (RH11)

The desirable attributes of leadership that emerged in the data from MOS stakeholders is illustrated in Figure 26 and includes (a) strategy, (b) learning management, (c) culture, and (d)

alignment. Additional data for (a) suggests that, horizontal leader strategy must include change momentum, deployment capability, and a global influence. Additional data for (b) suggests that learning management includes the creation of knowledge, curriculum development, and the execution of the training activities across all locations. Additional data for (c) suggests that alignment includes collaboration between leaders, with internal clients, and with external clients. Collaboration is also dependent on decision-making skills. Leaders in a MOS need to be influential and effective in a network of dependent leaders. This requires well-honed leadership skills. Additional data for (d) suggests that the horizontal leader is responsible for the culture of the organization. This includes a culture that is attuned to meeting both client expectations and company goals (Kotter & Heskett, 1992). It is a culture of awareness so that effective decisions can be made. Alignment in the culture ensures a one-ness as experienced by the organization and the client. This culture is then both aligned and collaborative.

“[I provide] coordination... influence... [and] development [so we] will be more effective and efficient [as] we stay aligned with our priorities.” (RH131)

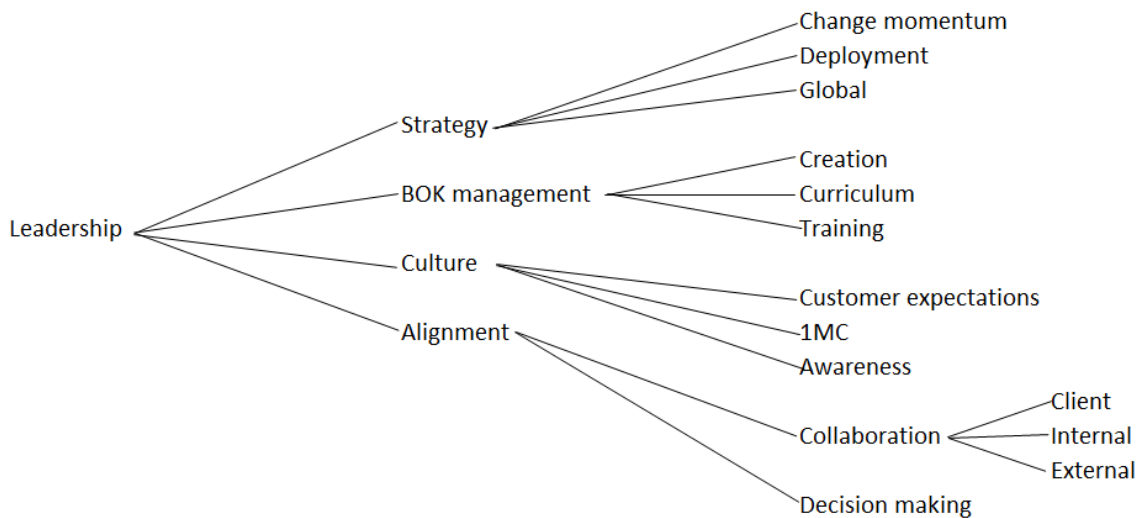


Figure 26. Leadership theme map. This figure maps leadership as a theme category into descriptive sub-groupings.

In summary, the data suggests that leadership is a strong component for MOS leadership success. Horizontal leaders have indicated from the data that they need to manage their business unit culture, exploit a managed body of knowledge, have alignment within their staff, and execute an effective strategy. The strategy that is deployed, along with the managed culture, need to be aligned with the values and norms of the MUF as a whole. Alignment facilitates speed with regard to decision making. Decision robustness and timing are enhanced through a culture of collaboration. The following propositions summarize the key findings of this section:

- Proposition 18 (strategy momentum): The strategy for a global deployment must include consideration for change management momentum and the organization's capability to effectively deploy.
- Proposition 19 (augmented awareness): Leadership efficacy is dependent on environmental awareness augmented by a culture of purpose-driven learning.

*Summary of horizontal themes.* This section exposed data collected from horizontal leaders about attributes needed to be successful in a MOS. It is clear from the data that horizontal leaders are primarily concerned with the consistent usage of a business system for transparency, effective capacity utilization, cost mapping and management, standardization, an effective communication strategy, a revenue growth strategy, and leadership that results in effective operational performance. The evidence from this study suggests that horizontal leaders who effectively influence the horizontal dimension in a MOS are critical to growth synergies in a multi-unit global enterprise in a moderately dynamic market. Horizontalization through effective, focused strategy also leads to improved profitability.

***Vertical dimension.*** The role of location leaders is critical to the effective application of a MOS. These leaders influence and control the vertical dimension in the MOS model. Northouse



(2013) suggests that “Leadership is a process whereby an individual influences a group of individuals to achieve a common goal” (p. 5). There is variety in each dimension and the vertical dimension is no exception. These leaders and locations are divided into three categories: storefront, semi-storefront, and off-load. *Storefront* basically means that the operational part of a high-cost location (ex. New York, Tokyo, or London) is extracted and a dependency is created for operational services with other locations that have a lower cost. The storefront location then, ideally, has only two main functions: outward facing coordination with clients and coordination with other locations within the production network where operational capacity is leveraged. This establishes a presence in high-cost locations where customers typically have offices and a capability to produce within an optimal cost structure. To be clear, the objective of the storefront model is not about cost reduction, but rather about growth and profitability. The idea is to exploit the addressable market in the high-cost location. Absent the deployment of the model, the capacity is limited by what the location team can process. With the deployment of the network production plan, the capacity can be exceeded as the location can tap into the capacity of the network. This influences the profitability of the location because labor is on-demand when needed and so is only a cost when needed. This virtually eliminates carrying costs. Additionally, the labor that is used is cheaper, as it is from a low cost center, and so it creates a margin. The location leader, not limited by the capacity of the location team, is now able to aggressively pursue the addressable market. The leader is able to augment his outward facing staff to help with the project management of the increased volume by pulling people from the *back* to fill these needed positions in the *front*. This works well because they are already known, they perform well, they know the product, and the recruiting effort for the high-cost location is eliminated. This model typically allows for a 50% to 70% reduction in total labor cost at the

location and allows for lower pricing models with as good or better margins. The location is then able to aggressively pursue clients where pricing is a barrier to entry. The client wants to see the person who runs the operation. In this case, most of the operation is run virtually from the high-cost location. This model invigorates the sales effort.

The execution of the model is challenged by confidence that needs to be built between the off-load location and the sending location. Corporate bias might infer that this is simple and thus, results may be required quickly. It is more of an evolution with a high degree of complexity that must be pursued over time, but at an optimal pace. The off-load location needs to understand the client's unique requirements from each sending location. There are nuances that the off-load site will not understand as they are not on-site and client facing. There are also known and defined nuances, even between clients at the same location, increasing execution complexity. The stakes are high, as failure results in the client redirecting work to another vendor. This is resolved by having key people come from the off-load facility to the high-cost storefront location so that they can know the local team, acquire the culture, feel the *heat* from the client, and create internal and external client relationships. These people typically function well as location representatives back in the off-load site. They are a single point of contact and help with the implementation of requirements. Once the off-load team has established confidence, then the storefront location becomes dependent and the work can be moved gradually with the associated benefit to profitability. Once the team at the storefront is minimized, it is easier to move them, allowing for real-estate consolidation and reduced facility cost. From there it becomes a capacity scheduling and utilization exercise across all storefront locations. Capability, compatibility, expertise, and collaborative ability come into play.

The semi-storefront is a location that will off-load significantly, while retaining the higher-end work. They will also support local markets to perform high-end tasks. For example, if a client wants a special feature on a deliverable, the semi-storefront will have the expertise to complete the task on time. An off-load site is a location where labor is cheaper. Work shifting happens in accordance with the complexity and the associated skill set at the off-load location. This does not relate to work that can be automated, as there is no need to move the work if this is the case. There are some additional constraints that need to be overcome with the off-load model. For example, recruiting speed may be a challenge as the work volume shifts. Space availability, training capacity, capital availability for infrastructure improvement, and the rate of knowledge acquisition or transfer are constraints to be managed.

A use case could be described using the MOS diagram. In the case illustrated in Figure 27, storefront location L4 services client C2. This client requires an innovative technical feature on a product. The semi-storefront location L6 has this expertise which is shared by other clients as needed. L6 can provide this feature (Serv 3) to L2. In addition, and to save cost, off-load site L8, which provides a range of services for a variety of clients, can also provide lower skill level services to L1. Meanwhile the off-load site services the needs for all sites without direct interface with the client. This configuration allows for advanced expertise and low skill work on-demand, eliminating training and carrying costs. This is because (a) these skills are pooled and (b) they are flexed through the use of a rightsized fixed staff along with an optimally-sized flex staff.

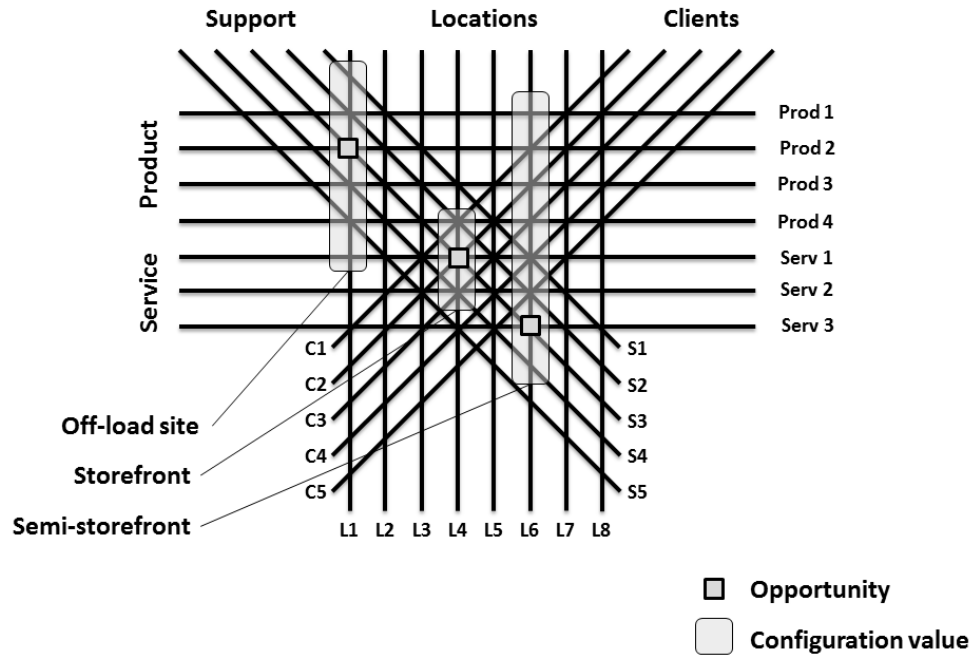


Figure 27. MOS: three embedded models. This figure illustrates the three types of locations in a MOS and how they map within the structure.

The production network in the global supply chain includes these three types of locations. There is some variability in the role descriptions that emerged from the data. This data suggests what is needed for a vertical leader to be successful in each network location type. The off-load leader is a leader that serves internal clients. There are common characteristics for both the sender and receiver of the work. This location is off-loaded to and may deliver directly to the client from the off-load site even though the client service representatives handle all of the communication with the client. A semi-storefront location would service a client directly but may also off-load some of its work. The storefront model requires a skillful leadership role. This location has outward facing employees who service clients and may not have operational capability to fulfill work, only coordination capability with off-load sites. This leader will need to be able to utilize capacity within the global production network and accomplish orders at the

best quality within the time allotted. There were 8 participants that contributed data about these models and their role as leaders as per the participant mapping in Table 2.

Table 2  
*Participant Mapping by Location Structure*

Participant	Off-load	Storefront	Semi-storefront
1		X	
2		X	
3	X		
4	X		
5			X
6			X
7			X
8			X

The 10 attribute themes that emerged from the 277 rich data descriptions were consolidated into eight categories from vertical leaders including the following: (a) alignment, (b) performance, (c) collaboration, (d) awareness, (e) leadership, (f) growth, (g) communication, and (h) continuous improvement. The researcher will discuss each of these theme categories separately. Table 3 includes the raw data from the role attributes of a vertical leader; however, the quantity of occurrences of similar data items reflected in the count column may not be relevant, as one item may be weighted more heavily than another. These data are the result of coding, consolidation, and mapping.

Table 3  
*Vertical Leader Theme Categories*

Theme Category	Themes	Count
Alignment	10	17
Awareness	19	37
Collaboration	23	51
Communication	13	22
Continuous improvement	18	26
Execution Leadership	44	94
Growth	23	33
Performance	36	61
Proactive Leadership	75	107
Total	261	448

*Alignment.* The first theme to be considered is alignment. A vertical leader must make sure that their location is in alignment with other facilities and to the division strategic plan as a whole.

[Vertical leaders] partner with WW [product] leaders to develop strategic plans for specific product lines or services; with timeframes and measurements of improvement.

The strategic plans should support the business goals of local facilities and be developed in coordination of each group and in alignment with the strategies/operations of the broader global team. (RV9)

The raw data produced 10 themes through 17 rich data descriptions as displayed in Table 4. The theme map is displayed subsequently in Figure 28. In order for a location leader to participate in the network of facilities, there has to be standardization. This is a platform enabling work shifting based on collaboration and continuous improvement. This refers to the ability to know what is expected within various products and services, as well as having compatible infrastructure to perform the work so that it can be moved to the optimal location.

Standardization makes it possible for location leaders to unify processes and exploit

centralization. To ensure the best performance, best practices need to be the standard across all facilities involved. To achieve alignment, the vision and mission of the facility needs to be compatible with the goals of the organization. The compatibility extends to workflows, as well as to exploit synergistic capacity. A barrier to entry, however, is conformance to security standards. As discussed, there are three location configurations: storefront, semi-storefront, and off-load. Each of these configurations is optimized within the overall organization to achieve optimal profitability. This profitability is facilitated by a method for cost and revenue allocation to which all locations subscribe. This allows for performance metrics to be compatible and exploitable for analysis. Furthermore, support functions need to be engaged and helpful or goal achievement is compromised.

Table 4  
*Alignment Themes*

Alignment	Count
Off-load methods	4
Align with other facilities	3
Align workflows	2
Cost allocations	2
Capacity sharing	1
Comply with security	1
Conform to standards	1
Goal alignment	1
Strategy alignment	1
Unified metrics	1
Total	17

The alignment theme map in Figure 28 indicates the logical sequence and the dependencies of the themes that emerged from the data. It suggests that in order for alignment to begin, there needs to be consensus on the vision, mission, and goals of the organization. These

goals include an understanding of the existence of synergies, the ability to centralize or pool resources for capacity management, the enablement that comes from standardization, and the ability and willingness to share. A level of transparency in measurements and conversation allow for the discovery of synergistic opportunity. A location that does not have the capability to perform a task may benefit by exploiting another location's capability. This solves capacity issues that occur when order quantity exceeds local capacity or when capacity demand is low. In some cases, alignment allows for centralization of resources. This increases reliability, as focus is increased on continuous work, but can be fragmented with intermittent work. Centralization also promotes standardization through capacity consolidation; however, capacity sharing is also enabled by standardization. Capacity sharing across facilities is enabled by a method to determine revenue and cost sharing, a unified approach to measurement that can be used for ratio analysis, common policies and methods based on best practices, and common workflows that are similarly secure. Gaining consensus in these areas is not easy; however, it is more difficult to attain if there is a lack of alignment around a common vision.

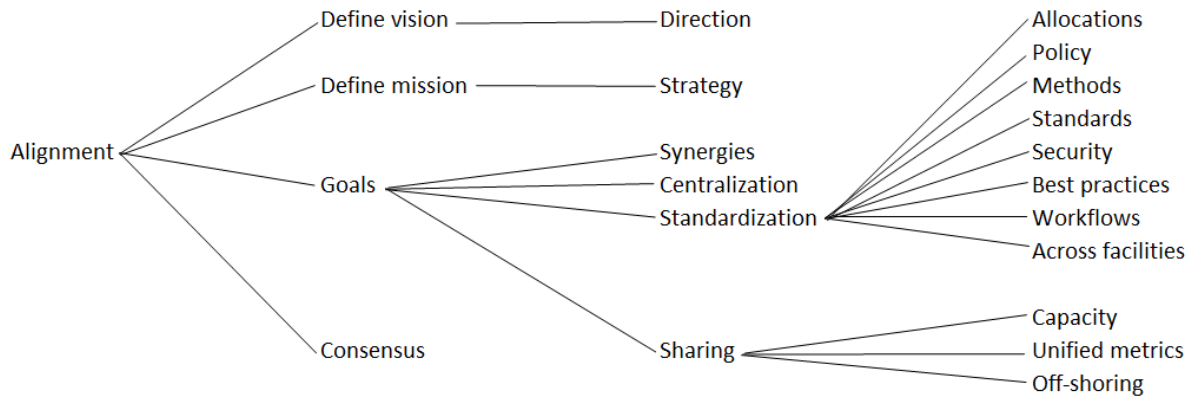
“[Vertical leaders] work closely with facility leaders worldwide, to establish effective load balancing and off-load methods to eliminate capacity constraints in local offices.”  
(RV15)

“[I will] contribute and support the technology roadmaps and provide input on strategies with trending market developments.” (RV254)

“[I will] cultivate a manufacturing/supply-chain paradigm to ensure consistent service levels and product offerings for [line of business] services in all worldwide regions.”  
(RV258)



“[I will] work with other location leaders to drive unification, standardization, centralization, and operational efficiencies across WW locations.” (RV265)



*Figure 28.* Alignment theme map. This figure maps alignment as a theme category into descriptive sub-groupings.

In summary, the data suggests that alignment is relevant to the success of a multidimensional organization. The achievement of goals is not likely without consensus around a defined vision and mission. Themes that emerged from the data indicated that the ability to share in a network-based production environment is enabled by adopted norms. The norms include financial, technical, security, measurement, and workflow design norms. While having these norms is important, self-interest needs to be considered with an accurate financial allocation to P&Ls. With this consideration, correct behaviors are encouraged. Furthermore, these norms are not applicable to growth synergy unless they are deployed across all locations and are business-favorable best practices.

- Proposition 20 (network unity): Capacity is more easily shared when there is consensus on how the production network should function.

- Proposition 21 (geographic diversity): Alignment enhances profitability through the exploitation of geographically diverse but synergistic workflows based on best practice.
- Proposition 22 (mission-vision): Measurable goals must to be directionally aligned with the firm's mission and vision.

*Performance.* The table of emergent data for performance indicates that vertical leaders are driven by efficiency and growth; however, due to financial pressures, the most frequent comment related to the ability to move work where capacity was available. Of course, this is not of interest unless the performance levels are suitable. All locations needed to embrace performance excellence in order for them to be considered for the shifting of work. The result of the shifting also allows locations to accept orders of a size that exceeded their capacity. This practice would then reflect positively on their P&Ls.

“[I] enlist the operational leads in assisting with cost reduction and efficiency improvement.” (RV146)

Vertical leaders see efficiency and cost reduction as an ongoing and critical activity. Before performance can be improved, the existing situation, through operational data, must be understood.

“[I will] develop a relationship with finance to make sure [we] are reviewing and understanding the numbers.” (RV152)

While performance improvements are being achieved, there can be no impact to business continuity or client satisfaction. If quality performance is compromised, then expectations to achieve increased market share are at risk. Operational excellence is supported by an infrastructure and human resource that performs with consistent excellence regardless of the

volume or the order cycle-time. While operational metrics are good for trend analysis, work shifting adds a level of complication due to the addition of coordination activities. Cross-training and the awareness of expectations allows for performance parity regardless of where the work is done.

“[I] work closely with facility leaders worldwide, to establish effective load balancing and off-load methods to eliminate capacity constraints in local offices.” (RV187)

On the other hand, rightsizing reduces capacity and can be a constraint. The ability to scale and execute, including the ability to catch non-conformities prior to shipping them, allows for a labor model that is pooled and on-demand. This follows a theme pattern that emerged in the data with regard to continuous improvement. The expectation is that excellence is present in all operations; however, the environment is dynamic in that performance is continuously improving and excellence is a relative existence. Excellence includes improvements in efficiency, measurement systems, quality performance, and synergy-based streamlining. These continuous improvements enhance profitability and allow for market penetration through aggressive pricing strategies. Human resources that can manage this model are subject to career paths that are fulfilling. A total of 36 themes from 55 rich data descriptions were captured from the data as per Table 5.

Table 5  
*Performance Themes*

Performance	Count
Work shift for cost	5
Operational excellence	4
P&L accountability	4
Metrics	3
Operational efficiency	3
Consistent service levels	2
Cost measures	2
Efficiency improvement	2

(continued)

Performance	Count
Improve profitability	2
On time delivery	2
Rightsizing	2
Cost reduction	2
Optimize profitability	2
Consolidate redundant functions	2
Increase profitability	2
Performance parity	1
Achieve goals	1
Create budgets	1
Develop metrics	1
Enhanced service	1
Increase efficiency	1
Internal servicing	1
Inventory management	1
Minimize cost	1
Optimize quality	1
Optimize capacity	1
Promote centralization	1
Rate card negotiation	1
Reduce material cost	1
Resource redeployment	1
Resource utilization	1
Shared allocation	1
Space optimization	1
Streamline	1
Work shifting for capacity	1
Total	55

The theme map in Figure 29 focused on several key patterns that emerged, including profitability, execution, customer service, and improvement trends. These are all critical in a dynamic market. The data indicated that profitability drivers were the ability to allocate cost and revenue, capital investment in infrastructure, cost reductions as a norm, cost measurement capability, suitable rates in rate cards, suitable budgets, increased volume or work, the ability to relocate work, and rightsizing based on volume and complexity trends.

“[I am] responsible for [location] P&L; to improve profitability of all product lines, [while] leveraging global resources.” (RV23)

Success, with regard to profitability, can be seen in P&Ls, the achievement of goals, meeting client expectations, a consistent and robust product, the optimization of location capability and capacity, and minimized material costs. Performance and profitability are also related to the ability of the organization to execute.

“[I will] ensure [location] facility is a [regional] center of operational excellence for MediaCorp.” (RV49)

This theme pattern emerged in the data as being driven by a number of factors (or capabilities): the capability to cross-train for enhanced human resource capability, effective performance monitoring for awareness, risk mitigation, the will to pursue excellence, meaningful operational metrics, the ability to detect errors before they ship, seamless work shifting, a centralization paradigm, and the ability to redeploy resources effortlessly. Location leaders believe that with execution driven by these capabilities, measurable performance comes as it relates to quality, asset security, efficiency, on-time delivery, measurable excellence, inventory integrity, and location capacity, resource, and space utilization. Vertical co-researchers also suggested that customer satisfaction is a key theme with regard to performance. Customer satisfaction is ensured through the following attributes: consistency in service levels, the conformance of product to industry and customer standards, the tendency for increased market share, and the ability to enhance products to solve customer problems. There are internal and external customers in a supply chain. Excellent performance presents the best opportunity to satisfy both, regardless of where the work is done.

“[I will] implement a manufacturing/supply-chain philosophy to ensure consistent service levels and release dates to customers.”(RV110)

A performance culture should also lead to the ability for workers and leaders to advance. If employees experience success, it should bring them personal success. This could be in the form of a career path through succession planning. With this hope, there is potential for a reduction in churn rate. A reduction in turnover cost positively influences profitability. The last aspect of performance relates to the expectation of continuous improvement in performance. This pattern was supported by themes that included continuous improvement in profitability, efficiency performance, quality and reliability improvement, the ability to synergistically exploit existing workflows, and streamlining.

“[I will] continually analyze cost structure to enable rightsizing costs, staff, and material expenses and to keep costs in line with [an] evolving business model.” (RV313)



Figure 29. Performance theme map. This figure maps performance as a theme category into descriptive sub-groupings.

In summary, the data suggests that performance is critical to profitability. This is achieved through enablers that are efficiently exploited. Performance leads to customer satisfaction which in turn leads to growth. A dynamic marketplace demands that performance is not static. Rather it must improve at a suitable rate for the firm to be relevant in the marketplace. This relevance presents growth opportunities. The following propositions summarize the key findings of this section:

- Proposition 23 (balanced achievement): Profitability leads to growth when achievement effort is optimally balanced with cost performance.

- Proposition 24 (workflow execution): Workflow performance excellence can lead to increased market share when execution results are consistent with customer expectations.
- Proposition 25 (profitability enablers): Profitability enablers must be effectively executed and timely to achieve desirable outcomes.
- Proposition 26 (customer satisfaction): Consistent performance reliability that conforms to evolving client expectations creates opportunities to increase market share.
- Proposition 27 (network capacity): Profitability is enabled by network production capacity that is seamlessly guided by a propensity for excellence parity.
- Proposition 28 (performance workers): High performance workers want to achieve success in an operation that is measured, monitored, and knowledge rich.

*Collaboration.* Vertical leaders need to engage with other vertical leaders in the network-based production environment to make sense of the activities around the precipitating event. Leaders need to reach out to each other to make sense of lived experiences through participative sense-making (Fuchs & De Jaegher, 2009). Participants in this study have worked together over a significant period of time. Consequently, meaningful patterns of interaction have evolved. A shared history helped participants to gauge the thoughts and reactions of their colleagues. Collegial interaction helped participants create meaning through self-organized social encounters, combined histories, and expectation alignment. Table 6 presents the 23 themes that emerged from 51 rich data descriptions and which indicated that collaboration is critical to the success of vertical leaders.



“[I will] work with sales to develop and pursue opportunities for ... servicing in [location] and support worldwide product servicing efforts.” (RV245)

The capacity in the network of locations cannot otherwise be leveraged for local production needs which may exceed local capabilities. When demand is lower than available capacity, these locations can engage in load balancing to avoid carrying costs and to avoid brain drain from their own organization.

“[I will] work closely with facility leaders worldwide, to establish effective load balancing and off-load methods to eliminate capacity constraints in local offices.”  
(RV15)

Collaboration is also needed to evolve the organization. This relates to the sharing of knowledge that is centered on capabilities. Technical or methods development could benefit other locations. For example, a unique requirement at one location may become a requirement at another. Through information sharing all locations can contribute to technology maturity and system enhancement. Each vertical leader should also reach out to solicit assistance from support functions. Feedback to off-load locations on their performance enables global learning and capability parity in all locations. This enables work shifting to exploit unused capacity and lower the cost of capacity.

Table 6  
*Collaboration Themes*

Themes	Count
Collaborate	9
Leverage network capacity	6
Load balancing	5
Coordinate ERP deployment	4
Sales collaboration	4
Share capacity	3
Contribute technology	2
Support other divisions	2
Evolve the organization	2
Contribute enhancements	1
Contribute to strategy	1
External servicing	1
Participate with sales	1
Process unity	1
Relationship with Finance	1
Solicit support	1
Support other locations	1
Support planning	1
Support with capacity	1
Support WW efforts	1
Offshore support	1
Work shifting	1
Feedback to off-load hubs	1
<b>Total</b>	<b>51</b>

The theme map for collaboration, illustrated in Figure 30, indicates that there are five aspects to effective collaboration. Collaboration influences sales efforts, the locations' engagement with support functions, interaction with other locations, opportunities external to the division, and enables the evolution of the organization. Each of these will be discussed briefly. Collaboration and planning with sales will result in profitability. Vertical leaders understand local markets and client expectations.

“[I will] participate in an entrepreneurial role to develop new products and services with sales to meet new customer expectations and demand.” (RV288)

They are also able to determine if an order is priced correctly and fulfills the workflow requirements needed to achieve an acceptable deliverable. Pricing is directly related to the number of steps and the effort needed for each workflow step, including material consumption. They are in the best position to influence the profitability of a purchase order. Vertical leaders need to collaborate with support functions. This includes finance so that they can understand the performance of their business unit. They may solicit assistance from any support function to minimize delays in achieving client expectations and to prepare for growth. Vertical leaders can also solicit feedback from support functions so as to mitigate a performance or liability risk. Collaboration with other locations, including offshore locations, is critical in an environment where capacity is shared.

“[I] support MediaCorp facilities at the other locations to load balance and workload share [in] support [of] storefront activities coming out of [location], [location], and [location].” (RV294)

This collaboration enables work shifting and the exploitation of the capacity in the network of locations. The overall benefit to the organization is capacity sharing and load balancing. These resources can also be shared external to the division. Lastly, collaboration enables the evolution of the organization. This could appear in the form of system or technology enhancements.

“[I will] partner with appropriate teams to coordinate deployments and enhancements ...” (RV278)

Continuous improvement in the network enables all locations to learn from mistakes made in any location. Standardization on evolving best practices creates parity within the network, enabling

capacity sharing. Vertical leaders need to deploy these enhancements according to an appropriate strategy and ensure that these enhancements are being used effectively. If there are issues or deficiencies, they can suggest further enhancements.

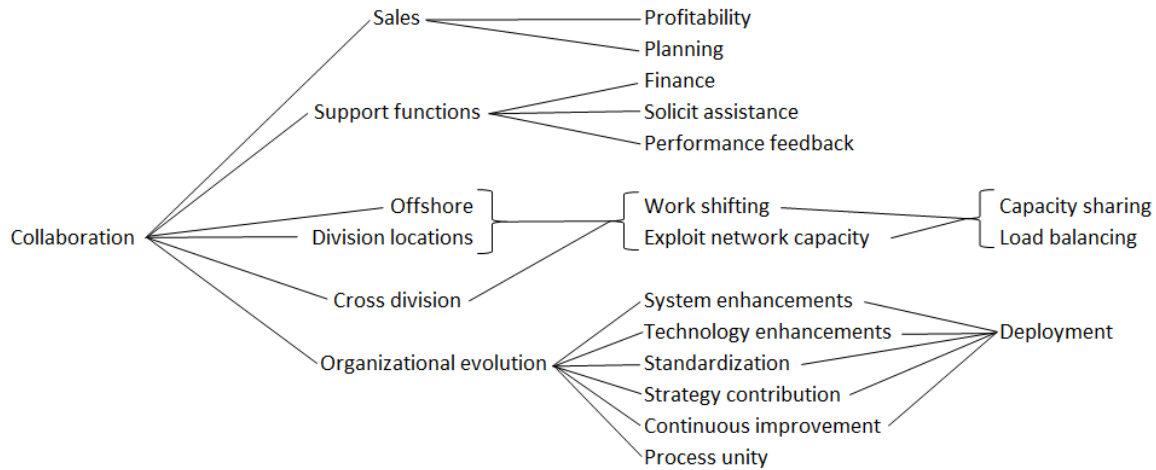


Figure 30. Collaboration theme map. This figure maps collaboration as a theme category into descriptive sub-groupings.

In summary, the data suggests that collaboration enables a networked production environment that can be used by a global supply chain. This is no surprise; however, organizations within MediaEnterprises suffer from a lack of internal collaboration. Without collaboration, organizational inertia will keep the firm from competing in a dynamic marketplace profitably. The patterns that emerged from the data included collaboration with sales, support functions, and all locations including across divisions. Collaboration with sales includes negotiating rates on projects that help ensure profitability. It also includes collaboration on the projects themselves. This related to size, complexity, and order cycle-time. Collaboration is essential for cross-business success, including contributions to the success of other divisions located elsewhere in the supply chain. Aside from collaboration with other organizational entities, it was important to vertical leaders that collaboration enabled the evolution of their

organization and the firm in general. The following propositions summarize the key findings of this section:

- Proposition 29 (collaborative dependencies): Network-based production is dependent on collaboration internal and external to the MOS.
- Proposition 30 (collaborative evolution): Collaborative evolution leverages standardization as a platform for enhancement deployment.
- Proposition 31 (multidirectional collaboration): The multi-directional nature of collaboration includes offering assistance and receiving feedback on support, both of which are enabled by environmental awareness and active listening.

*Awareness.* The conscious experience of co-researchers is a continuously changing or flowing process of awareness (Cosmelli, Lachaux, & Thompson, 2007; Thompson, 2007; Varela et al., 1993). Participants were, to a varied degree, aware of their environment and how it was changing. Typically there was a tipping point, or the confluence of awareness and intentionality, that triggered action planning and subsequent execution. According to Thompson (2007), intentionality can emerge anonymously, involuntarily, spontaneously, and receptively. These specifically emerged in the data. A vertical leader needs to be aware of many factors regarding their operation, including off-load methods, needs, cost, customer expectations, available reports, local policies, product requirements, deliverable specifications, and understanding the value of support functions. Metrics are critical to monitoring profitability that will show up in the financials. Performance evaluation and optimization results are influenced by a minimized cost structure; however, actions regarding this cannot be known unless current financial performance is known. Available operational data seen through the lens of mature and defined metrics allows the vertical leader to monitor work product and deal with operational issues and inefficiencies.

This may relate to scheduling inefficiency in a global supply chain that shares capacity, keeps up with the security threat-scape, and has a quality system that is capable of catching issues before they are shipped. A culture of transparency enables progress monitoring and issue resolution. Access to reports and the ability to analyze data can lead to better understanding of underlying themes in the environment. In some cases, support services may need to help mitigate inefficiencies. Table 7 lists 19 themes that emerged from 37 rich data descriptions. This awareness begins with the ability to have data about operational and financial performance. In the absence of this data, awareness is challenged. Knowing internal and external needs is also the beginning of awareness.

Table 7  
*Awareness Themes*

Awareness	Count
Monitor operational performance	6
Provide data	4
Financial analysis	4
Performance evaluation	3
Understand needs	3
Customer expectation	3
Client specification	2
Analyze cost structure	1
Customer satisfaction	1
Keep up on security changes	1
Monitor progress	1
Monitor reports	1
Network capacity	1
Operational data	1
Other facility cost	1
Productivity measurements	1
Revenue reporting	1
Spot errors	1
Understand support needs	1
<b>Total</b>	<b>37</b>

The theme map for awareness in Figure 31 includes six dependencies: metrics, operational data, customer expectations, financials, and culture. It also indicates that growth outcomes are dependent on these six areas. The growth enablers include work shifting, issue resolution, support needs, scheduling methods, and capacity utilization. Each of these has a relationship with the critical awareness themes. These critical themes are broken down further into several sub-areas. For example, financial awareness includes an understanding of awareness, financial measurements, and analysis. Work shifting has a dependency on the sub-items. For example, work shifting should be the product of financial analysis, measurement of usage and performance, and subject to allocations for overhead and coordination cost. Work shifting is also

dependent on mature performance-oriented metrics that have been standardized horizontally across all locations. These must be available timely. Work cannot be shifted unless specifications and requirements are known. Deliverable creation is guided by policy and methods. Performance is displayed through an appropriate set of results. Work cannot shift until customer expectations are understood. These expectations are specific to local markets. The ability to perform tasks in other geographic locations, such as an off-load site, is not possible without closure of the gap analysis between what the location does and what the local market expects. Financial results, as it relates to revenue and profitability, should drive decision making that relates to work shifting. The location that receives the request for work must have a culture that enables great service. This includes an appropriate perspective on the sharing of resources, the fact that each location is a part of a global supply chain that is networked, and that there is a need for full transparency to guide effective decision making.

“[I will] work closely with facility leaders worldwide, to establish effective load balancing and off-load methods to eliminate capacity constraints in local offices.”

(RV272)

Issue resolution has a dependency on financial awareness. The local leader understands that profitability for the division is the goal. To that end, the local leader needs to understand how revenue and profits are experienced by the location that gets the work, as compared to the location that does the work. In the event that there is a delay or *rework* is required, the vertical leader needs to know the impact of the lack of issue resolution and the time needed to achieve a resolution. This drives the urgency around the problem resolution activity and may trigger the request for support services to help, as an example. In a complex system, issues are often discovered through metrics and associated trends. These metrics should not be misleading,



creating a false positive, because the cost to resolve a false positive may be equally prohibitive. If metrics are not *horizontalized* the local situation cannot be effectively compared with similar situations at other locations. They must also be available when needed; otherwise the discovery time is elongated. Operational data in the form of specifications and requirements are a reference against which a deliverable can be compared. The gap between the deliverable and client expectation may determine the size of the issue. An issue in the deliverable points to an issue in the workflow or the incoming materials used in the process. Reports may point to inadequate or inappropriate methods or policies that may need to be modified. Culture has a bearing on issue resolution. A lack of transparency can obfuscate the root cause that may be anywhere in the supply chain. When resources are shared, dependencies on capabilities and culture emerge in the form of non-conformances and training disparities that must be resolved in order for the workflow to be reliable.

The need for support is part of the decision-making process for the vertical leader. Support may affect financial performance including profitability. Support functions may not have access to metrics or may interpret them incorrectly. Bias and assumptions may make support functions impotent.

“[I will] operate as the focal point in MediaCorp, supporting finance, sales and customer service for any requirement that interfaces directly with the products offered and/or managed by my [LOB].” (RV133)

They may not be aware of supply chain nuances or have access to the applicable information.

Furthermore, they may not understand the disparity between the resources that are shared.

Vertical leaders take this into consideration as it relates to decision making on whether to solicit

support services and consequently, they may decide to use them in a limited and controlled context to be optimally effective.

“[I will] develop a relationship with finance to make sure you are reviewing and understanding the numbers.” (RV152)

Capacity availability and utilization is critical for vertical leaders to understand. This does not just apply to local capability but also to capability within the network of business units. Capacity cost is directly related to profitability. Carrying costs during slower times is a burden that can be mitigated by rightsizing and utilizing scalability in the event of a demand spike. Volume, specification, and complexity variability are a normal part of a vertical leader’s work environment. A suitable level of awareness and the ability for suitable and effective analysis allow for optimal decision making. Metrics and performance trends can inform these decisions in a timely way. These metrics need to be consistently used in all locations so that capacity at any location can be exploited, as vertical leaders are expected to deliver large rush orders not previously forecasted. Requirements and specifications drive workflow choices and available capacity.

“[I will] direct the planning and preparation of production schedules through subordinates and identify requirements for the business to improve efficiency.” (RV113)

Scheduling methods may need to be modified to accommodate demand spikes and so must be understood and flexible. When customer expectations cannot be fulfilled, contingencies and negotiating tactics can still ensure a success. While a vertical leader must understand that the resources in the supply chain are available, they must also be compatible to be exploited. A lack of transparency may keep this knowledge from a local leader, resulting in an expensive decision that could lead to delays.

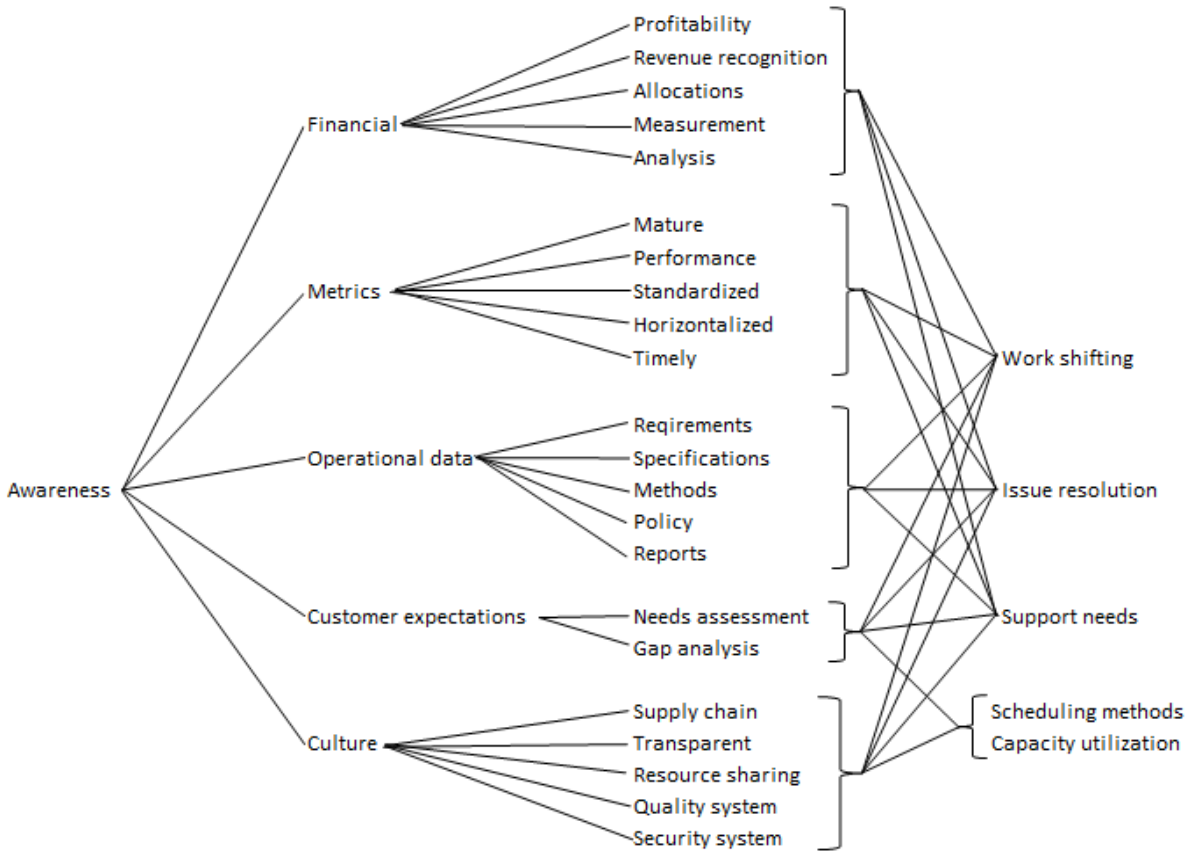


Figure 31. Awareness theme map. This figure maps awareness as a theme category into descriptive sub-groupings.

In summary, the data suggests that awareness promotes the ability to achieve profitable growth. It enables work shifting, issue resolution, meeting the needs of support functions, and capacity utilization improvement. Financial information efficacy relates directly to business unit performance when revenue and cost are both aligned and accurate within a defined organizational structure. This alignment then allows for performance ratios and trend analysis that can drive decision making, investigations, and improvement. Augmenting these metrics, are workflow performance metrics related to delivery reliability and throughput rate. If another location does not have the capacity or speed needed to do a project, then work shifting cannot occur. These metrics together with operational data can lead to effective decision making regarding overall work performance. This information can also influence strategic planning. In

some cases support functions such as finance, HR, facilities, etc. will contribute information to enable decision making and performance measurement. An example would be energy costs or tax structures. A vertical leader also owns the culture at the location where they lead. This culture should align with the culture at other sites so that capacity can be leveraged seamlessly. This culture includes a supply chain perspective that encourages resource sharing, an awareness of quality and security requirements, and transparency, so that fact based decisions can be made. The following propositions summarize the key findings of this section:

- Proposition 32 (work assignment): Work can be profitably assigned when available, when capable capacity costs are understood, and when supply chain leaders aggressively share their resources.
- Proposition 33 (issue resolution): Problem resolution is accelerated by operational performance transparency and a clear awareness of expectations.
- Proposition 34 (measurement unification): The timely availability of data used similarly across all locations, offered up transparently, can accelerate strategic decision making and issue resolution.
- Proposition 35 (aligned culture): The constitution of the location culture must be appropriate and aligned with other locations to optimize capacity utilization in a network-based production schema.

*Leadership.* A MOS that leverages a network-based production scheme requires a significant leadership component on the part of vertical leaders, as they are internal and external leaders. The themes that emerged from the data relate significantly to leadership. They were broken into proactive leadership and execution leadership categories. Each will be discussed separately. Proactive leadership has a data table that represents 53 themes extracted from 106

rich data descriptions, as seen in Table 8. Proactive vertical leaders need to be able to show their employees that they have a rational roadmap for change. This gives employees the opportunity to participate in, rather than resist, change. These are not just plans, but include executable roadmaps. Ideation is one thing, while the development of an executable plan is another. Strategic planning is simpler if done on a platform of unification. Vertical leaders know that fragmented methods add complexity and are hard to build on. Making sure that the right people are being promoted is also critical to plan success. Depending on the wrong people to accomplish plans, creates significant inertia. Once workflows are standardized, vertical leaders need to be able to see and eliminate capacity constraints so that local markets can be served efficiently. Capacity is also managed by capacity optimization and resource redeployments. Suggesting ERP enhancements can be a significant contributor to efficiencies that free up capacity. Continuous improvement enhances reliability. This reduces non-conformities against requirements and rework that consumes capacity better allocated towards growth. For all work, requirements need to be understood to ensure customer delight. Proactive leadership includes selecting and maturing leaders at the location. These leaders need to be able to suggest and deploy system enhancements. The team is effective if it can make sure work is completed using established best practices. Data and metric driven leadership is needed to create local strategy and optimize capacity effectiveness. This valuable data can be used to determine growth strategies and set the direction for the location.

“[Location leaders] implement a manufacturing/supply-chain philosophy to ensure consistent service levels and [meet] release dates to customers.” (RV110)

Continuous improvement must be accomplished ahead of workflow capacity being sold, in order to avoid early disappointment in the workflow. Performance requirements may be achieved with

less effort through the use of applicable tools that improve reliabilities. Through close contact with other leadership in the organization, the location leader is a role model for developing leaders and a strong team. It is expected that local leaders be capable of authoring plans, including budgets. The vertical leader initiates and leads initiatives that may relate to systems, resource management, workflow streamlining, and knowledge sharing or enhancement.

“[Location leaders] develop synergistic opportunities that can be aligned with overall enterprise-level business strategies.” (RV88)

“[Location leaders] drive the process of planning, orchestrating, and evaluating operations activities and procedures in support of new and future business internally and externally to the division.” (RV90)

Contingency planning is the proactive responsibility of the location leader. This is essential for business continuity and profitable growth. Vulnerabilities in location organizations are exacerbated when a leader leaves the organization. Backup leadership is needed to ensure business continuity. Consequently, mentoring and training are critical to the location leader’s responsibility. A location leader needs to have a backup plan for leadership capacity in the event that leadership capacity is lost.

“[I] lead the cultural effort at the location to drive leadership and career path[s] for staff.” (RV39)

Finally, a location leader needs to accomplish typical leadership tasks, including creating an understanding for the vision and mission of the location and how it aligns with the MUF vision and mission. The vertical leader, according to the data, needs to hire people who can work within the vision and help the leader execute the mission of the location. The hired person needs to fit in with the culture. This is a culture of centralization, quality, and security. The new hire

will be trained and will be expected to train others. The new hire will be expected to work within policies, but will be able to influence them as the location evolves ahead of the market. It is also hoped that the new hire will eventually contribute to synergy realization both at the location and more broadly in the MOS.

Table 8  
*Proactive Leadership Themes*

Leadership: Proactive Themes	Count
Execution plan	10
Drive unification	7
Strategy creation	6
Drive succession planning	5
Strategic planning	5
Eliminate capacity constraints	4
Share/Redeploy capacity	4
Suggest ERP enhancements	4
Optimize utilization	3
Drive quality	3
Drive continuous improvement	2
Drive growth	2
ERP <i>deployer</i>	2
Mature leads	2
Strong team	2
Adopt best practices	2
Provide data	2
Future planning	2
Create requirements	2
Growth strategies	2
Set direction	2
Curriculum development	2
Streamline	1
Workflow enhancements	1
Workflow maturity	1
Recommend tools	1
Drive improvement	1
Cultural leader	1
Define mission	1

*(continued)*

Leadership: Proactive Themes	Count
Define vision	1
Drive centralization	1
Drive culture	1
Drive hiring	1
Drive leadership	1
Drive profitability	1
Drive security	1
Lead initiatives	1
Staff Training	1
Backup leadership	1
New leaders	1
Best practices	1
Policy evaluation	1
Policy management	1
Leverage metrics	1
Create budgets	1
Support planning	1
Strategy alignment	1
Recommend business systems	1
Point of control	1
Enable centralization	1
Identify synergies	1
Cross-training	1
Documentation	1
Total	106

Proactive leaders need to be able to deal with capacity situations, must adopt and embed best practices, must be able to improve the overall performance of the location to be effective in the market, must apply leadership directly in critical areas, must be a mentor to raise up new leaders, must be metrics- and fact-driven, must have a strategy that is ahead of the competitors, and must embrace training as a means to keep employees knowledgeable about their work and market.



The themes that emerged from the data suggest that a proactive leader at MediaCorp needs to manage capacity well. This includes anticipating capacity constraints and eliminating them before projects are in the workflows.

“[I will] support MediaCorp facilities at the other locations to load balance and workload share support storefront activities coming out of [location 1], [location 2], and [location 3].” (RV42)

Capacity can also be optimized while in use to achieve optimal cost performance. Efforts to optimize capacity may include asking for work to be brought on or giving it away, or redeploying, to another location that needs it. Idle capacity hurts financial performance. All capacity must be exercised within best practices to minimize rework, which is capacity lost. In the event that a policy needs to be modified, this should be done carefully so as to minimize capacity loss during the transition. Contingency plans should be made to roll back the policy if it does not work. Periodically or when there is an issue, policies should be reviewed as they can stagnate in a dynamic market.

“[I am the] control point for evaluation of policies and procedures ensuring quality and profitability.” (RV84)

Proactive leadership has a strong continuous improvement component. Improving beyond the current business horizon enables growth into new areas. These improvements include system improvements that reduce work needed to perform tasks and ensure performance reliability. Other workflow enhancements can be done that do not involve a system. The discovery of *waste* in the workflow enables streamlining. Whenever non-conformities are discovered, a corrective action will improve the reliability of workflow. If ignored, the non-conformity will reoccur. Tools may be developed to make workflows more robust. Process data may be leveraged to

proactively target process areas for focused improvement, thereby eliminating non-conformities before they occur.

“[I will] look for opportunities to align workflows [and] drive the program of quality and continuous improvement.” (RV282)

A proactive leader is a mentor and trainer. First a leader candidate needs to be discovered in the population. The proactive leader needs to know what to look for. When found, skills training needs to center around documented knowledge within an organized curriculum. Workers and leaders need to be cross-trained for nimbleness. Leadership skills come from being a role model and mentoring. Succession planning will create a backup in the event that leadership capacity is less than required. The proactive vertical leader will need to engage capable location leaders in strategic development. An aligned growth strategy needs to be created with input from key leaders at the location to ensure buy-in and participation. The vertical leader is the point of control that will set the direction. A typical strategy will include knowledge of product present and future requirements, the enabling of synergy exploitation, the recommendation of systems, and the centralization of certain functions for capacity management.

“[I will] lead priorities for cross training, talent retention, and succession planning.”  
(RV315)

Finally, the proactive vertical leader, according to the data, will need to apply hands-on direct leadership to various critical areas. This role model will need to establish norms that are applicable to the market and what employees expect. This may include a culture that embraces security, with regard to client assets handled by MediaCorp, and quality of product such that client expectations are met. It starts with hiring the right people who will thrive in the needed culture. They will thrive in a growth environment and be able to adapt and execute roadmap-

based initiatives. The unification of methods and the centralization of capacity will likely be a part of the plan intended to optimize profitability. The proactive leadership theme map in Figure 32 shows that there are several key components to success in this theme category.

“[I will] partner with WW product line leaders to drive unification, standardization, centralization and operational efficiencies across WW locations.” (RV5)

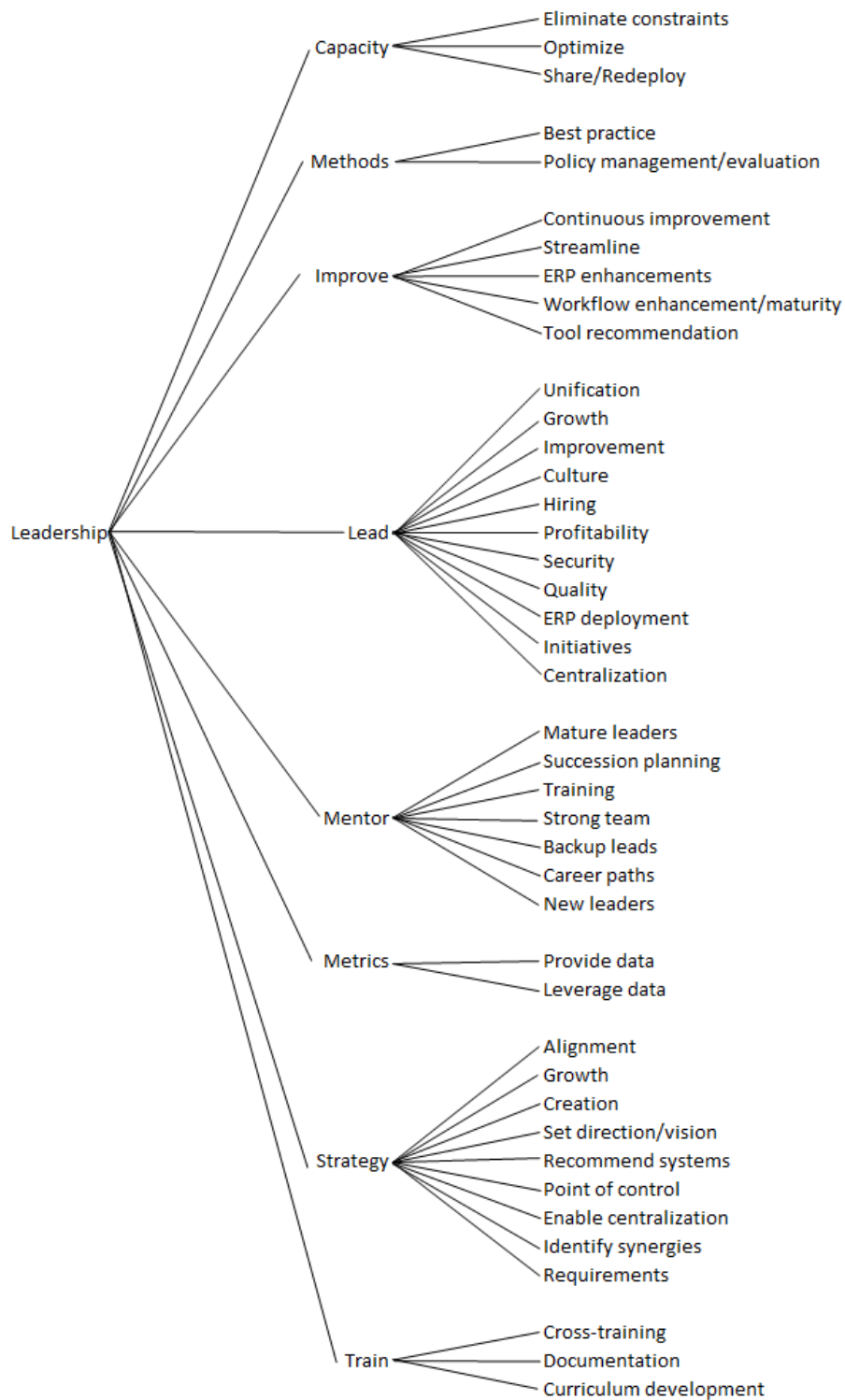


Figure 32. Proactive leadership theme map. This figure maps proactive leadership as a theme category into descriptive sub-groupings.

In summary, the data suggests that proactive vertical leaders need to be able to lead and make leaders. Being a role model, a trainer, and a leadership-selection expert are necessary. While standing on a platform of suitable norms and excellent performance, a vertical leader can set strategic growth plans proactively. Typically these plans are reactively conjured up and they are less effective. The vertical leader needs to be a steward of the capacity given while continuously improving its effectiveness. Finally, the proactive leader needs to be present and *hands-on* to deal with critical issues. The following propositions therefore summarize the key findings of this section:

- Proposition 36 (location capacity): Location capacity, as it relates to existing and pending work requirements, is something that a proactive vertical leader must be keenly aware of so that constraints can be mitigated or circumvented.
- Proposition 37 (improvement rate): Continuous improvement must occur at a rate that exceeds market and competitor evolution in order to seal price points and gain revenues.
- Proposition 38 (future culture): Vertical leaders need to proactively select and mentor leaders that match the culture of the future, as defined by the strategic plan roadmap.
- Proposition 39 (leading ahead): Proactive leaders make their leadership teams capable to achieve *what is about to happen* in the marketplace.
- Proposition 40 (entropy risk): The proactive leader must personally engage in critical tasks that would otherwise compromise future performance potential by mitigating organizational entropy risk.

- Proposition 41 (better practices): The proactive maintenance of best practices enables a gap between the current competitive landscape and an advanced position ahead of potential revenue opportunities.
- Proposition 42 (large orders): Sharing or redeploying capacity can enable the execution of large overcapacity orders that competitors are unable to execute, which would otherwise be referred to another vendor or split between vendors.

Leadership centers on execution for growth according to the second leadership category of emerging themes in the data. A vertical leader is responsible for executing plans.

“[I have] responsibility for outlining the strategic plan, budgeting and executing on those plans with approved staff and resources.” (RV81)

The theme pattern from the comments on execution focused on capacity management and executing strategic plans. This may include rolling out a new business system or new feature deployments. It may include technology enhancement rollouts or space optimization measures. By promoting leadership in the organization, the vertical leader is encouraging P&L accountability. This leads to involvement in pricing negotiations and cost reduction initiatives to promote profitability. While a leader oversees and directs the local operation, he or she also exploits support functions as needed to support growth initiatives. The vertical leader engages local leadership and encourages employees to be engaged in and influence internal or external service excellence, as well as growth initiatives thereby encouraging a performance culture. The success of the P&L would be measured by process-cost and service-performance levels. The local leader oversees all products that flow through the business unit. On the one hand, the leader needs to minimize cost and on the other, negotiate the best price for services to create margin. This leader needs to develop reliable leaders to oversee product reliability and the resources

needed to deliver the desired configuration. This may include leadership selection, mentoring, and succession planning. The local team will need to embrace a supply chain culture of collaboration and sharing which includes offshore support. The location evolves as improvements are made in technology, policy, and process. As effective leaders are engaged, they can solve problems, production, or system issues. The team needs to be resilient to handle the challenge of large projects with help from the network. The 44 themes that emerged from 94 rich data descriptions are included in Table 9.

Table 9  
*Execution Leadership Themes*

Leadership: Execution Theme	Count
Leverage network capacity	13
Execute plans	8
Coordinate ERP deployment	6
Lower costs	5
Exploit support	4
Local operational effectiveness	4
P&L accountability	3
Labor allocation	3
Promote leadership	3
Negotiate pricing	3
Mitigate capacity constraints	2
Manage KPIs	2
Leadership	2
Oversees product line	2
Resource oversight	2
Mature leads	2
Drive succession planning	2
Fact based decisions	2
Offshore support	1
Supply chain culture	1
Create culture	1
Manage operational performance	1
Space optimization	1

*(continued)*

Leadership: Execution Theme	Count
Evolve technology	1
Policy management	1
Evolve the organization	1
Handle large initiatives	1
Implement solutions	1
Lead initiatives	1
Engagement	1
Inventory management	1
Backup leadership	1
Lead training	1
Talent retention	1
Engage leads	1
Production issues	1
Resolve problems	1
Resolve system issues	1
Life-cycle exploitation	1
Negotiate contracts	1
External servicing	1
Internal servicing	1
Special quotes	1
Support direction	1
Total	94

The theme map for execution leadership that is illustrated in Figure 33 shows the emergent data in eight categories; capacity, culture, financial, execution, mentor, sales, strategy, and issue management. The researcher will discuss each of these groupings separately. In the geographic locations, leadership drives profitability. The data suggested that profitability is influenced by lower cost structures, effective pricing negotiations, and financial accountability as the leader oversees each line of business. Lower costs structures relate to shared allocations and the optimization of space and capacity. The vertical leader needs to anticipate capacity needs, deal with constraints by leveraging the network, and support the network to return the favor. The second pattern in the data was culture. Vertical leaders suggested that they need to establish and manage the culture and that it should be supply-chain centric. Keeping talent is a challenge.



Finding the right talent is a start. Mentoring and being a role model helps to mature this talent. When this talent is retained, there is good *bench strength* in the event that a leader decides to leave.

“[I will] lead priorities for cross training, talent retention, and succession planning.”

(RV315)

Within the location, the leader promotes leadership capability and creates a suitable culture. Team efficacy is driven by skills training and leadership coaching, while capacity is hampered by leaders who are not engaged. The location leader ensures engagement by leaders and encourages leaders to promote engagement within their team leaders. Continuous performance is critical, as full financial accountability for the P&L falls on this leader. The location leaders, therefore, need to be aware of the current state and be mitigating costs where possible to enhance their financial position. Good talent can help with this.

From a sales perspective the vertical leader needs to engage in quoting for work requested and pushing for overages based on special requests outside of the quoted workflow. Involvement in contracts is critical, as terms can directly affect profitability. Each line of business has a life-cycle. This should be understood and pricing strategies should be used depending on products' positions in the life-cycle. Furthermore, a proactive leadership stance promotes growth and profitability in the following ways according to the data: they evolve technology, deploy and enhance business systems, implement current and create future strategic plans including budgets, manage requirements, mitigate capacity constraints, create strategy ensuring alignment, and mature, enhance, streamline, and deploy points of control in workflows.

“Drive growth at [location] office toward increased market share by leveraging global resources.” (RV17)

They plan for contingencies including resource redeployment, alternate workflows, and leadership-on-demand. Proactively, a location leader can enhance resource utilization through redeployment to the point of need or through appropriate local allocation.

Location leaders are responsible for executing plans, or roadmaps. They exploit operational data and metrics to determine plans and monitor changes in capacity utilization. They exploit support functions to get what they need to complete projects. This could be capital to increase capacity, as an example, to execute large client initiatives. As problems are solved and new enhancements are rolled out, the organization evolves to a better performing state. Local operational excellence is required and execution includes coordination with other business units to ensure plan completion. Daily performance excellence includes meeting internal and external client expectations. They exploit resources and manage assets with care. To do this they have to be engaged.

“[Location leaders] monitor and manage operational performance.” (RV25)

The last pattern that emerged in the data for execution leadership was strategy. Strategy is by nature proactive if it is executed with the desired results achieved. To start, the vertical leader needs to support the general direction and be aligned with it. All ideation needs to conform to the goals of the MUF, while achieving local objectives as well. The leader needs to make sure that plans are executed effectively. The task list may include system enhancements or physical enhancements to the workflows.

“[I will execute] strategic analysis and placement of market opportunities by identifying and implementing solutions to maximize profit.” (RV76)



Figure 33. Execution leadership theme map. This figure maps execution leadership as a theme category into descriptive sub-groupings.

In summary, the data suggests that leadership is proactive and execution based. Proactive leadership occurs ahead of revenue, producing activities that may have been otherwise lost.

Consequently, proactive leadership is, by its nature, promoting growth synergies. While execution leadership does the same, it promotes growth synergies by accomplishing needed tasks while work is flowing. It sustains the flow and helps to ensure that it too can grow. It is the platform on which proactive efforts can be made. The following propositions summarize the key findings of this section:

- Proposition 43 (negotiation leadership): Pricing negotiation leadership includes an awareness of cost reduction opportunity, regardless of current margin, and a profitability enhancement strategy.
- Proposition 44 (predictive processes): Effective leaders act such that their processes predict the dynamic changes in the marketplace.
- Proposition 45 (influential contingencies): Unanticipated influences may be controlled by contingencies that increase or replace lost capacity.
- Proposition 46 (roadmap engagement): An executable roadmap is based on performance data and is rapidly accomplished in coordination with effective and engaged leaders.
- Proposition 47 (facility network): Vertical leaders support the production facility network through a supply chain mindset that reduces carrying costs, enables the execution of high volume, and, therefore, mitigates capacity constraints.
- Proposition 48 (operational effectiveness): Local operational effectiveness is based on leadership efficacy as evidenced by focus, optimization, and deployment.

*Growth.* The next main theme that emerged from the data was growth. The co-researchers indicated that strategic planning was critical to the achievement of growth. Vertical

leaders need to participate in the strategic planning for their location and for the overall organization.

“[Location leaders] communicate growth strategies and capital expenditures to mesh with strategy for [the] division and with worldwide operations heads to ensure location service parity where applicable.” (RV58)

An entrepreneurial culture enables the achievement of market growth within an addressable market, which should be known. Vertical leaders need to support sales initiatives and operationally handle large or bulk orders and other typical or atypical sales initiatives on request. Sales and operations need to pursue revenue opportunities together, including the negotiation of contracts, special quotes, and location-specific opportunities. This is natural in a culture of entrepreneurs eager to contribute to sales strategies. New products can enhance the revenue of a facility; however, every product has a life-cycle. This must be understood for each product or service and exploited dynamically within the life-cycle. The 33 rich data descriptions resulted in 23 themes, as presented in Table 10.

Table 10  
*Growth Themes*

Growth	Count
Strategic planning	6
Increase market share	3
Drive growth	2
Capital investment	2
Higher volume	2
Addressable market	1
Market opportunities	1
Handle large initiatives	1
Support sales initiatives	1
Entrepreneurial culture	1
Contribute to strategy	1
Growth strategies	1
Life-cycle exploitation	1
Negotiate contracts	1
New product development	1
New workflow	1
Pursue opportunities	1
Business development	1
Contract negotiation	1
Location entrepreneur	1
Pricing negotiation	1
Product profitability	1
Special quotes	1
Total	33

The theme map in Figure 34 further explains dependencies of growth achievement. Market opportunities and the size and nature of the addressable market need to be understood before they are exploited. These will likely be unique to the location. The local organization through an entrepreneurial culture needs to be energized around opportunities, large or small, in order to capture market share. Strategy is critical to growth through an entrepreneurial culture while providing security in a potentially positive future. This strategy includes the execution of planning and contracts. New products can be introduced locally.

“[Location leaders] participate in an entrepreneurial role to develop new products and services with sales to meet new customer expectations and demand.” (RV36)

This requires the creation of new workflows to accommodate new products. Revenue opportunities exist during the life-cycle of products and services; however, the contribution of strategy relates to deployment timing. Pricing and workflow efficiency may need to change during any product or service life-cycle to harvest as much revenue as possible from the opportunity. Regardless of the strategy, profitability is the goal.

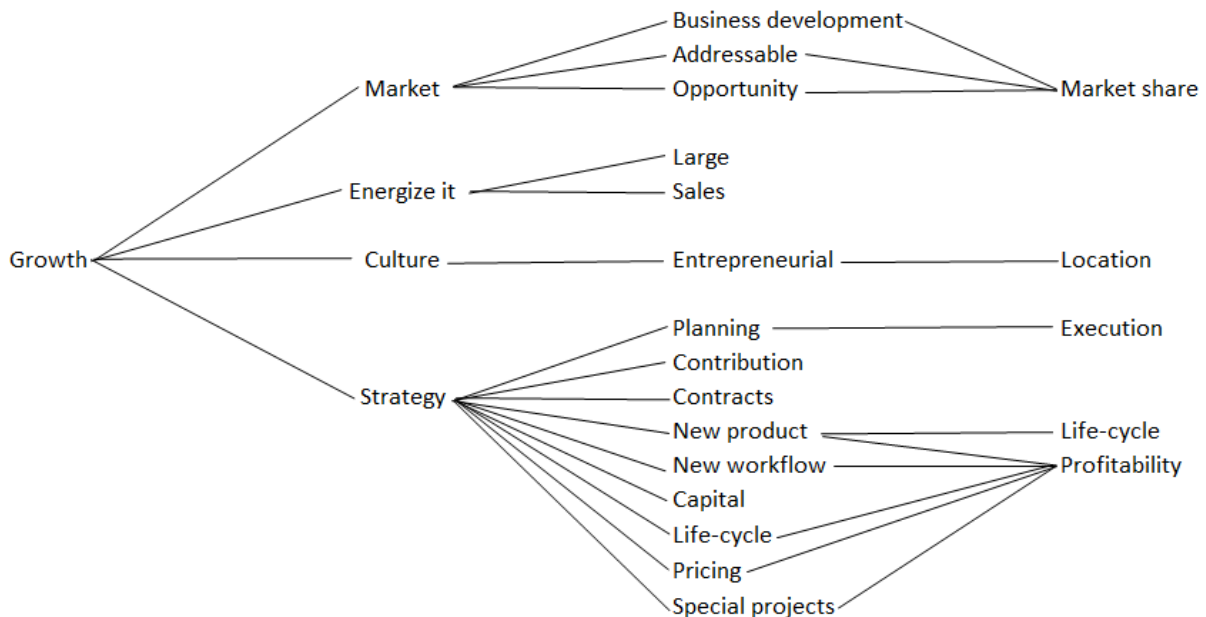


Figure 34. Location growth theme map. This figure maps growth as a theme category into descriptive sub-groupings.

In summary, the data suggests that growth is dependent on how the location addresses the local market, as well as larger multi-facility markets. Gaining and keeping market share is the goal. A focused energy is needed to break through loyalty and routine barriers. The opportunity for a one-time bulk order may be a gateway to a client that could provide sustained advantage. An entrepreneurial culture will discover, recognize, and exploit an opportunity. Nonetheless,

strategy is necessary to penetrate markets and seize opportunities. The ability of a business unit to be nimble with workflows may allow for additional profitability. The following propositions summarize the key findings of this section:

- Proposition 49 (aggressive entrepreneurialism): The addressable market can be exploited by an entrepreneurial culture armed with their own aggressive growth strategy.
- Proposition 50 (dynamic pricing): A service and product life-cycle strategy enables maximal contribution to margins when dynamic pricing plans are executed timely.
- Proposition 51 (nimble action): Profitable opportunities, relentlessly pursued through searching and strategy execution, are exploited through nimble action.

*Communication.* In Table 11, the communication driven by location leaders indicates that performance results should be shared with those that are performing tasks. General communication breeds trust between leadership and workers. Given that a location leader sets the direction for location teams, these plans should be clearly communicated.

“[I will] motivate the teams and keep them engaged in the work through leadership, clear communication, and specific direction.” (RV100)

The location leader is the point of communication and is responsible for timely information sharing. Conscientious workers want to know how they are performing and want updates on key topics, like reliability and financial performance. Workers may also be interested in market trends to understand organizational strategic plans and their alignment with opportunities in the markets served. The location leader should also communicate externally, including with support functions. Workers typically want a high level of transparency between them and the location



leader. Therefore, the local leader needs to be engaged in periodic communication activities.

There were 13 themes that emerged in the data about communication through 22 rich data descriptions, as reflected in Table 11.

Table 11  
*Communication Themes*

Theme	Count
Communicate performance	5
Communication	2
Set direction	2
Communicate market trends	2
Communicate to support functions	2
Transparent culture	2
Point of communication	1
Engage leads	1
Engagement	1
Escalation point	1
Feedback to off-load hubs	1
Point of control	1
Point on security	1
Total	22

Figure 35 reflects the theme map for communication within locations and it suggests that if the location leader effectively communicates, the local teams will understand the direction that has been set for the location. This is accomplished when there is transparent culture and information is freely shared. The local leader is the point of communication. When market trends are understood, they should be relayed. The leader should be transparent about performance data. Hiding it results in rumors. It is also expected that the leader liaises with support functions. Additionally, the leader needs to provide feedback to all off-load sites, regardless of whether it is positive or negative. This is for purposes of gaining applicable assistance when needed. An example could be that human resources could accelerate the

recruiting rate in a growth climate. In the end, the location leader is responsible for communication.

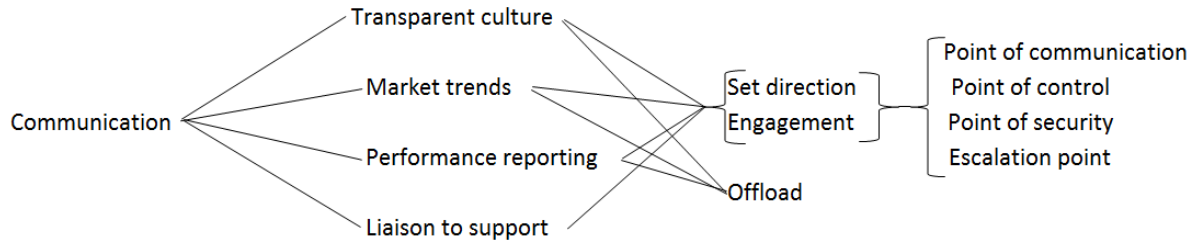


Figure 35. Communication theme map. This figure maps communication as a theme category into descriptive sub-groupings.

In summary, the data suggests that the vertical leader is the point person for communication, and is responsible for being transparent with the other workers at the site. Clients expect a high level of internal communication, as exposed in client feedback.

“[We] would like to see better coordination among the different groups between the [location] and the [location] so that it's more invisible to [us] ... [the] sharing of information appears to be a problem amongst the different groups.” (CS52)

Additionally, the local leader communicates with external entities, like support functions and off-load sites. Workers expect to hear market trends and performance reporting in an honest and transparent manner. The following propositions summarize the key findings of this section:

- Proposition 52 (center point): The location leader is seen by location workers as the center point of internal and external communication.
- Proposition 53 (market gap): The direction of the organization is supported by location performance as far as it is aligned with market trends.

*Continuous improvement.* Table 12, the theme table that emerges from the data for continuous improvement, suggests that the location leader is responsible to drive the improvement process, resulting in improved performance. Efficiency improvement may be

accomplished by eliminating redundant functions. The location leader drives continuous improvement with the location leads and workers.

“[I will] look for opportunities to align workflows [and] drive the program of quality and continuous improvement.” (RV29)

This may include the recommendation of system or technology enhancements, as well as the deployment of these enhancements. Some of these enhancements may come from the corrective action process in the event that there are non-conformities. When decisions are fact based the robustness of solutions should be expected. Process or system issues may be influenced by enhancements, tools, or training. The local leader is responsible for problem resolution, the effective implementation of solutions, training, workflow robustness, and the measurement of the impact of improvements. Table 12 lists 18 themes that emerged from 26 rich data descriptions.

Table 12  
*Continuous Improvement Themes*

Theme	Count
Improve performance	5
Consolidate redundant functions	2
Drive continuous improvement	2
Recommend enhancements	2
Deploy enhancements	2
Corrective action	1
Evolve the unit	1
Fact based decisions	1
Implement solutions	1
Measure improvement	1
Recommend tools	1
Resolve problems	1
Resolve system issues	1
Training development	1
Evolve the technology	1

(continued)

Theme	Count
Staff Training	1
Workflow enhancements	1
Workflow maturity	1
Total	26

Figure 36 reflects the theme map for continuous improvement and indicates that corrective action and fact-based decisions drive continuous improvement. When the local leader takes the initiative to train the staff, evolve technologies used, resolve problems, and measure improvement, performance is expected to change for the better. The impact of corrective action and effective decisions may be seen as reduced redundancy, tool recommendations, the resolution of system issues, the development of training, and the recommendation of system, methods, or technology enhancements.

“[Location leaders] partner with appropriate teams to coordinate deployments and enhancements of the ERP.” (RV278)

The local leader is responsible for the deployment of these enhancements. Additionally, it is expected that the location leader implements solutions, resolves problems, measures the improvements made, and evolves the business unit into a more competitive orientation for growth.

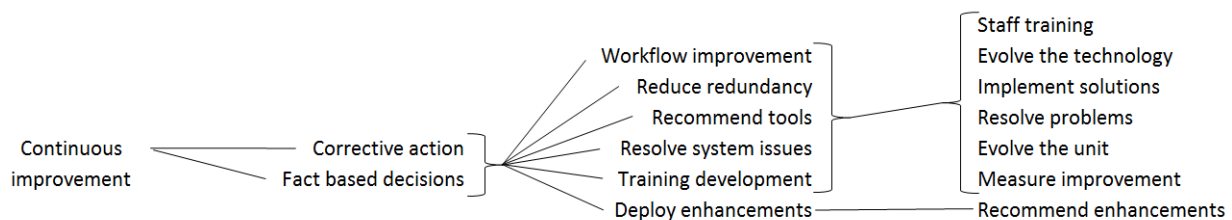


Figure 36. Continuous improvement theme map. This figure maps continuous improvement as a theme category into descriptive sub-groupings.

In summary, the data suggests that continuous improvement is achieved through a fact-based and continuous corrective action process. When the local leader is able to do certain things, such as staff training, technology improvements, deal with local quality issues, and measure improvement, then it should be expected that there is workflow improvement, reduced redundancy, and resolution of system issues. The following propositions summarize the key findings of this section:

- Proposition 54 (complexity reduction): Continuous improvement is enhanced by complexity reduction concepts, such as redundancy reduction, tool deployment, and system deficiency resolution.
- Proposition 55 (robust enhancement): Performance data informs real-time and strategic decisions that lead to robust process enhancements.

***Diagonal functions.*** Another type of dimension in the MOS is the diagonal functions. One of these dimensions includes client account management staff. The other includes support staff. The diagonal support leader enables profitable growth, based on synergy realization, by making sure that the infrastructure and system support the revenue-based roles. Additionally, diagonal support leaders allow for the evolution of the process through innovation that is ahead of market demands. Each diagonal leader owns a P&L; however, they are generally a cost center that supports profit centers. Cost centers do not recognize revenue; rather, they support operative units that add value to raw assets and bill for them. When MOS leaders were asked about the role of support functions, three theme patterns emerged from the 82 themes coded from the data including: infrastructure, development, and system support. Each of these will be discussed individually. Location and LOB leaders are dependent on infrastructure for workflow capacity. The system controls the workflows, including automation and tools applied in the workflow.

Consequently, support leaders are as critical to profitable growth through synergy realization as other MOS leaders.

*Support diagonal.* The first theme pattern that emerged from the data was infrastructure. Support MOS leaders are needed to support capital expenditures. These expenditures allow for infrastructure enhancements that keep MediaCorp relevant in its dynamic market. As MediaCorp expands into various sectors, modifications need to be made to workflows, new workflows need to be built, the capability of workflows needs to be enhanced, and capacity within workflows needs to be expanded. These needs typically require capital investment. Diagonal support MOS leaders are critical to growth and synergy realization because of their involvement in the design, enhancement, and consolidation of workflows. In some cases workflows can be marginally enhanced or reconfigured to enable consolidation. Support leaders help with the requirements and the preparation for these changes. They purchase the hardware and software needed to realize growth synergy.

“[Support leaders are needed for] ... advising operations on software or hardware solutions on new or changing workflows.” (RDS19)

Support MOS leaders plan and deploy the workflow changes so as to not disrupt revenue streams. By preserving business continuity, any transition is viewed by clients as seamless. While support leaders execute change management on workflows, they also monitor workflows for performance. They are involved in the revenue stream, as they make sure that digital deliveries happen by monitoring bandwidth utilization on the various delivery mechanisms. They help the workflows evolve by enhancing the infrastructure. In a predictive fashion, they make incremental changes, as they keep informed of industry trends.

“[Support leaders] anticipate [function] needs for operations.” (RDS82)

“[Support leaders] maintain and evolve [the] production network.” (RDS88)

These trends include the variability in volumes experienced by the infrastructure. Some of the variability is externally applied, as client volumes are based on sales success in their various markets. Variability may also relate to regional product launches, for example. In these cases, support leaders may have to adapt or redeploy infrastructure to meet client volume needs. For example, storage or hardware may be redeployed to a location to meet local demands. Support leaders in a MOS collaborate with other MOS leaders to ensure excellent performance. This is an expectation of their teams as well. Their team structure may need to be recalibrated from time to time to match the needs of the infrastructure as illustrated in Figure 37. This can include having the right skill sets available at the right time and with the necessary capacity. The team may execute large projects to introduce new technologies or to rejuvenate existing workflows. A sufficient capacity within the team is needed to execute these critical projects. Scheduled maintenance is strategically executed so as to not interfere with workflow activity. A predictive aspect of this is deployed, such that maintenance occurs prior to an unscheduled down-time event. When these events do occur, an escalation policy is timely executed.

“[Business unit (BU) leaders need the] availability [of support leaders] for urgent IT escalations and immediate resolution to ensure no impact on operational deadlines.”

(RDS15)

The infrastructure is connected to the ERP system. Consequently, any infrastructure change needs to be complementary to the ERP system architecture, capability, and functionality. Support leaders need to be knowledgeable about this interface to effectively perform tasks that benefit the realization of profitability.

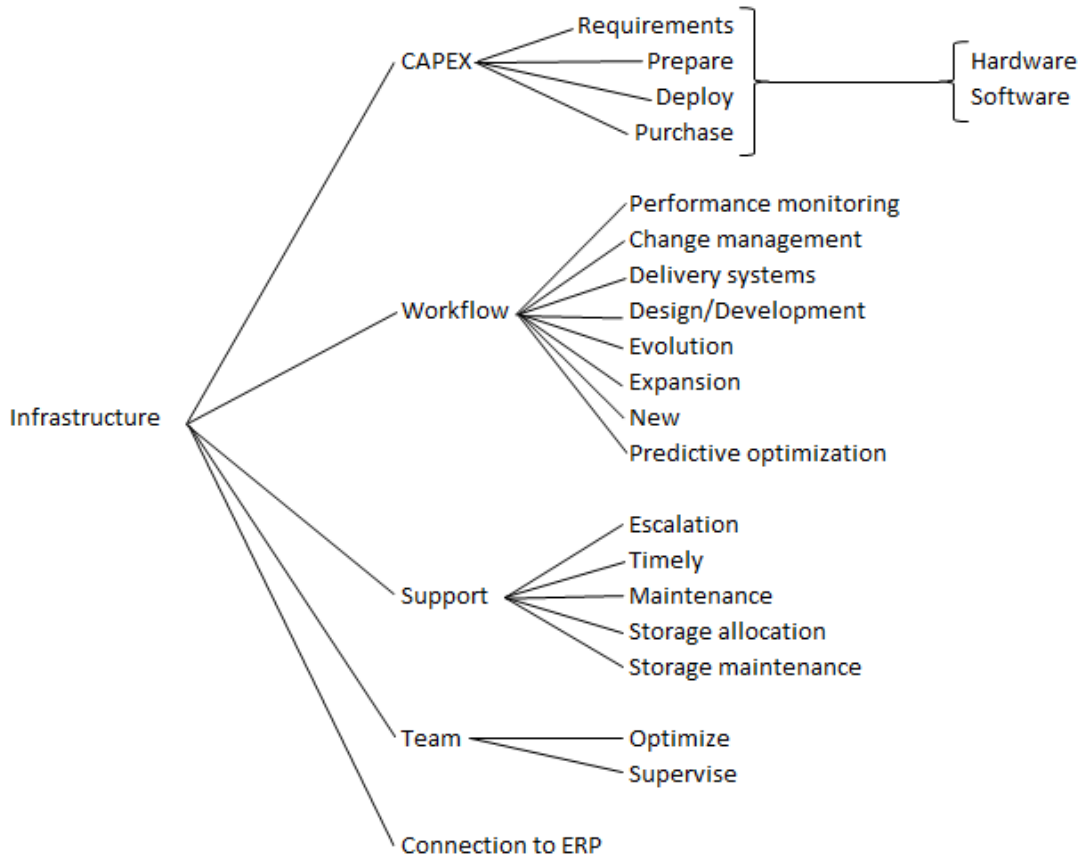


Figure 37. Diagonal support: Infrastructure. This figure maps infrastructure as a theme category into descriptive sub-groupings.

The second theme pattern that emerged from the data regarding the role of diagonal support leaders was related to the *system*. This is the ERP system that manages workflows. The themes that emerged from the data regarding the system are illustrated in Figure 38. In some cases, there were ancillary *bolt-on* systems that had to be maintained, integrated, or enhanced. Profit-driven MOS leaders were interested in brainstorming with support leaders about enhancements and evolutionary steps to be taken with regard to the core functionality and architecture of the system.

“[BU leaders need the] availability [of support leaders] for brainstorming on bigger enhancements and core changes to the ERP.” (RDS4)



This discussion may include topics like expansions, tool creation and development, automation, technology deployment, and meeting evolving client requirements. It was also the expectation of MOS leaders that support leaders achieve a predictive capability, ensuring that the system is ahead of the market need. Support leaders also need to be able to monitor the performance of the system. Proactively, they can be involved in workflow design through engagement and by providing advice to MOS product and location leaders. Reactively, it is necessary that an escalation strategy be effective, so that troubleshooting could be expedited when there are system issues.

“[BU leaders need] availability [from support leaders] for urgent IT escalations and immediate resolution to ensure no impact on operational deadlines.” (RDS7)

System design requirements and enhancement requirements are typically offered up by operations personnel. The queue of work needs to be managed by support leaders, such that work is accomplished timely. This directly relates to the nimbleness that operations need to capture revenue opportunities. These actions must be efficiently scheduled, including prioritization to ensure optimal throughput. Furthermore, the development team needs to be optimized for enhancement throughput capacity. An aspect of the effectiveness of team members relates to their awareness of product specifications and volumes. This includes an understanding of reliability through performance metrics. Development excellence relates to an ability to execute strategic planning, create efficient documentation outlining requirements, and create training documents for users. Communication to clients, executives, corporate, and LOB leaders can be accomplished through demonstrations of the systems capabilities.

[Support leaders can] join operations’ heads in comprehensive meetings with executives on [the] client side when meetings will require ERP insight as well. Often when we

would like to win a customer to start work with us or to expand the services they're doing with us, [names] and all of us participate in meetings to give insight on operational workflow and business systems strength at the same time... (RDS10)

Communication to users about task performance was done through MediaCorp's university (MU).

"[We need] more insight into [the] ERP's functions we may not be aware of – 'it already does that...'" (RDS48)

The system also needs to communicate with other systems. Exogenously, this includes client systems. Endogenously, this would include other disparate systems used by MediaEnterprises.

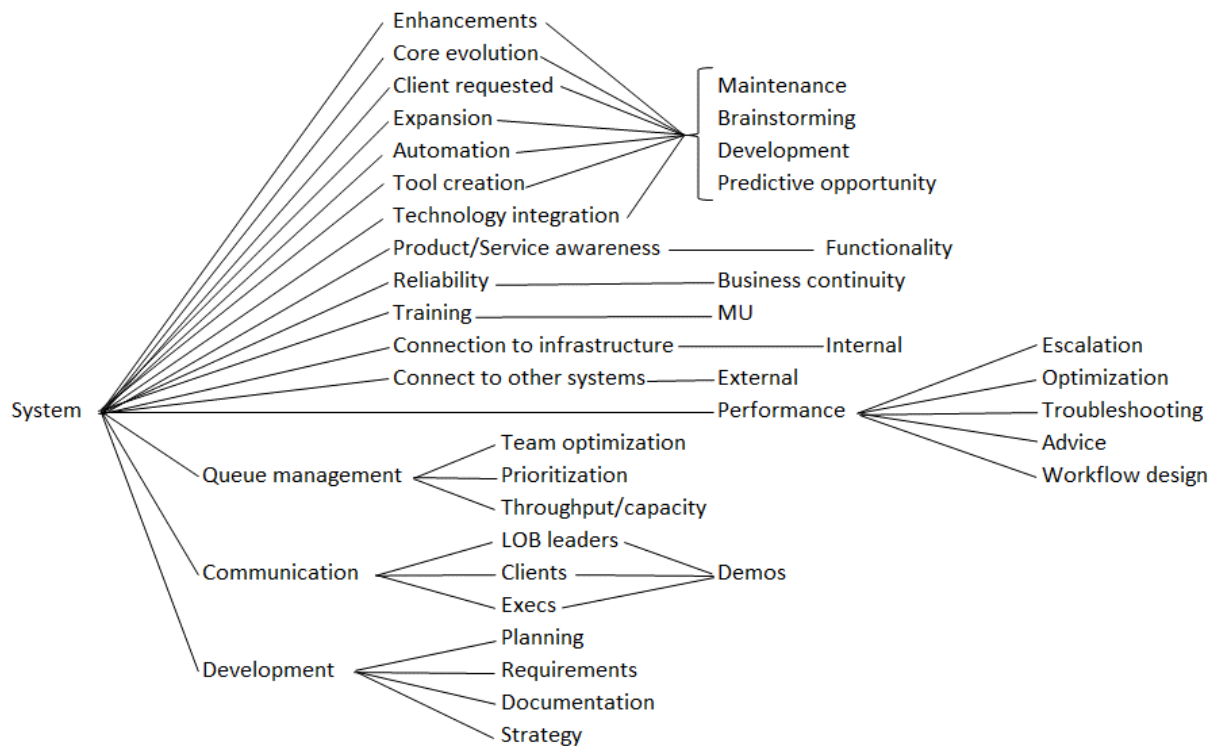


Figure 38. Diagonal support: System. This figure maps system as a theme category into descriptive sub-groupings.

The third pattern that emerged from the data was that diagonal support leaders are needed for the development of system-based capabilities. Again, MOS leaders indicated that

development has the need for brainstorming with development teams on automation, tools, client requests, and technology. The themes that emerged from the data are illustrated in Figure 39.

MOS leaders indicated that tool and capability development were critical to their success.

“... availability for super accelerated tool creation (within 24 hours to one week) for special, high sensitivity projects in operation” (RDS36)

“... availability for super urgent troubleshooting on new products and workflows to manage customer deliveries.” (RDS37)

The ideation in these areas needs to be predictive so that these items keep MediaCorp in a pole position in the marketplace. Once the system attributes are developed, they need to be optimally deployed over a maximized geographic scope. They need to be maintained and enhanced. The performance of the development teams is critical to the success of the business unit. They provide advice on workflow enhancement and system usage. They troubleshoot issues. They manage the development queue by optimizing throughput and prioritizing the schedule of development tasks. Sometimes the structure of the team needs to adapt to the development task schedule. For example, it may be necessary for developers to slide into quality assurance (QA) roles temporarily to alleviate a backlog in QA. The capability of the development team is enhanced if they have a clear awareness of the product that is being controlled by the workflow system. This includes an awareness of emerging products.

“[We must] anticipate industry and operational technology needs.” (RDS95)

Clients echo this perspective as requirement for MediaEnterprises in the marketplace.

“[MediaEnterprises must]...have the anticipation and awareness of where their customer is heading.” (CS26)

We need MediaEnterprises to be out in front of industry trends and relay those [new products] back to us for evaluation. Too often it feels that we are asking for perspective rather than have MediaEnterprises share insights into what's happening in the industry. (CS35)

I can [say] that MediaEnterprises does a great job in ... promoting new services to us. But since [client] has not embraced the [product] to fully experience MediaCorp's abilities, we can only say that their services are top-notch for what we do execute. (CS40)

They may also provide an awareness of tools and other developments directly to clients, corporate executives, and LOB leaders.

“[We need to] continue communication with LOB leads on prioritization and re-prioritization of tools and R&D efforts in queue.” (RDS31)

Anything they develop will include a connection to the ERP system and to the architecture that is manipulated by it.

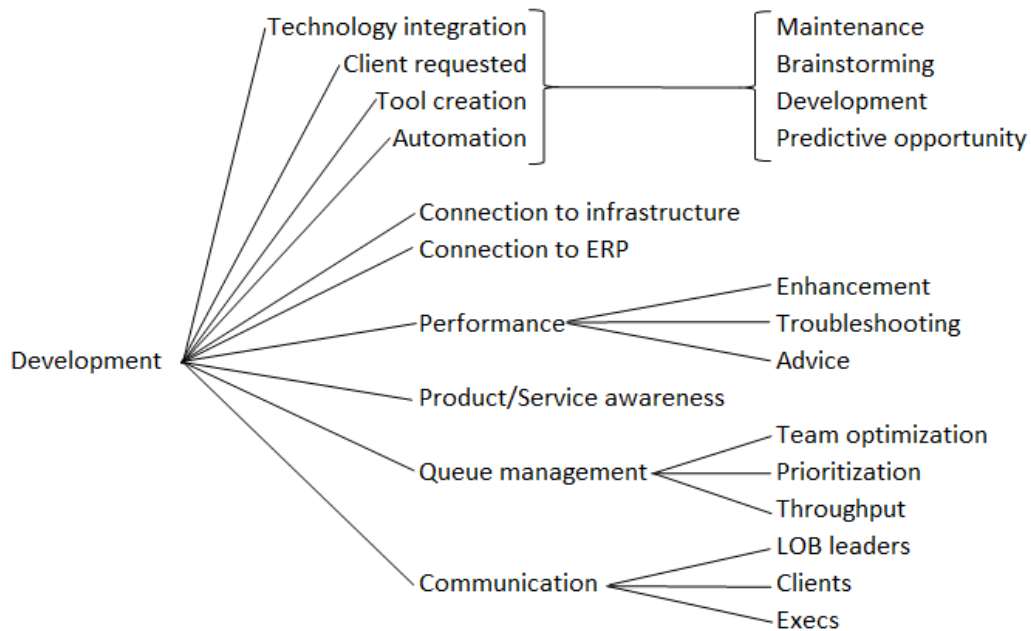


Figure 39. Diagonal support: Development. This figure maps development as a theme category into descriptive sub-groupings.

In summary, the data suggests that diagonal support leaders in a MOS are needed to enable the realization of growth synergies. These synergies are dependent on infrastructure and the system that controls it. This control is direct through infrastructure application program interfaces (APIs) and by controlling the behavior of workers. Workers may be constrained by the system to execute work correctly through the use of workflow interruptions. The system also provides a super-additive through the use of tools and data awareness. Diagonal support leaders have teams whose effectiveness directly relates to profitability. The success of LOB and location leaders is dependent on the performance of the ERP system and the infrastructure that it controls. The following propositions summarize the key findings of this section:

- Proposition 56 (predictive design): Diagonal support leaders build workflows, create technologies, and embed existing technologies that ensure predictive capability against market trends.
- Proposition 57 (workflow integration): Slight enhancements to infrastructure may enable the consolidation of workflows, improving their utilization and the resulting cost per deliverable.
- Proposition 58 (seamless changes): Workflow transitions, integrations, modifications, and enhancements will not be noticeable to client production schedules.
- Proposition 59 (production system): As infrastructure and workflow management systems are co-dependent they must also be optimized as a collaborative system for best results.

*Client diagonal.* The diagonal client dimension interacts with clients from a sales and operations perspective as per Figure 40. The role of those who our *outward* facing is outlined in

three categories, each of which is profitability oriented. Synergy is also clear in the figures, as collaboration between the parties indicated is necessary for the realization of profitable growth. The role of each entity is listed below their name. The responsibilities are shared between them in a collaborative way, as indicated between the sales and operational entities. These themes emerged in the data when MOS leaders were asked about the roles of each diagonal support function. A total of 73 themes emerged from the data with regard to five roles. One role was the LOB lead. This is the person who is in charge of a set of products. The second is the account director (AD), who manages the client from the operations side of the business. The third is the client service representative or project manager (CSR/PM). This person manages the work through the facility and connects with the supply chain up and downstream. The fourth is the technical project manager (TPM). The person is technically skilled in the product and the workflow. The fifth person is the account manager (AM). This person manages the client on the sales side of the business. The last person is the sales manager (SM). This person is primarily in charge of bringing in new business or clients.

Sustaining the profitability of an existing client is reflected in Figure 40. In this case the revenue stream and its associated profitability need to be sustained. The LOB lead is tasked with making sure that service issues are resolved for the client in such a way as to not compromise profitability. The AD is primarily responsible for communicating the general status of work to the client. The AD also monitors performance levels and communicates internally and externally as needed to course-correct. The CSR/PM is responsible for managing projects through the workflow. This may include dealing with issues and exceptions proactively, as well as reactively depending on their ability to discover potential problems. The CSR/PM is also typically responsible for updating the ERP with status-related information. The TPM has the technical

information at hand with regard to product, workflow, and infrastructure. The TPM optimizes the workflow prior to introducing new product and while product is running to ensure profitability. The TPM also introduces new technologies to improve processing efficiencies and reduce waste. The data suggested that AMs are best at seeing changes internal to the client. These changes may enhance revenue opportunities through proactive actions. It was also expected that AMs know decision makers in higher positions at the client. The synergistic tasks include activities regarding the budgeted portfolio, producing the weekly forecast, hosting the monthly review, acquiring a spend outlook from clients, escalating issues and opportunities as needed to those who can influence the situation for the better, updating clients regarding MediaCorp changes and capabilities, gaining and disseminating valuable client feedback, optimizing the ability to charge for overages without retribution, resolving issues that produce negativity in the relationship, conducting informative periodic meetings with clients, taking the temperature of critical personalities, managing the rates and their structure, and discussing trend deviations from expectation so as to take a proactive position. These synergistic tasks are best executed with a high level of collaboration which is conducive to a MOS design.

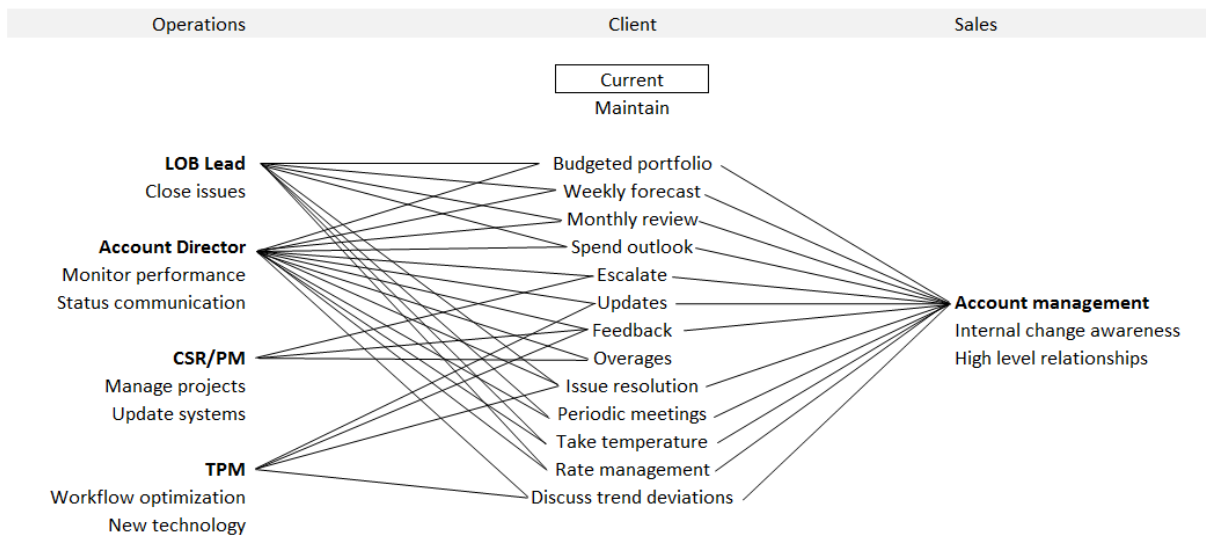


Figure 40. Maintaining current client. This figure maps maintaining current clients as a theme category into descriptive and related sub-groupings.

The second way that a MUF can increase profitability exogenously is to assist existing clients to experience growth. Leveraging existing knowledge and talent for additional revenue is highly synergistic and therefore, profitability enhancing. In this case the data suggested that the LOB lead is critical for closing the deal, validating the pricing, dealing with issues, and agreeing with the validity of the rate card structure. The AD needs to monitor performance for issues and provide status on the fulfillment of the new additional work. The CSR/PM can help to embed pricing structures in the ERP system so that they can be exploited with the new work. Getting this right from the first invoice is important for the brand. The CSR/PM staff may also see opportunities for growth that should be passed on. Exploiting these opportunities in existing supply chain BUs is highly synergistic. The TPM provides subject matter expertise to the workflow design enhancements needed to accommodate the new volume or product. The AM in this case needs to cross-sell as well to exploit existing workflows. As clients discuss upcoming opportunities, the AM should relay these to the right parties. The sales tools that are used to measure the revenue performance of the client are the responsibility of the AM. This should include a *funnel* that indicates the pending work type that is in the pipeline for their client. Knowing the performance and rates of competitors helps the AM know pricing positioning. The synergistic actions shared between these functions include the approval of the rate structure for the new work, the establishment of pricing strategy, education of the client and internal operations on requirements, obtaining feedback on expectations prior to and during expansion, discovering new opportunities to augment client income to MediaCorp, fulfilling requests for proposals (RFPs), updating the client as needed on status of the ramp-up, interpreting the impact of megatrends and life-cycles on the business, upselling other services to augment revenues, and discovering services that are not being exploited by the client, but that could be leveraged. Again



the MOS design enhances the collaboration of these functional areas to encourage increased revenue and profitability from existing clients.

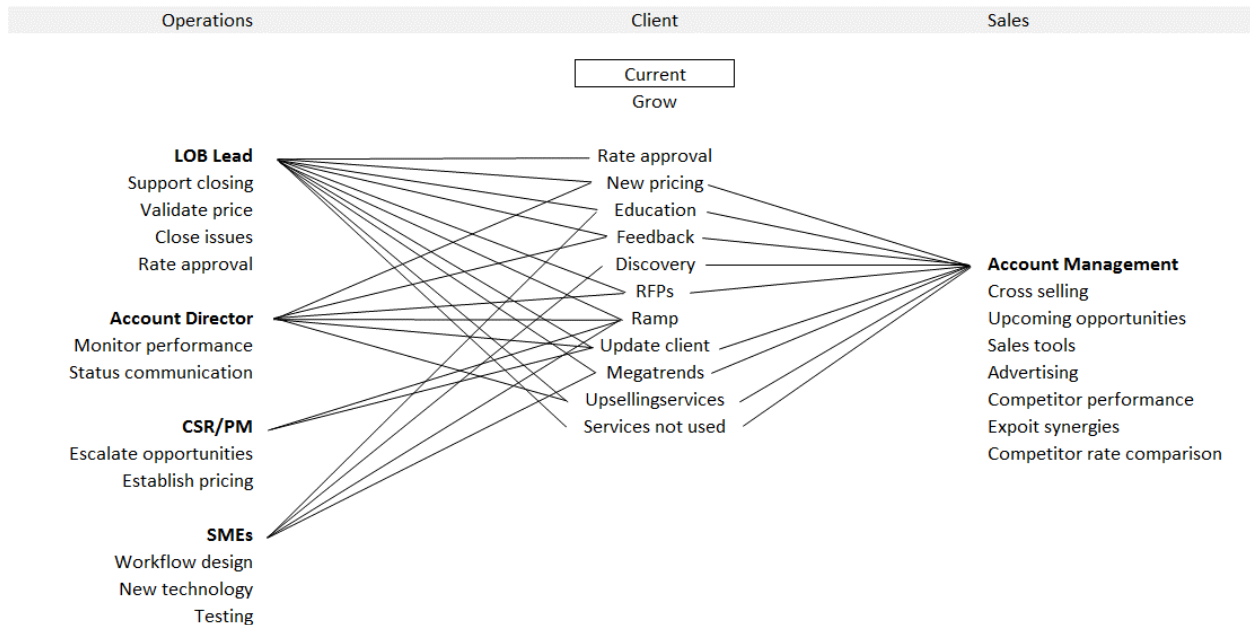


Figure 41. Growing current client. This figure maps growing current clients as a theme category into descriptive and related sub-groupings.

The last use case is related to enhancing profitability from new clients. This is illustrated in Figure 42. In this case the LOB lead, according to the data, needs to push for closure on the deal. If there are any unresolved issues they also need to be closed. The LOB lead is responsible for the LOB P&L and so must approve the rates. The AD is charged with making sure that the client has been integrated fully. The status of the on-boarding process needs to be communicated as applicable. The CSR/PM is also responsible for the integration of the client by making sure that orders begin to flow. When issues are discovered regarding pricing, they must be escalated. With any new business, workflows need to be determined as part of the pricing activity. The TPM is knowledgeable and can convey this along with the testing to validate that the workflow makes perfect product. This may require the introduction of new technology to increase workflow performance. The AM can assist with acquiring new clients by sharing leads with SMs. The AM

can assist with cross-selling to other parts of the supply chain to close the deal by enhancing or bundling it. The existing contact list that the AM has may be helpful for referrals. The AMs should also be involved in the penetration strategy. The last function is that of the SMs. They search out new clients and help to cross-sell to optimize revenue acquisition from prospective targets that want a *one-stop-shop* for products and services. The sales tools should point to opportunities and be available to report on trends and the pipeline with the chance of occurrence. The sales team can exploit supply synergies by selling into existing capabilities. The client may be attracted to MediaCorp through strategically placed advertising. The SM is critical for obtaining competitor based information. This includes a variety of data points important for analysis, including rate cards. The SMs establish and maintain fruitful relationships with clients. They should be seen as opportunities for education as well. The list of synergistic opportunities in this case includes engineering opportunities to create new sales, initiating conversations with decision makers, realizing the support needed to acquire a new sale, closing opportunities before they disappear, rigorously pursuing contacts, approving any new rates and their structure, rolling out the pricing once it is agreed to, on-boarding the new client physically and financially, establishing new pricing line items and rates, listening for feedback during the transition, discovering new opportunities in the form of technology or client, embedding the new customer into MediaCorp's service culture, completing competitive RFPs that are profitable, and managing the volume ramp-up for the clients products. Collaboration in a MOS structure is conducive to attracting and capturing new revenue.

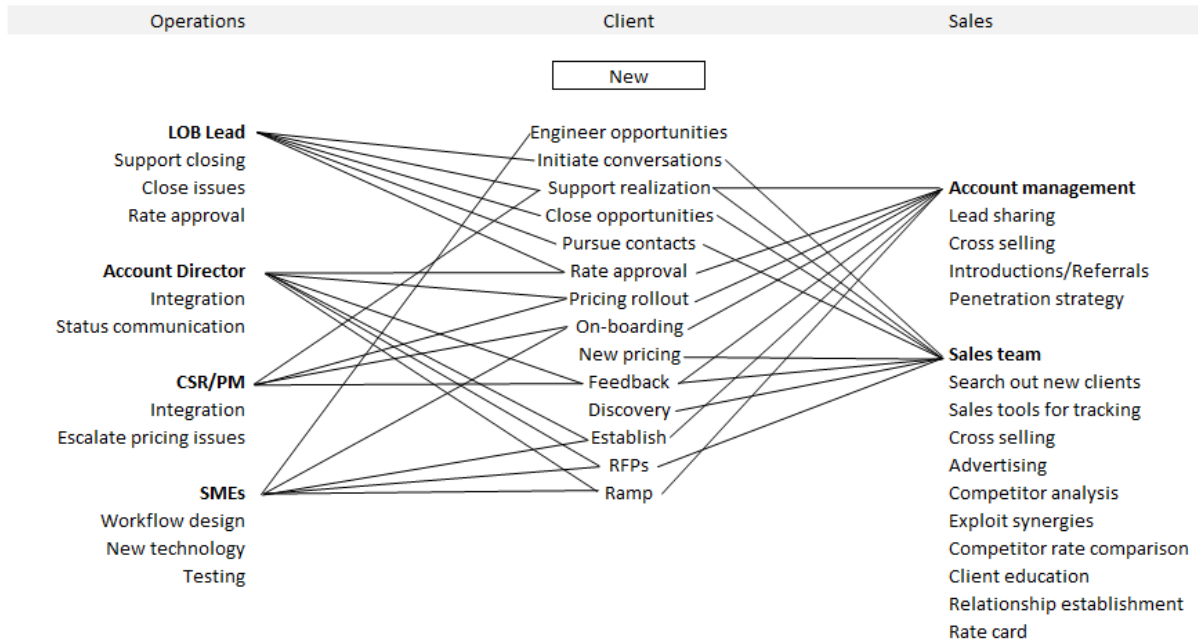


Figure 42. Growing new client. This figure maps growing new clients as a theme category into descriptive and related sub-groupings.

In summary, the data suggests that the MOS structure is conducive to maintaining existing clients, extracting new revenue from existing clients, and acquiring new clients. The requirement for collaboration in each of these three cases validates the need for a nimble and effective structure. Distinct positions have responsibilities and there is a segregation of duties; however, all members of the MOS can participate in sustaining and creating profitability. The following propositions summarize the key findings of this section:

- Proposition 60 (duty segregation): Role definitions in a MOS are required to ensure accountability; however, synergistic tasks are shared optimally and selectively by all outward facing employees to maintain the profitability of existing revenue streams.
- Proposition 61 (synergistic tasks): Synergistic tasks are shared by functions critical to the execution of these tasks and the associated rewards.
- Proposition 62 (profitability super-additive): Enhancing the revenue from a client through additional income streams that are synergistic is a profitability super-additive.
- Proposition 63 (collaborative strengths): Operations and sales achieve mutually beneficial profitability goals when they collaborate around their strengths, filling the company's pipeline with sustained corporate advantage.
- Proposition 64 (ideation-ramping): Acquiring new business revenue requires collaborative action, starting with sales lead ideation and ending with the achievement of billable volume ramping-up at optimized margins.

**Products and services.** Accountability for workflow and efficiency channels is enabled by creating clarity around the ownership of product and service categories. The MOS leaders were aligned, rather than competitive, within their product categories and in their sales channels. Internal competition was an unnecessary method by which clients could consume company margins. In the case of sales channels, this clarity retarded encroachment, discouraged cannibalization, and enabled accountability for performance through sales force effectiveness (SFE) based measurements. In the case of operative channels, this allowed for alignment between cost (where it was incurred) and revenue (where it was being recognized). A total

number of 28 product categories were identified including 87 unique products that represented MediaCorp's portfolio. These were categorized by MOS leaders into three product sectors. A MOS horizontal leader was assigned to each sector with accountability for the sector profitability. Any of these products, or their associated workflows, could be exploited in any adjacent sector. In some cases work in one sector was dependent on work in another sector. Revenue for adjacent sector work was attributed to the horizontal leader that owned the workflow exploited by that sector. Furthermore, scalability was supported as new products and services added to the portfolio were allocated to categories in which they had the most synergistic attributes regarding skills, workflow steps, infrastructure, and other relevant factors. With the product-service category clarification and accountability, accurate metrics could be leveraged for discovery. Additionally, the impact of focused actions could be quantified in the now accurate financial models. The following propositions summarize the key findings of this section:

- Proposition 65 (cross-sector): Entrepreneurial leadership that owns a product workflow can be incentivized to pursue cross-sector opportunities.
- Proposition 66 (portfolio assignment): An assigned portfolio enhances accountability for profitability results and focuses growth synergies that are constructive.

**Synergistic experience.** This section discusses MOS leader change management experiences that went well and that did not go well during the precipitating event. Consulting past experience is a way to find meaning and to develop a plan of action. Change agents shared and reflected on change practices that helped them to be successful during change activities. The 140 data line items were bifurcated between positive aspects of the activity that enhanced the

ability to achieve desirable outcomes and negative aspects of the activity that created inertia or compromised the achievement of desirable outcomes. There were 94 data line items that were positive descriptions and 54 that were negative as per Tables 13 and 14 respectively. In each case, the raw data was broken into eight themes. These were then quantified into frequency of occurrence as indicated. The positive and negative aspects of synergistic change management are now discussed individually.

Table 13  
*Positive Change Management Themes*

Themes	Count
Planning	32
Communication	17
Behavior	12
Inspiration	10
Cohesion	7
Execution	7
Capability	6
Relationships	3
Total	94

***Positive synergistic experiences.*** The situations where change management was executed effectively, based on feedback from the MOS leaders who had experiences with change management activities over the precipitating event, resulted in desirable outcomes that were achieved on time. Thematic aspects of how these activities were managed could be categorized as predictive,

“Involving lower and mid-level management in the planning [as] they can have valuable inputs.” (S23)

proactive,

Bringing ... groups ... together and the associated move to [location] worked because it was handled quickly and openly; once it was time to announce it to the staff... we pulled everyone into conference rooms and laid out the plan... it got all the employees 'on board' quickly and then everyone was invested and took a piece of the effort to help. (S27)

and reactive.

...being the owner of [functional areas] made things simpler... since I had a hand in every piece of the puzzle, I had the ability to make tweaks and changes where changes were needed and there were no toes in the way to step on... in the end, once we knew it worked, the hand off to [name] team was painless. (S89)

Social and tactical theme categories also emerged from the data. It was beneficial for MOS leaders to share and discuss these experiences, so that all of the leaders could benefit from each other's change leadership experiences. Again, the frequency of occurrence of themes does not necessarily imply weighting. Each theme was individually mapped and will be discussed.

*Planning.* Not surprisingly, the most frequently occurring driver of change success was planning. Within this proactive code section, a number of comments came up that were interesting as represented in Figure 43. The MOS leaders indicated that significant attention needed to be given to planning, including critical aspects such as rigor, requirements, constructs, involvement, inputs, and buffering. The data suggested that there should be broad involvement to get buy-in; however, it should be understood up front that not everyone is going to get *on board*. Additionally, the execution team should be small for quick decision making. The team may be allocated by category or by sector. The opportunity discovery process is critical for the development of a fulsome plan. MOS leaders indicated that discovery should be focused, quick,

and thoughtful. All the relevant information should be gathered, including SLAs (service level agreements), specifications, and contractual agreements. The planning activity should include the units involved but also consider external dependencies. Attention should be given to make the plan easy to execute with a detailed timeline for the transition. The plan should include exploiting redundancies, working with a centralized service model, not reinventing processes that already work, not creating new silos, and making sure that infrastructure continuously needs to be aligned with workflows when they are moved. Co-researchers indicated that a phased rollout is easier for participants to absorb; however, the workflows must be capable to create deliverables within the specifications prior to a significant migration of work. The strategic framework must be robust and not be subject to prioritization based on emotional judgments or noise. The integration plan should be budgeted such that the P&Ls are not damaged during the transition. This does not otherwise incentivize stakeholders to make the change. Capacity must be considered also, through the allocation of accountability to make sure local capacity, or outsourced capacity, is available. The plan must optimally preserve the quality of life (QoL) of the participants, while maintaining business continuity for clients. There must also be provision for adequate training, including skills needed for new workflows.



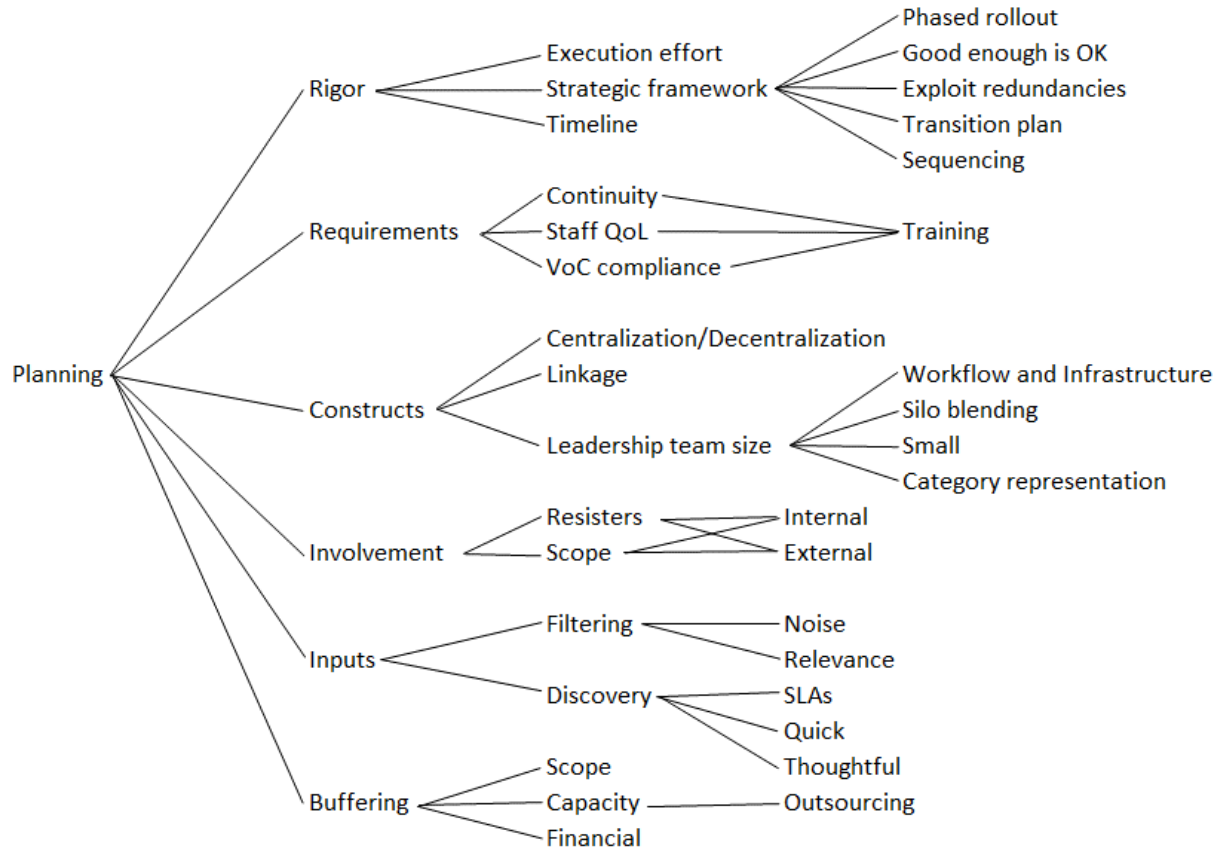


Figure 43. Positive change: Planning theme map. This figure maps planning as a theme category into descriptive sub-groupings.

In summary, the data suggests that planning is critical to change management. Solving the problems before they occur takes the stress out of the change process. There is a high return on investment (ROI) on the energy and time used in planning. Planning is best done when requirements are understood. This could be the vision state. There will be those who resist always and a strategy needs to be in place to deal with this. The scope needs to be optimized so that project leaders do not *bite off more than they can chew*. Some buffering is needed. Typically this is not considered and results are worse than anticipated. The change would have happened more smoothly if there was provision for a buffer. The following propositions summarize the key findings of this section:

- Proposition 67 (planning rigor): Rigor during the planning phase of a project, which includes exploiting existing capabilities and a sequenced rollout, will likely reduce the effort and time needed to execute the plan.
- Proposition 68 (transitional capacity): The provision of transitional capacity and cost allowance within a defined project scope can accelerate results achievement and mitigate change fatigue.
- Proposition 69 (transitional organization): A holistic vision of the detailed organizational design built for achieving requirements encourages a focused transition.

*Communication.* It was important to MOS leaders that the overall plan and the overall strategy are both clearly outlined to the stakeholders affected.

“[There is a need for the] communication of the overall plan and timeline to the plan.”  
(S8)

“[There is a need for] communication on new roles and people involved.” (S13)

This could happen in the form of an official announcement that should include a rationale showing the mutual benefit of the change. Furthermore, there should be the opportunity for questions, answers, and input from stakeholders. The presentation has to come off as being credible. It has to make sense and be logical. This will help the event to be an easy sell.

For starters, all the process owners were on board with this initiative which is always helpful. This means, the information (... specs, workflow, documentation) I needed to move this forward was available.... It made sense logistically and it was an easy move so the idea was easy to sell. (S70)

Having gone through reactive panic-driven change activities in the past, MOS leaders felt that it would be important to begin with the communication as early as possible. It is beneficial when MOS leaders are able to contact other involved change leaders or participants early to keep from having to rush the planning activity. Both participants and team members needed to be informed. The change leadership team needed to evangelize the vision and be available for information and to provide input. This information and input may also come from clients. The information about the plan needs to be available ongoing. The MOS leader needs to promote the benefits of understanding the plan and will need to ensure that the actions to be taken are clear. The communication in general needs to be open and free flowing to garner trust and buy-in. These points are illustrated in Figure 44.

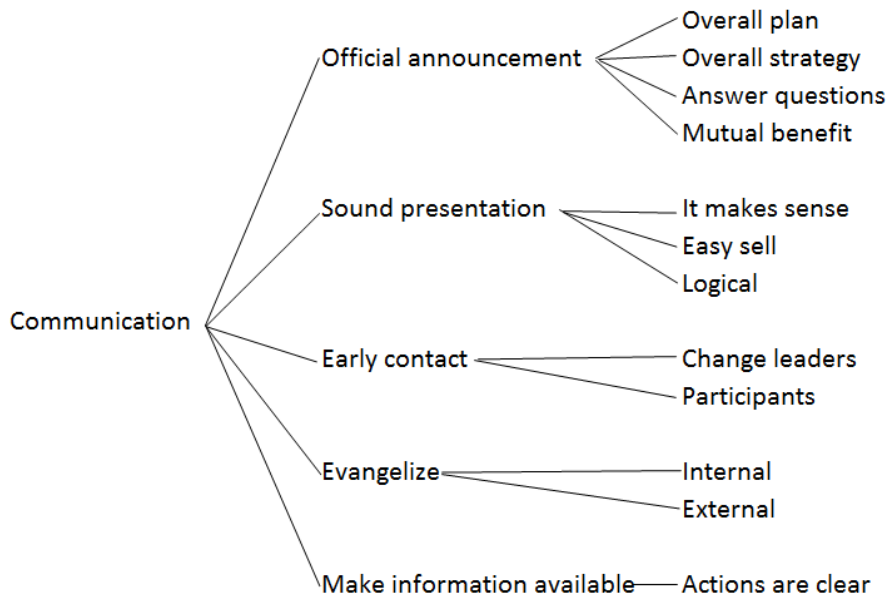


Figure 44. Positive change: Communication theme map. This figure maps communication as a theme category into descriptive sub-groupings.

In summary, the data suggests that communication is not just the delivery of a message. It is rather a strategy that includes a positive message delivered at the right time. Unwanted information is filtered. In the meantime, the positive action is evangelized to stakeholders, including clients as reflected in survey results.

“Many times suggestions are offered which we take into consideration and are valued by our [functional areas].” (CS50)

In the end, those that do not want to resist will only need clear instructions. The following propositions summarize the key findings of this section:

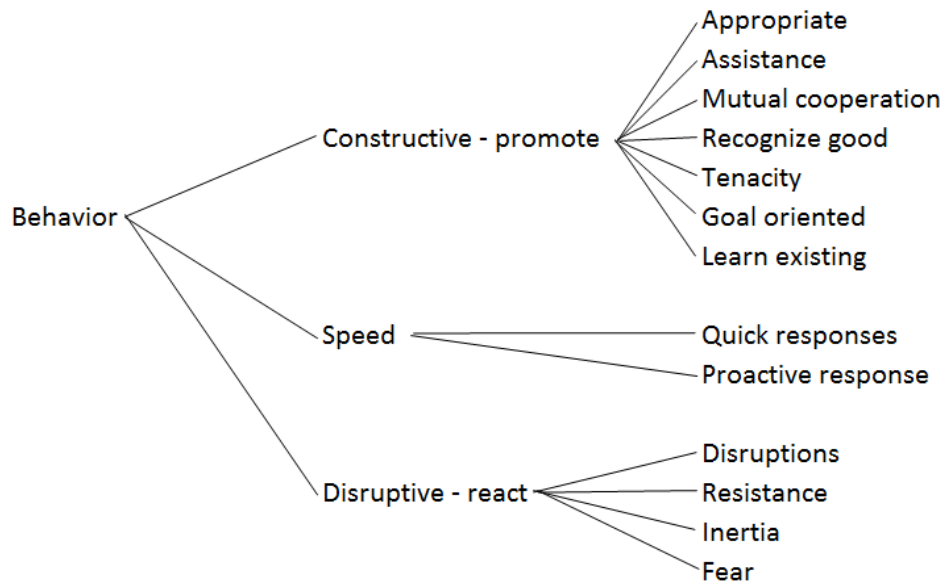
- Proposition 70 (communication integrity): The integrity of the communication strategy, including the nature of the content and the timing scope, can reduce change inertia.
- Proposition 71 (situational communication): Communication is situational in design, dependent on the current timeline, location, and on relevant audiences.

*Behavior.* Achieving constructive behavior and reacting proactively to disruptive behavior, thereby keeping it from spreading, were critical to plan execution in a MOS. This theme is illustrated in Figure 45.

“Fear and anxiety are high and participants are always guarded around a change agent because even effective agents are seen as disruptive of the normal flow.” (S125)

The attitude of a MOS leader should be one of assistance and support. This attitude should also be appropriate to the situation. It should be made clear that cooperation and collaboration are mutually beneficial and bi-directional. The data suggests that leaders need to recognize the good in others and the good that is realized from positive outcomes. They must be goal oriented, resilient, and tenacious. In some cases existing behaviors are appropriate for the realization of growth. These should be recognized, encouraged, and rewarded. MOS leaders indicated that the speed of responses to behavior was important. This related both to reactive responses, to observable situations, and to proactive responses to situations that could be predicted. To minimize change inertia, disruptive and inappropriate behavior should be mitigated quickly. This

includes disruptive attitudes, fear of change, resistance to actions, and personal attributes that create inertia. The MOS leader needs to model the behaviors needed to create success in a MOS.



*Figure 45.* Positive change: Behavior theme map. This figure maps behavior as a theme category into descriptive sub-groupings.

In summary, the data suggests that behavior control is important to leaders of change. The constructive approach should be the default. Reinforcing good behavior might catch on and create positive momentum. In the case that this is not likely, then more aggressive means are needed. Responses to issues need to be timely for confidence to be gained. The following propositions summarize the key findings of this section:

- Proposition 72 (immediate reinforcement): An immediate awareness of constructive behaviors gives a change leader the opportunity to reinforce positive attributes as they occur.
- Proposition 73 (effort mitigation): An acute awareness of inertia-producing behaviors gives a change leader the immediate opportunity to mitigate an excessive effort requirement.

*Execution.* The MOS leaders indicated that execution related to how human resources were treated. This included how they were inspired to make the transition and achieve growth goals. It was related to the nature of the relationships.

My successful projects typically ended up being all about attitude – both mine and theirs. I also need to be able to recognize that not everyone is going to get ‘on board’ all the time – and that’s ok too. I send a message when I keep moving towards the goal, without backing off (or getting my feelings hurt) when the reaction is not completely positive. Change is hard for people. It isn’t about me and my delivery (or ability) most of the time. It speaks more to their fears. (S143)

The capability of the operation was important for growth realization as was cohesion within the team. Additional information was provided that related to how product and services were introduced to the manufacturing environment to ensure performance that met expectations from the start. Workflow management had to include design and testing, an examination of the first article to ensure compliance, on-going periodic tests at appropriate intervals as part of the quality plan, and then lastly, the exporting of a mature process to all relevant locations once the performance becomes predictable and mature. The data regarding the human aspects of execution that emerged from the study will be discussed more fully in the next few sections.

To get everyone, including P&L owners, invested in the change activity, the MOS leader needs to be a source of inspiration.

“[I was] helping people understand the benefits and positive experience of the changes.”

(S110)

This includes having a belief in the mission and exhibiting an attitude that everything is possible within the prescribed timeline. Leaders need to sell the benefits of the change activity. This, along with conveying the positive experience that will result from the change, will help garner buy-in from stakeholders. Even so, there will be stakeholders that will have a high level of sensitivity and anxiety. This may be driven by the magnitude of the change they will need to endure and how disruptive it is to entrenched routines. MOS leaders need to be aware of these concerns and plan for them. Finally, the sequence of activities driven by dependencies and activity duration need to have the attention of the change leader.

The MOS leader needs strong relationships to achieve desired outcomes. MOS leaders suggested that trust, credibility, professionalism, and a strong core team were critical.

“...have a single management team of two or three (united in the plan and strategy) to cooperatively disperse the talent, [integrate] process and tools into [business units] and deploy a load-balanced, sensibly equipped unit for each customer.” (S77)

These relationships provide the capability, trust, and resiliency needed during a transition. There also needs to be a significant amount of cohesion and alignment within the team. When these relationships are strong and autonomous, leadership teams can push the organization forward quickly. The researcher will discuss capability and cohesion to close out the positive change experiences that emerged from the data.

In order for the MOS leader to be successful during times of radical change in a moderately dynamic market, the capacity of the operation and the human resources component needs to be capable. Ideally in a MUF, the facility needs to have a 24-hour service scenario even if it means that increased shift coverage is hired. This *always on* perspective makes it possible for additional capability to be available to transitioning business units and it makes it possible for operational issues to be remedied quickly.

“Adding temporary support help[ed] the team to go through [the] transition.” (S19)

This also helps with quick turn-around times and overall business continuity. The business unit should be load balanced to avoid capacity shocks that could compromise progress along the transformational roadmap. When a new business unit is created, it should be deployed with capacity that is also load balanced. Otherwise, it will experience an extra measure of needless stress, retarding the rate at which it will mature. Staff recruiting is very important to the business. Training should be immersive and happen within the business unit. A too conservative posture on training will add to effort waste, task complexity, and will create rework. The staff should be augmented such that the capacity is on the high side during the introduction of the new production work, or whatever the change activity is that will happen as previously discussed. Training needs should be assessed and facilitated as applicable; however, if work can be achieved without additional head count (HC) then this preserves capacity that would have otherwise been redirected to training. The data regarding head count and load balancing showed that an awareness of the service level agreements (SLAs) in play are critical to know. They should be achieved from the start while volume throughput is low to avoid negativity. The pace is then set as the volume increases. The implications of the pace should be thoroughly understood and introduced during times of negotiation, as overly aggressive SLAs can



compromise profitability potential. Each business unit needs to absorb all SLAs as operative norms into their business unit. Additionally, comments from MOS leaders suggested that thorough rate negotiations lead to profitability. It is worth the effort. From here the MUF is able to exploit training and focus on the recruiting effort, ensuring that the best people are hired.

Cohesion within the team and external to other teams is critical to the speed of change achieved. The plan must be designed to preserve business continuity during any transition.

Part of the success was the continuity between the two teams. We didn't just off-load the work, but created an extension of [the team] in [location]. They do things like we do things in [location]. (S155)

Business continuity may be affected by the dispersion of talent and tools. Decision making involves dividing the processes so that more people could be involved without affecting anyone who already had large tasks to perform. The data suggested that every stakeholder needed to have a piece of the plan to perform. A cohesive team will have a united front with regard to the plan, strategy, and organizational goals.

With execution comes the need for workflows to function as expected. Deliverables need to be within specification tolerances before they are delivered.

“[Function] spec tests ...this is the first thing that needs to be verified...can the facility meet the spec requirements?” (S93)

The data that emerged from the leaders, as illustrated in Figure 46, suggested that the roadmap for workflow development and maturity has three critical milestones; (a) pull in *first article* products by type, (b) pull in the rest of the product types individually, and (c) push the workflow out to all business units. Once a workflow proof of concept (POC) has been set up and tested for a deliverable spec, the first article to be shipped must be inspected rigorously before any delivery

can be made. When the reliability of the deliveries is at a suitable level, other specifications can be introduced to the workflow. Synergies between product specifications allow for a variety of deliverables to be executed within the workflow; however, the scope of deliverables needs to be specified so as to not stress the workflow. This leads to a risk for the introduction of non-conformities. When the workflow is mature on the designated variety of specifications, it can be exploited in as many business units as possible. A workflow development plan with these steps can optimize synergy, utilization of resources, and positively influence profitability.

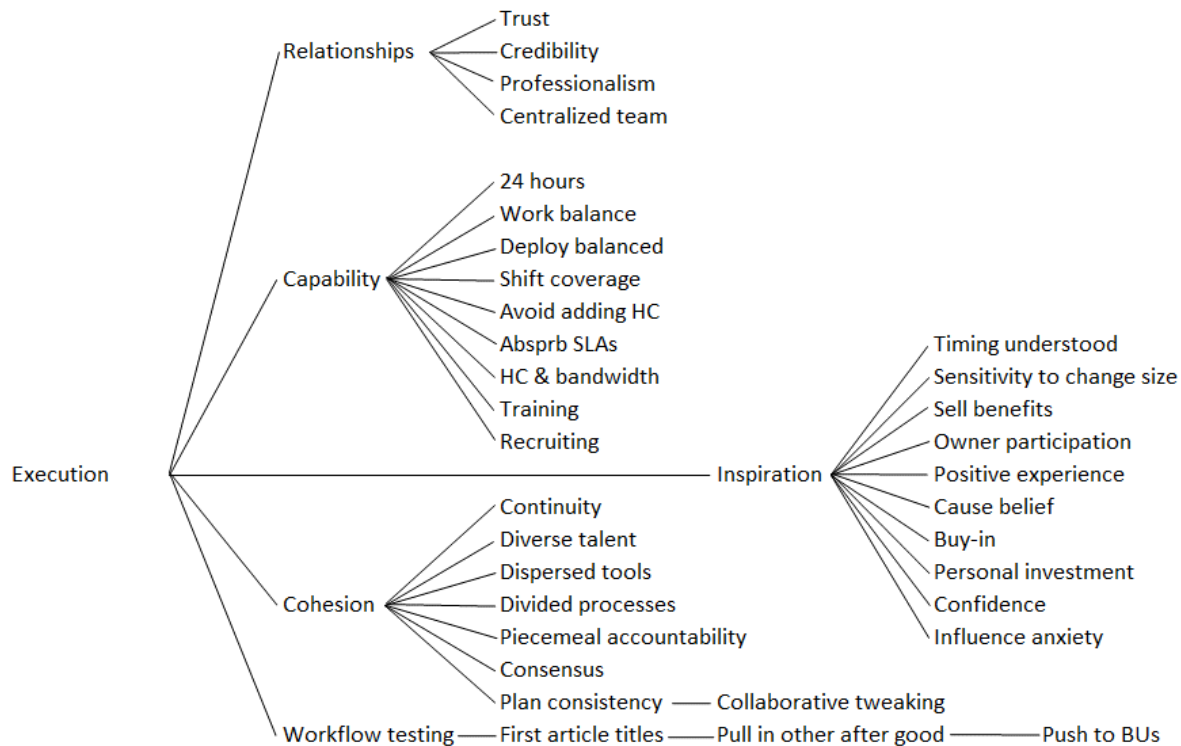


Figure 46. Positive change: Execution theme map. This figure maps execution as a theme category into descriptive sub-groupings.

In summary, the data suggests that for positive change experiences to happen, the leader of that change needs to inspire. This includes the ability to sell the situation, as well as to sense the environment. A lack of awareness can inhibit change as much as a charismatic pitch could push it along. The relationship that the change leader has with the stakeholders will relate to the outcome. The capability and robustness of the plan will influence the plan outcome. A sequence

of activities is important for deploying a workflow into production. Typically plans that are growth oriented have increases in capacity and the reduction of redundancy associated with them. The data suggests that positive change comes from meticulous planning driven by a keen awareness of the environment. The following propositions summarize the key findings of this section.

- Proposition 74 (vision ideation): Transition execution performance is significantly dependent on the stakeholder's belief and participation in the change vision and ideation process.
- Proposition 75 (stakeholder relationships): Achieving capability requirements is as much about understanding requirement details as it is about the relationship that stakeholders have with change leaders.
- Proposition 76 (unity-diversity): Unity, as seen in consensus, consistency, and continuity, is partly achieved through diversity of talent, tools, and processes.
- Proposition 77 (maturity acceleration): A phased workflow rollout needs to be structured around a validated right-the-first-time ideology that accelerates maturity and achievement within the deployment scope.
- Proposition 78 (burden support): The ability to execute is driven by the degree of support given to change agents to complete change activities, which are typically a challenge beyond their existing work burden.
- Proposition 79 (motivated engagement): Stakeholders are motivated by personal engagement in change driven by respect, participation, and interest in the intended outcome.

*Positive experience summary.* This section discussed the positive aspects of change leadership from the data. In situations where change management was executed effectively, based on feedback from the MOS leaders who had experience with change management activities, desirable outcomes were achieved on time and within expectations. Transformational change has attributes and activities that are predictive, proactive, and reactive. Transformational leaders need to be both aspirational and tactical. It was beneficial for MOS leaders to share information about their experiences in change management so that all of the leaders could benefit from their peers experiences.

*Negative synergistic experiences.* MOS leaders identified 8 themes in 54 qualitative textural descriptions of issues that negatively contributed to the success of change management efforts. Within these data points several key themes emerged, such as planning as the most frequently overlooked aspect of transformational change, followed by behavior and then communication. Specific leadership attributes were indicated as noted in Table 14. The data needs to be interpreted from the perspective of the stakeholders in the precipitating event and may not be generalizable.

Table 14  
*Negative Change Management Themes*

Theme	Count
Planning	17
Behavior	16
Communication	7
Awareness	6
Leadership	5
Cohesion	1
Inspiration	1
Relationship	1
Total	54

*Planning.* The MOS leaders identified a number of execution failures that were planning oriented as illustrated in Figure 47. They said that the needs of clients were not taken into consideration and that clients had not clearly indicated when the work would come, the amount of the work, or the specifications of the work prior to an investment in workflow design or capacity. The entrepreneurial culture tended to jump quickly at an opportunity so as not to lose out. The opposite also occurred following disappointment when the client's request was not taken seriously. In these cases the thought that clients would suffer during the transition was considered to be acceptable, and this guided action and its pace. Either way chaos was introduced or the opportunity was lost.

Emotions and power-influenced agendas were prevalent ... Each [business unit] group independently maneuvered to get talent, equipment and a boundary drawn around their 'turf'. The ... team felt like they were being dismantled piece by piece without regard for the customers. (S60)

For example, transition capacity issues were not mitigated by temporary support. To some extent the plan resulted in the team being dismantled and fragmented rather than strengthened; key members were pulled off to take care of other emergencies, leaving their tasks for others to complete. In other cases, a team was moved without the equipment that supported its efforts, but with the expectation that there would be business continuity. This and other factors hurt growth potential. The data also revealed that confusion around roles kept leaders from engaging and being effective.

“[There was] no explanation of what my role in the company was prior to my arrival.”  
(S130)

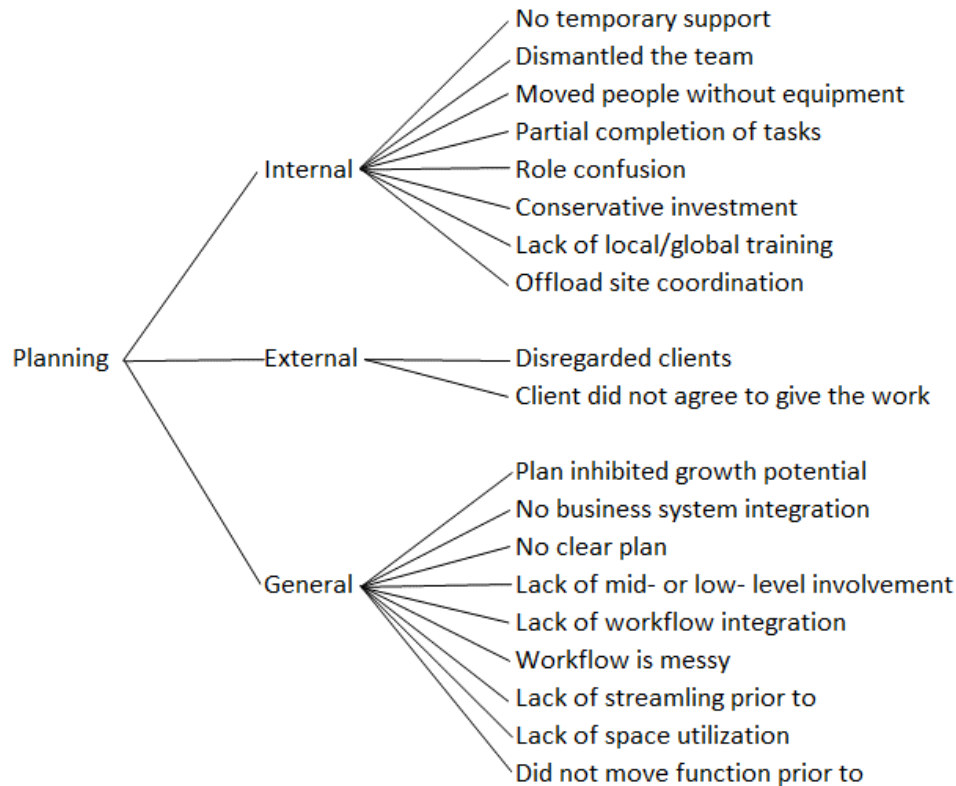
Additionally, an unwillingness to contribute enough money to fund the transition resulted in tasks being incomplete, or less robust.

“[There was a] conservative investment into the operations to match domestic setup and infrastructure.” (S177)

Furthermore, training is typically needed with any change and off-load sites need coordination capability in order to be useful.

“[There was a] lack of investment and commitment to training both locally and in off-loaded offices.” (S181)

A plan can also inhibit growth when business systems are not integrated. Multiple systems then need to be accommodated, consuming much needed capacity. Moreover, workflows were not integrated, were disorganized, needlessly complex, and wasteful, making them difficult to manipulate. In some cases they should have been streamlined or physically moved to another location early, or moved in a more effective sequence. When the details are unknown, especially critical ones, this is typically caused by a lack of participation by mid- and low-level managers. According to the data, these items should have been considered prior to the transition execution.



*Figure 47. Negative change: Planning theme map. This figure maps planning as a theme category by dividing it into descriptive sub-groupings.*

In summary, the data suggests that difficulties with strategic execution often center on planning. Internal planning difficulties can be associated with fragmented and incomplete plans. In some cases planning did not go well because clients were not on board with the plan. Furthermore, the plan was executed as per the requirements and then the client did not come through with the work. Other general planning issues, that the plan was incomplete or poorly constructed, were most likely due to a lack of involvement. The following propositions summarize the key findings of this section:

- Proposition 80 (conservative plan): An overly conservative plan may produce resource and coordination deficiencies that compromise existing resource utilization.

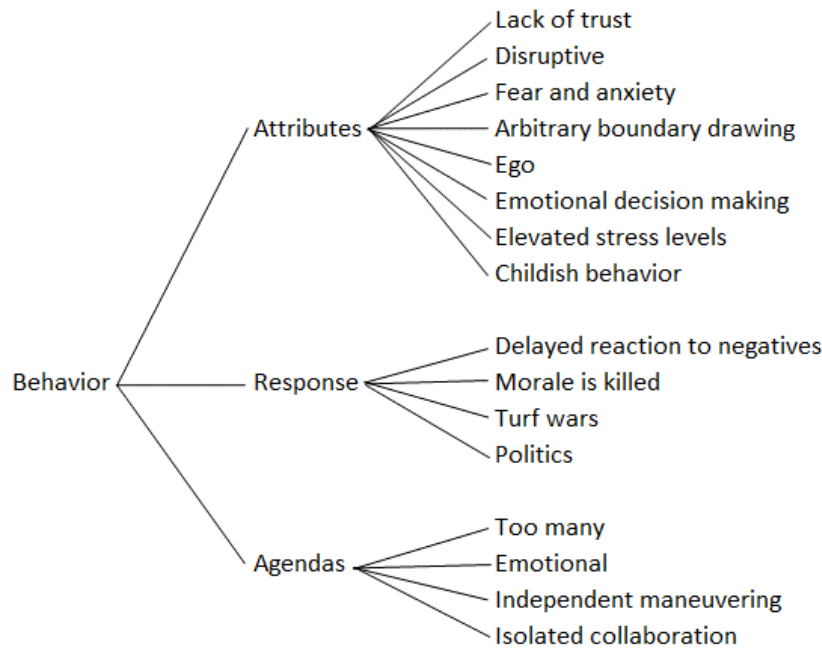
- Proposition 81 (voice of the customer (VoC)): Client involvement in transition planning augments growth potential by designing requirements into plan elements.
- Proposition 82 (involvement levels): If the appropriate levels of management are not involved in the plan design, the resulting process may require unnecessary effort to perform acceptable work.

*Behavior.* The second category related to unsuccessful change events had to do with the behaviors of the change team and the stakeholders as illustrated in Figure 48. There are attributes that the data describes as contributors to negative change experiences, including behaviors that break trust such as being disruptive, childish, and breaking promises. Furthermore, self-interest and ego can be just as significant a factor as emotional decision making that is neither constructive nor informed. When the leaders engage in self-serving destructive politics, progress could be halted. Some of the behaviors that the MOS leaders recognized were arbitrary boundary drawing, turf wars, and ego-driven agendas. This is made worse with emotion driven agendas and decision making. This immature behavior can also be seen by those who engage in independent maneuvering rather than working as a team.

It was certainly a unique situation since this was a large part of the [integration] but the disconnected agendas drove politics, emotional decision making and turf wars. Egos were often at the forefront and there was some downright infantile behavior on the parts of some of the relatively senior stakeholders that wasted time, killed morale, cost the company money, and had little to do with the primary goals. There was isolated collaboration instead of collaboration among all the senior stakeholders. Only after the warring had started did this get visible and got dealt with. (S49)



This, along with a delayed reaction to destructive behavior by those in charge of the activity, may contribute to high stress levels while lowering morale. Multiple agendas create confusion, fear, and anxiety. These behaviors, according to the data, are seen as disruptive to the change management process.



*Figure 48.* Negative change: Behavior theme map. This figure maps behavior as a theme category into descriptive sub-groupings.

In summary, the data suggests that behavior attribute control is necessary and often overlooked or ignored during change activities. When there is a delay in the risk mitigating response, there is a destructive impact to the stakeholders involved. A significant behavior is alignment. Multiple agendas, some of which are against the change, can influence change inertia.

The following propositions summarize the key findings of this section:

- Proposition 83 (mitigation tactics): A change leader needs to be aware of the attributes of inertia-producing behavior such that timely mitigation tactics can be immediately applied to the situation.

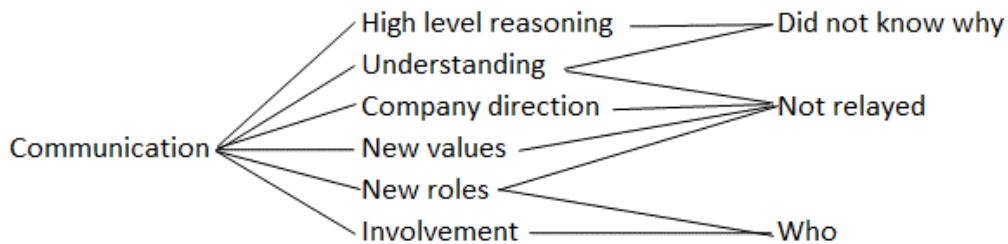
- Proposition 84 (energy diverted): Energy is diverted and consumed by non-valuable activities when a behavior mitigating response is delayed.
- Proposition 85 (scope focus): Scope focus is compromised by an excessive range of activities and collaborative disunity.

*Communication.* Communication failures were another valid observation in challenging change activities. The themes that emerged from the data are illustrated in Figure 49. Some of the significant failures in this area included that lack of information around changes in the company’s values, changes in roles, and changes with regard to the people involved in the transition. Additionally, if the plan changed sometimes, the right people were not timely informed. When stakeholders are not informed, they assume that nothing has changed. If the company is changing direction, it helps with buy-in and collaborative decision making if the stakeholders are informed so that they can more easily conform to new routines.

“[There was a need for] communication on new roles and people involved...” (S13)

“[When there were] ... changes in the plan...” (S15) and “[when there were] ... changes in values.” (S16)

The MOS leaders indicated that the need for an understanding of the high level reasoning for change cannot be ignored. Ultimately, the stakeholders need to know why they are moving to something different and they need to understand why it is a better place.



*Figure 49.* Negative change: Communication theme map. This figure maps communication as a theme category into descriptive sub-groupings.

In summary, the data suggests that communication is critical to change management success. The stakeholders want to understand the high level plan just as much as they want to know the details. They also want to know why the change is taking place. Keeping stakeholders in the dark and then surprising them abruptly with change news, breeds distrust. On the other hand, when the information about the change is relayed and understood, stakeholders have the chance to buy-in and prepare. This is especially the case when there is a new direction or when company values change. Furthermore, when roles change, stakeholders want to know who was selected and why. Optimally, they would like to be involved in the selection or be considered for the position if they qualify. When they have no involvement, the data suggests that change activities will be more difficult. The following propositions summarize the key findings of this section:

- Proposition 86 (plan logic): A stakeholder's perspective on achieving a new vision is influenced by an understanding of the logic behind the plan, agreeing with the logic, and knowing why it has to be achieved now.
- Proposition 87 (new roles): The tasks in a plan are as important to participants as who is involved, and if they agree with the values of those who assume new roles.
- Proposition 88 (relaying knowledge): The effective transfer of plan knowledge drives buy-in, which would be further enhanced if stakeholders were involved in the decisions regarding the plan.

*Awareness.* Freeman (2000) suggests that cognitive responses are stimulated by an understanding of the consequences of behaviors. When change leaders are aware of the consequences of actions, the present situation, and future environmental conditions, they take action to correct performance issues (Glenberg, 2007). The themes that emerged from the data

are illustrated in Figure 50. They suggested that MOS leaders need to understand the collateral impact of decisions. In some cases decisions appear to make positive change, however, the collateral damage is not considered and can accumulate. This accumulation helps to build change resistance and fatigue. In some cases an emotional decision, or decision pattern, is executed while being blind to losses internal and external to the organization. This contributes to further chaos and is a reactive stance that may be more emotionally charged. The root cause of this, and a general problem, is that high-performing stakeholders are not consulted with regard to the change plan or its execution.

“[We did not] address high performers’ concerns with [regard to] changes.” (S20)

Leaders need to know who the high performers are and engage them in the change activity. Another error can occur when work is off-loaded without considering the complexity that this contributes to the general operating environment. While this may be seen as a simple solution, it requires coordination and cannot be easily executed if the site being off-loaded to cannot execute tasks of this complexity.

“[We] underestimated [the] complexity and resource requirement to manage off-load product[s].” (S178)

From an execution complexity perspective, the gap between where the off-load is and where it needs to be must be closed in order to execute the work without adding undo effort to all involved. MOS leaders indicated that optimizing the ratio between off-load site capacity and geographic storefront location capacity is important. When this is missed low, the labor costs are too high. When this is too high, carrying costs may be too high at the off-load sites. The planning function needs to take forecasting, as well as the work eligible for work shifting, into consideration. There are costs associated with bringing up or expanding an off-load site. This

includes administrative costs related to reallocating the off-load costs to the sending units' P&L. It includes hiring and turnover costs at all locations affected.

“Employee turnover and attrition outpaced recruitment for expansion.” (S180)

It includes training costs and capacity buffers during transitions to off-load optimization. Another exogenous influence to success is the impact of price erosion. Where this is not accurately predicted and reflected in the budget, there will be variances in budgeted performance.

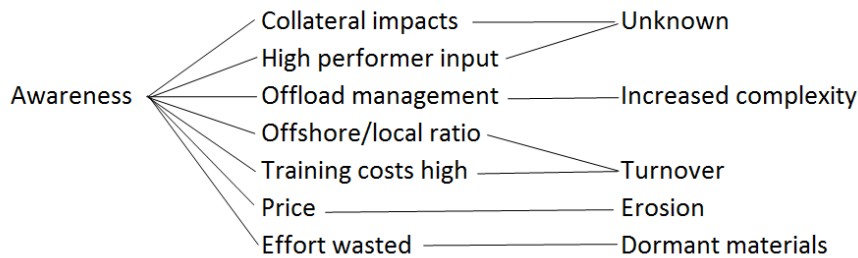


Figure 50. Negative change: Awareness theme map. This figure maps awareness as a theme category into descriptive sub-groupings.

In summary, awareness is, or the lack of awareness, is a reason for a negative change experience. Stakeholders will give up on leadership that keeps them *in the dark*. Awareness allows a MOS leader to predict what could go wrong with any change activity and avoid wasted effort. Internal business unit stakeholders have the best opportunity for a positive outcome if they collaborate with their high performer counterparts along with their external stakeholders. Change is made more complex when information is not available timely.

- Proposition 89 (knowing impact): A MOS leader must effectively manage change by collating critical information about their changing internal and external environments.

- Proposition 90 (talent damage): Stakeholders who are personally invested in the business unit's success may be discouraged with their employment prospects if they are not allowed to participate in change activities.
- Proposition 91 (change cost): The cost of change activities is elevated when stakeholders do not have the opportunity to streamline change activities before they occur.

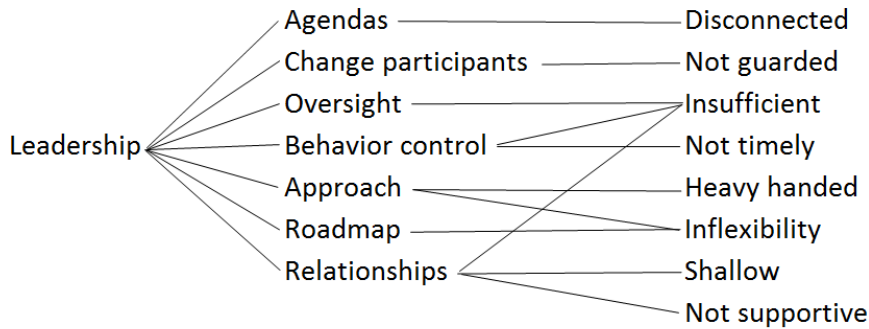
*Leadership.* Leadership issues in the MOS that emerged in the data included leadership attributes, awareness, cohesion, inspiration, and failures regarding relationship building. These are illustrated in Figure 51. Leadership comments included a lack of oversight, insufficient arbitration, behavior control, a heavy-handed approach, and the mandate that the entity that is buying dictates the way things have to be done.

“Going in with a heavy-handed, arrogant ‘we know best’ approach [when] we don’t always know [what is] best.” (S132)

“Emphasizing ‘We are MediaCorp, and this is the way MediaCorp does this’.” (S133)

Many stakeholders are naturally guarded during a transition because they do not know what to expect and they may expect not to be supported. Consequently, when leaders do not listen to high performers on either side, or do not understand the collateral damage associated with decisions, the plan execution is needlessly stressed and potentially flawed. Leaders are expected to be aware. They must be acutely aware of the change environment during the intense activity that surrounds a significant transformation. In addition, when there is a lack of cohesion among the leaders, there are disconnected agendas leading to further stress on the plan execution, thus, leading to change fatigue. A failure to develop relationships prior to the execution and then

maintain them during the execution was also mentioned by MOS leaders as a contributor to plan failure.



*Figure 51.* Negative change: Leadership theme map. This figure maps leadership as a theme category into descriptive sub-groupings.

In summary, the data suggests that leadership factors influence change effort needed to achieve desired outcomes. Effort is significantly increased when agendas are multiple and conflicting. Leaders may exclude their direct reports from being active in the change process. This results in a lack of oversight and minimized interaction between stakeholders. The relationships then are shallow and leadership may take a heavy-handed approach to accomplish the roadmap. The following propositions summarize the key findings of this section:

- Proposition 92 (relationship performance): Relationship performance is linked to transformational change through attributes such as connectedness, adaptability, protection, and depth.
- Proposition 93 (performance outcomes): Performance outcomes are influenced by the approach used, the timeliness of behavior controls, and the achievement of an appropriate level of oversight.

- Proposition 94 (stakeholder alignment): The degree to which the change leader and stakeholders are in alignment of purpose correlates to the effort needed to execute the change roadmap.

*Negative experience summary.* The realization of desirable business outcomes from growth synergies is influenced by change management leadership. The MOS leaders have identified a number of contributors to change management leadership failure. Failure may be interpreted as an excess of energy needed to achieve a result. This wasted energy comes at a price, including wasted time and potentially a permanent loss of talent when stakeholders lose hope in the change action. Negative contributors to change management need to be understood and mitigated to streamline and accelerate change management activities.

**Self-interest.** Business unit self-interest describes the autonomy of financially accountable organizational units. Humans are self-organizing, autonomous systems that sustain and generate their own activities based on rational assumptions (Maturana & Varela, 1987; Varela et al., 1993; Thompson, 2007). Self-interest is therefore a primary engine for synergy realization. A productive and rewarded self-interest drives behaviors that minimize collaborative inertia. Additionally, self-interest encourages business units to seek out growth opportunities that are based on synergies to optimize profitability. Controls and guidance keep business units from pursuing low quality opportunities that abuse their autonomy and destroy corporate value (dis-synergies) through the wasteful consumption of resources. Furthermore, guidance is needed such that self-interest does not create destructive self-interest behaviors that breed distrust, opportunism, and destroy collaborative interest on the part of stakeholders.

Guidance and balance are provided by the business unit leadership and by corporate oversight. This guidance needs to breed trust while exerting social controls that mitigate



opportunistic behavior. The corporate role includes the provision of an overall strategic framework, lateral integrative mechanisms, and a cultural context. The overall strategic framework reflects the preferred future state of the firm, or a vision, that provides strategic intent (Lovas & Ghoshal, 2000; Prahalad & Doz, 1987). Synergistic growth realization needs to be guided to follow a strategic theme linked to corporate advantage. The strategic scope and targets given to business units provide focus and accountability within the appropriate product and market arenas in which a business unit actively participates (Galunic & Eisenhardt, 1996).

Corporate also provides an administrative context to the realization of strategic targets. Financial controls, combined with rewards for performance achievement, stimulate productive self-interest (Eisenhardt & Galunic, 2000; Martin, 2002). The promotion of constructive behaviors helps to motivate businesses to overcome collaborative inertia. It also helps business leaders to not abuse their autonomy through the pursuit of dis-synergies. Additionally, an administrative context stimulates and enables efficient collaboration mechanisms across businesses and between the business unit and the corporate entity. These LIMs help to establish trust, impose social control, motivate productive behaviors, reduce transaction costs, promote focus, align participants, promote nimbleness, preserve knowledge, and help to build up experience in the relevant domain. Appropriate operational norms reduce the need for coordination controls and reduce the occurrence of conflict. Shared information systems increase information-processing capacity and the ability for stakeholders to control operational complexities.

With self-interest comes growth-oriented behavior from entrepreneurial employees. This is necessary for the realization of growth synergies because behavior increases action velocity by reducing or eliminating inertial forces. The implementation of accurate revenue recognition

feedback can be provided to stakeholders. The mechanisms in reward systems can then remunerate self-interest in accordance with the systems design, all of which is expected. Promoting self-interest has a number of aspects to be considered including (a) autonomy, (b) strategy, (c) administration, (d) culture, (e) outcomes, and (f) the revenue recognition algorithm. The researcher will discuss each of these individually.

**Autonomy.** Social cognition from real-life experiences is based on autonomy and sense-making (De Jaegher & Di Paolo, 2007, 2008). This self-directed autonomy, guided by a focused and balanced self-interest, produces profitability through MOS leaders. Expanding this to the organization, the overriding driver of self-interest is business unit autonomy. It drives the discovery of synergistic opportunity to reduce cost and leverage complementarity for the realization of growth. Off-load sites have the decision making autonomy to accept the work they are being offered, and they are accountable for the reliability of their services in terms of quality and the timeliness of delivery.

“They have full control with [the] supervision of LOB leads.” (SI2)

The decisions around the off-loading process and its execution also require autonomy to preserve self-interest. The absence of self-interest may result in *win-lose* negotiations. These arrangements usually lead to poor performance from the loser.

“The structure will incentivize them to off-load more and more to off-load hubs as their allocated cost will be constant ... so they can maximize the utilization.” (SI4)

The implementation of the policy requires leadership and coordination. It also requires MOS leaders in the network to link with support functions, like finance for example. The reporting of network-based production costs to finance needs to be accurate, timely, and conform

to the revenue recognition policy. A streamlined process speeds deployment and reduces adoption life-cycles due to the absence of issues that are typically driven by needless complexity.

“Because the admin work is very low, we can implement [the policy] fast and easy. The approach is simple and straightforward.” (SI9)

The sequence of tasks needed to deploy the policy directly relate to timely success. The MOS leads determined the sequence for deployment. The LOB leads met with finance to agree on the reporting approach. Following feedback, the policy was deployed. This is one of many examples of collaborative creation and deployment of a policy in a MOS.

**Administration.** The optimal policy will have a minimized administrative component. Administrative burdens create inertia and incur non-value added costs. The willingness for business unit leaders is typically stalled when the administrative component is revealed. This may not be understood until after the program has started. Halting an initiative after momentum has been created hurts the overall culture of change. The results of the administrative component are inputs to the company’s financial data. A streamlined methodology will encourage accuracy and timeliness with regard to financial reporting.

**Culture.** The cultural context of self-interest includes the reward systems deployed and social mechanisms that promote a collaborative culture. The intent of these social controls is to encourage motivation and commitment to growth synergy realization. The cultural context helps to create a corporate identity, establish trust, align initiative intent, enforce constructive norms, and focus a work ethic around continuous corporate advantage. The corporate model of guided and constructive self-interest may be viewed as an ecological system that is continuously evolving (Lovas & Ghoshal, 2000). Corporate is continuously fine-tuning the strategic framework in accordance with the dynamic marketplace. Corporate may also incubate new

growth strategies and enable the launch of new product and service life-cycles. This may include the assignment of ownership of identified business opportunities. A temporary financial reprieve may assist with business unit risk aversion.

Changing routines can sometimes be difficult. The group that is to experience the change may look for any opportunity to reverse the course of an initiative. One significant issue, in this case, is the confidence level in the off-load site to perform the tasks reliably. Self-interest encourages location leaders to make needed changes quickly that support the network-based production environment.

“Since we’re moving costs around ... revenue is recognized at local facilities, this [implementation] was not a problem.” (SI18)

This includes the sequence of activities to complete the deployment effectively. An example would be to accomplish the training requirement to ensure the sending business unit that the off-load unit is at parity with regard to expertise. This would apply as well to equipment, tools, and infrastructure as examples.

“This new structure rewarded early adopters, as it split the cost between all facilities based on revenue and early adopters were not penalized by additional hours.” (SI19)

The network must function as a system that adapts to the demands of clients regardless of size and scope. It has to accomplish all tasks with excellence. Organizational agility relates to the rate at which the organization can stretch and how extensive the stretching can be without compromising performance. A dynamic marketplace may require significant stretching and compression.

“Now local offices work more and more with off-load offices without concern of extra hours [being] charged to them.” (SI21)

Additionally, local sites need to be able to handle exceptions and escalate when there are issues that could compromise performance.

“The structure [and policy] encouraged local sites to go through LOB leads for any non-standard situation.” (SI23)

**Outcomes.** Ultimately, it is the financial outcome that validates that profitability has been influenced. The outcome of the policy was increased profitability. Mature storefronts were able to reduce overall labor costs by more than 20% normalized to volume.

“Based on the [pro-forma] methodology... showing the potential benefits of the storefront strategy [storefront location 1] shows annual savings of [amount] and [storefront location 2] shows annual savings of [amount].” (SI33)

As each business unit leader owns their P&L and is accountable for meeting targets. The success of this self-interest based financial policy was predicted.

“The outcome should be [an] increase in utilizing off-load hubs, reduce the off-loads to higher cost facilities, and cleaner financials.” (SI25)

The design of the organization in the network must be aligned to the implementation. The MOS is ideally suited for this.

“It will be perfectly aligned since it will encourage communication with LOB leads and communication with off-load hubs.” (SI26)

The collaborative dimensions ensure that all dimensions are involved in and benefit from the deployment of the policy. The location experienced financial success in their P&L. Each LOB P&L realized success from the lower cost configuration and the higher volume experienced from aggressive local sales unconstrained by capacity concerns. Alignment and execution were encouraged through communication and monitoring.

“They [are] all ... on board with this...we will escalate as soon as we see deviation from the plan.” (SI28)

The financial benefit was achieved on the same volume with the same complexity configuration, even though the storefronts were not fully mature. The network-based production was measurably augmented by the self-interest policy.

*Algorithm.* The product leaders assembled and created rules around revenue recognition to preserve the self-interest of the business units. The rule included an algorithm with regard to the allocation of off-load costs, regardless of where it was done, that allocated the whole cost of off-load to the business units based on the revenue that they achieved by LOB.

“All revenues will be realized at local facilities initiating the off-load and costs will be allocated based on the rules below:” (SI34)

- “Corresponding LOB cost will be split between all LOB facilities based on revenue share of the product. Revenue will be used as a proxy for effort.” (SI35)
- “Off-load to non-off-load hubs – the off-load should be discussed/coordinated on job by job basis with LOB leaders, for the most cost effective allocation and one-off discussion on revenue/cost allocation.” (SI66)

As a result, if a business unit did not off-load, they received their allocation regardless. If they aggressively off-loaded because they acquired revenue beyond their capacity and they reduced costs aggressively, they achieved a super-additive cost benefit as they may have exploited off-load capacity more than other business units. The algorithm created a healthy competition for purposes of self-interest advantage. The algorithm energized behaviors that encouraged the realization of growth synergy.

The validity of corporate guidance and oversight in the realization of growth synergies is present in the literature. Like any organizational construct, corporate leaders can promote dis-synergies; however, corporate leaders are in a position to promote efficient structures, processes, and systems (Anand, 2005; Collins & Montgomery, 2005; Goold et al., 2002; Hill & Jones, 2007). In large firms with a diversified portfolio, corporate managers may lack the detailed knowledge of local markets and the resources needed to implement strategies (Eisenhardt & Galunic, 2000; Martin, 2002). In contrast, business unit leaders may not have the medium or long term corporate perspective (Bartlett & Ghoshal, 1999; Eisenhardt & Galunic, 2000). An evolutionary corporate management approach of guided and balanced self-interest combines local knowledge and capability with corporate oversight and a long-term perspective to create both stability and flexibility. This collaborative balance also helps the MUF to navigate the complexities involved through a decentralized design (Baum, 1999; Kauffman, 1995; Lovas & Ghoshal, 2000). The themes that emerged from the data regarding the role of self-interests in the creation of profitable growth are summarized in Figure 52.

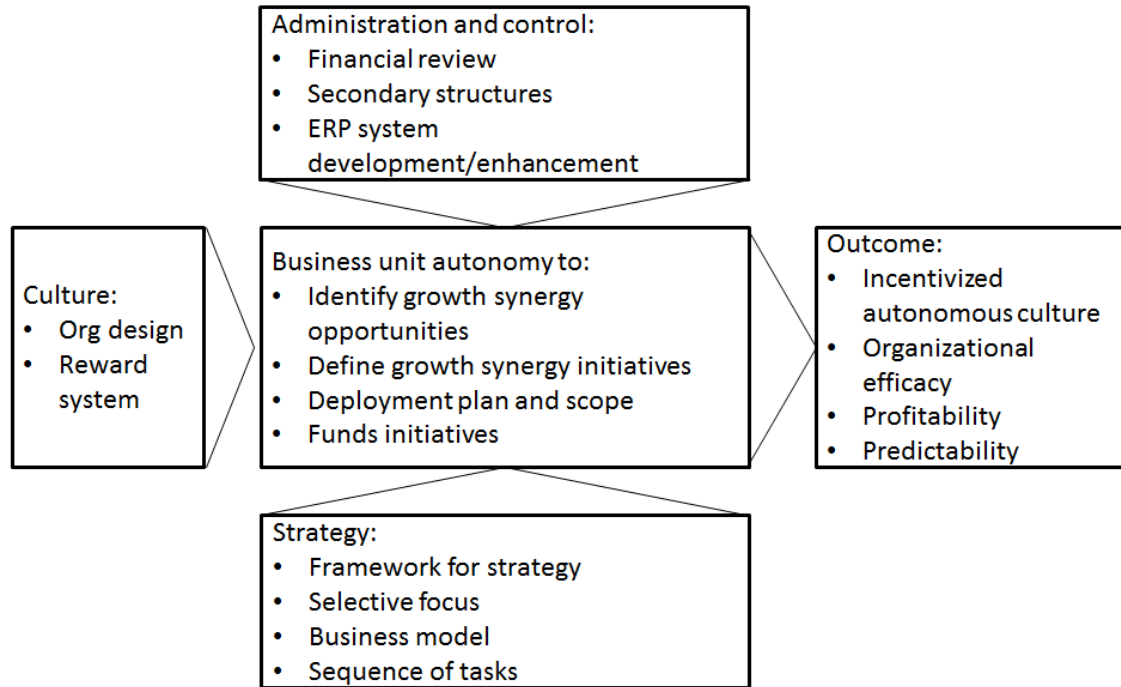


Figure 52. Exploiting self-interest for profitability. This figure illustrates how strategy, culture, administration, and control contribute to desirable outcomes.

In summary, the data suggests that self-interest is a critical driver for the realization of synergistic growth. Self-interest has a number of critical aspects. At the core of self-interest is business unit autonomy. Autonomy is driven by strategy, an incented culture, and a minimized administrative burden. The outcome of a focused and aligned autonomy is profitability, predictability, and an effective entrepreneurial culture. The following propositions summarize the key findings of this section:

- Proposition 95 (collaborative relationship): A collaborative corporate relationship with a MOS encourages guided and balanced self-interest that is positively related to growth synergy realization.
- Proposition 96 (selected involvement): The selective involvement of the corporate center can promote autonomous growth in locally addressable markets.



- Proposition 97 (service center): The corporate center is a service center that can contribute to continuous growth by temporarily incubating growth opportunities, by sharing related resources between businesses, and by helping business units to select initiatives based on the long term strategic plan for the firm.
- Proposition 98 (guided autonomy): A guided autonomy driven by self-interest and augmented by resource complementarity in a network-based production environment accelerates the process of achieving profitable growth.
- Proposition 99 (task sequence): The discovery of an appropriate task list and its execution sequence are directly related to the timing of desirable outcome realization.
- Proposition 100 (administrative burden): A business unit self-interest policy is negatively influenced, and may be compromised by, the administration needed to manage it.
- Proposition 101 (collaborative intent): An effective self-interest policy is a LIM that encourages a collaborative social environment necessary for profitable growth realization.
- Proposition 102 (allocation algorithm): An effective revenue recognition algorithm will accommodate critical concerns from stakeholders and drive behaviors that lead to profitable growth.

**Collaboration in a MOS.** This section exposes data regarding the aspects of collaboration needed to make a MOS successful. Table 15 indicates that there are challenges when it comes to collaboration and there are success drivers depending on how the transformation is executed. Change leaders were asked about what went well and what did not go

well, with regard to collaboration, during the transformation that contributed to the realization of growth synergies. A variety of information emerged from the data. The ability to forecast and provide revenue performance went well. The remapping of products and services into production and sales channels helped to remove ambiguity about accountability and the ownership of tasks. The MOS strategy was perceived as a good strategy for growth and collaboration. The leaders were able to merge action trackers, aiding transparency and enhancing the execution pace. The organization was more nimble such that it could adapt to industry trends. The support for production needs was enhanced through collaboration. Sales opportunities became apparent and a unified pricing strategy could be deployed. Cost mitigation strategies were coordinated and benefitted from shared information, early adopters, and knowledge transfer. What was successful in one area could be exploited in another, maximizing impact, and saving deployment time. Collaboration enabled the sharing of capacity, tools, and checklists. Metrics reporting took on a similar look as dashboards were assembled to measure and track performance trends. Standardization energized collaborative activities and became a platform for evolutionary change. Standards were created and deployed collaboratively for reliability performance. Consequently, the effort needed for change management was optimized through collaboration.

There were several areas where collaboration was challenging according to the data. Operational leaders felt that they could have been better supported from finance for business modelling and for financial performance awareness. The effort around the creation of the new year's strategies was challenging and the time given to document the plan was short. Sharing talent between businesses was difficult for a variety of reasons, including an inability to shift work, load balance, and unwillingness to physically move if required. Cultural differences were significant. Talent development was a challenge due to a lack of training resources. The global

purchasing initiative, for example, was difficult to get approved through finance due to capacity constraints in finance and local relationships. Maturing the position of account coordination was a significant transformation and required a significant effort to complete. Leveraging the resources or the facility at other sites was challenging as they were entrenched in their routines and work pace. It was determined that it would be easier to move the work than to move the people; however, there were nuances regarding client expectations at each location that had to be achieved. Cost mitigation again was difficult due to support function approval procedures. Exploiting synergies for cost improvement was challenging due to an unwillingness of the process owners to release control of redundant workflows. Cross-training helped with the scalability of functions, but with the operations being lean, the ability to allocate capacity to cross-train was challenging. Sales strategies were determined external to the influence of the operation that would execute the workflows leading to margin deterioration as billable items were overlooked. Communication strategies were difficult to determine due to the structure and the rate of change. Untimely access to P&Ls made it difficult to see the financial impact of actions. Pro-forma P&Ls were used to predict outcomes; however, these had an accuracy tolerance that led to ambiguity about results. Equipment sharing was challenged as it had not been inventoried or located, and its condition was not known. The ability to get key leaders together was difficult due to workloads in a lean staffing environment. Co-researchers also indicated that forecast information from clients was not reliable or even available and so difficulties with staffing and capacity planning were enhanced. Costs allocated to business units were ambiguous leading to incorrect inference about performance remedies. Leaders did not have the ability to know if assets could be purged, making way for other assets coming in, due to a lack of knowledge transfer about existing or new projects. This resulted in a need for additional

storage, creating a bottleneck. When collaboration is compromised, change inertia is enhanced, thereby increasing the effort needed to achieve desirable outcomes.

Table 15  
*Collaboration Comments*

	Co-researcher 1	Co-researcher 2	Co-researcher 3	Co-researcher 4
Going well	Flashes	Production support	Operations off-load	When we standardize it works easier
	Revenue forecasting	Pricing strategy	Tools	
	Product remapping	Sales opportunities	Checklists	Security standards are good
	Structure strategy	Cost mitigation	Knowledge sharing	
	Merging trackers	Information sharing	Capturing metrics	
	Industry trends and changes			
Not going as it could	Better support out of finance	Resource sharing	Non-operations areas (finance)	Forecasting information
	Coordination of 2015 strategies	Facility utilization	Training	Concern with P&L costs
	Global purchasing	Cost mitigation	Sales strategies	Purging effort
	Talent sharing and development	Improvement synergies	Summit	Communication on upcoming projects
	Customer coordination with account coordinator WW	Cross training	Equipment sharing	
			Visual communications P&Ls	

In summary, the data suggests that collaboration is critical to change management efficiency. Change leader behavior is typically at the core of this inertia. The change leader often is ignorant to their contribution to the imminent failure. With a better understanding of how collaboration influences social dynamics, a change leader can alter tactics and achieve better business outcomes. The following propositions summarize the key findings of this section:

- Proposition 103 (mature duplication): Isolated actions do not benefit from super-additives gained from exploiting matured initiatives through duplication.
- Proposition 104 (advanced start): When existing knowledge is aggregated and made available, it can be used as an advanced starting point, or platform, for new discoveries.

- Proposition 105 (fluid sharing): Fluid resource sharing without boundaries attracts the right resources quickly to issues whose resolution contributes to profitability potential.

**Financial observations.** This section exposes items in financial reports that required attention to enhance clarity in reporting, such that opportunity discovery and appropriate action can be taken. The data suggested that MOS leaders need to understand both the financial allocations of fixed costs and shared services within their P&Ls and their financial performance trends so that they can predict profitability outcomes. In some cases financial allocations are incorrect and relate to the functions of colleagues. Collaboration and a penchant for fairness are necessary so that financial reporting gives a truthful representation of costs. The scope of the financial review in this study includes results from the first half of 2014 and covered products, services, locations, clients, and support functions. The financial observations were collected and coded into several dominant themes as presented in Table 16. Gaps were then closed enabling accurate performance monitoring. The data revealed five themes from 84 rich data descriptions.

Table 16  
*Financial Observations Themes*

Theme	Count
Allocations	37
Costs	36
Comparison	27
Revenue	11
Organization	10
Total	84

**Allocations.** An analysis was done within each theme. The first category was allocations. This related to how charges were allocated to the P&Ls. At a high level this accuracy is not as

relevant as it all rolls up within the divisional P&L regardless of how it is allocated; however, it is very important for the P&L owners whose business viability and bonuses are dependent on meeting business unit specific financial targets.

There are ... random expenses listed on the [location] shared service P&L...I suspect folks are dumping expenses they don't know what to do with in shared services. I will check with [name] on this. For example, there are entertainment and travel expense charges for May and July...what are those from? (F113)

More importantly, MOS leaders need to understand the financially related cost and revenue data of the product, or line of business (LOB), and how it performed in workflows at the locations where it is produced. Accuracy is also necessary for monitoring, trend analysis, and performance forecasting. Occasionally there are *financial surprises*. These are unanticipated costs attributed to a P&L that influence monthly results. An example would be an unknown, or heretofore, not leveraged rebate or an unexpected labor transfer for a side project or a *favor*. These unanticipated financial events can compromise promised business budget outcomes. Intercompany revenue and cost are a source of confusion in the absence of appropriate norms. Similarly, shared services cost allocations need to be applied with an appropriate rule set related to space, energy costs, and the various services that are used. Table 17 exposes 24 themes extracted from 36 rich data descriptions within this category.

Table 17  
*Allocation Themes*

Theme	Count
Labor allocations	6
Inconsistent allocation	3
Accurate allocation	3
No vault charges	2
Rebate allocation accuracy	2
Remap revenue/cost relationship	2
Allocation trends	1
Allocations applied timely	1
Business allocations	1
Cost allocations charge to function	1
Credit card allocation accuracy	1
Entertainment/travel allocation	1
Finance arbitrary allocations	1
Finance push-back due to effort	1
Incomplete information	1
Inter-company allocation accuracy	1
Legacy <i>siloing</i>	1
Misapplied invoices	1
Off-load labor allocations	1
Shared services allocations	1
Shared space policy	1
System to track allocations	1
Timely financial results	1
Vault in <i>other</i>	1
Total	36

This information is further illustrated in a theme map in Figure 53. The key themes related to allocation were accuracy, trends, timeliness, arbitrary charges, costs, and revenue. The data suggested that allocation accuracy is related to the following functions as examples; shared services, rebates, off-load labor, and local labor by labor type. In some cases there was resistance

to provide accurate information as it would add effort to provide it, it would reveal inconsistent allocation rules, or it would result in accurate but less desirable P&L performance results.

There is no consistency for charges or allocations at the different MediaCorp sites in regards to shared services. It's difficult to find vault-related revenue or how much overall it 'costs to run a vault' because of this. For example, in [location], everything that falls within the shared services bucket (called 'support') is allocated to all divisions in [location]...where as in [location] there are no allocations out of shared services. Under 'support' is facilities, engineering – [warehouse] charges hit this cost center. (F125)

There were also legacy allocation structures that no longer applied. In fact, the legacy allocation method contributed to a lack of accuracy regarding actual P&L performance. Many expenses, such as travel and entertainment, are charged to credit cards. These needed to be allocated correctly, especially if the cost is shared between departments. When allocations are not applied correctly, trending and business intelligence are put at risk. Assumptions can be made about the business that may be inaccurate, leading to poor decision making. For example, intercompany negotiated rates may hurt the financial performance of one business unit and benefit another. Inferences about the health of the product line or the business unit may then be flawed.

Allocations should also be tracked so that cost reduction opportunities can be discovered from the data and exploited. If the information is timely so can be the cost mitigation. The data suggested that efforts to know financial trends were hampered by incomplete information on allocations and invoices that were incorrectly applied.

A general norm applied universally, such that cost and revenue followed each other, would solve many of the misallocation issues. When this is not applied uniformly, labor can be attributed to a functional area that is not credited with the revenue for the work that was done.



Once allocations are accurately distributed, performance ratios can be exploited to highlight opportunities, measure performance, create trending, and forecast performance based on future work.

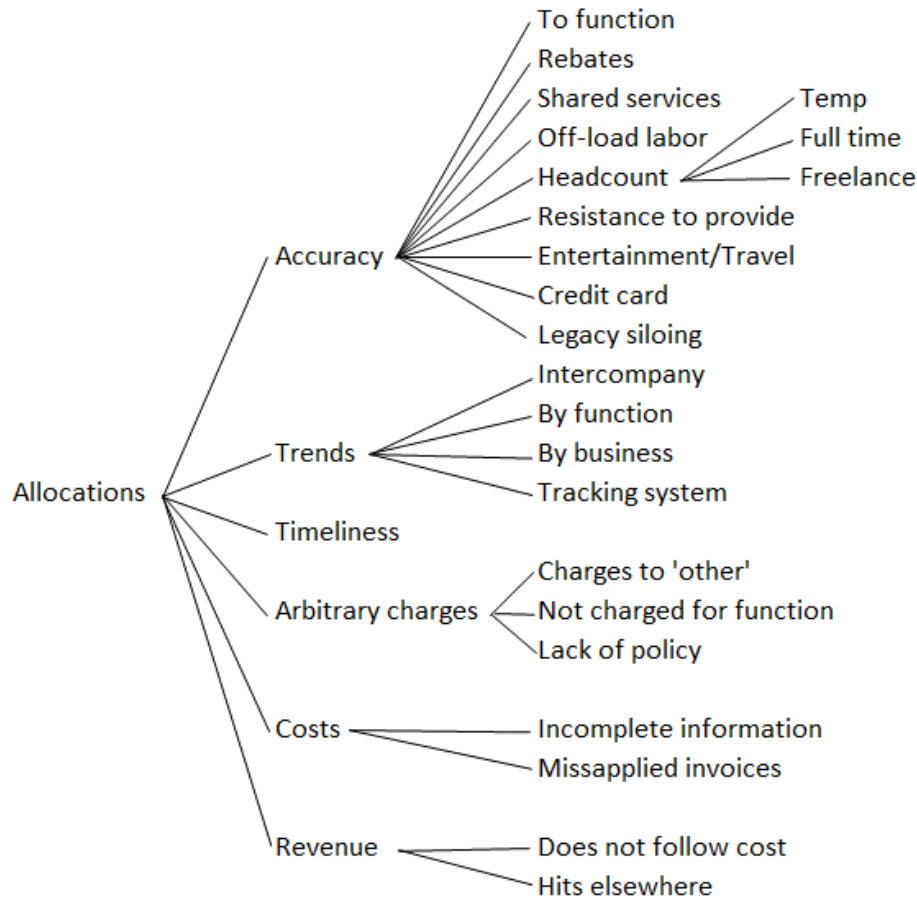


Figure 53. Allocation theme map. This figure maps allocations as a theme category into descriptive sub-groupings.

In summary, the data suggests that misallocations are a source of frustration for P&L owners that are accountable for their financial performance. This frustration is exacerbated by arbitrary charges and inaccuracy in cost assignments. Charges may also be obfuscated by locating them in strange accounts. When P&Ls are not available until a considerable amount of time beyond month-end closing has passed, the ability to forensically investigate performance anomalies starts to fade into history. The relevance of the action is lost. The following propositions summarize the key findings of this section:

- Proposition 106 (allocation unity): A standardized and appropriate cost allocation methodology creates predictable financial performance and allows for profit-producing trend monitoring.
- Proposition 107 (report usefulness): Financial report usefulness depends significantly on the timeliness and accuracy of cost allocations.

*Cost.* The MOS leaders were able to uncover cost themes that emerged in the collected data. An understanding of costs helps MOS leaders know where to direct their attention for purposes of expense mitigation. MOS leaders thought that the most important elemental cost was the cost line item. An understanding of, and the transparency of, these line items was important to know. This cost item could relate to operational activities, materials, space, special costs, waste, *other*, or the cost of not having a system that would create transparency and potentially mitigate the cost.

Both [location] and [location] are running similar margins. The revenue to labor percentages is almost identical. [Location] is 2% more costly at the moment than [location] but has a better marginal cost curve and a more favorable potential with its income to expense ratio if we operate beyond budgeted volumes even though [location] labor rate is cheaper. (F7, F8)

Some costs are internal (labor) while others are external (rebates). Some costs are not entered into the business system and so are not known to those who get the financial reports. Some costs are unexpected, more than what they should be, or have *mysterious* origins. An awareness of cost leads to the opportunity for mitigation. The raw data was coded and 16 themes were extracted from 33 rich data descriptions as illustrated in Table 18.

Table 18  
*Cost Themes*

Theme	Count
Cost line item	12
Cost of materials	3
Cost type	3
Cost mitigation targeting	2
Mysterious costs	2
Activity based cost	1
Cost for space	1
Cost per team function	1
Cost ratios	1
External cost	1
Not in a system cost	1
Other costs	1
Relatively high	1
Special costs	1
Transparency	1
Wasted cost	1
Total	33

Data related to *organizational* aspects of cost were added to this data as follows in Table 19. Several cost themes emerged that relate to how financial reporting is organized. There was the need for a centralized labor model that uses a singular allocation algorithm.

“[Locations] need to work toward a centralized labor model also.” (F13)

“[At location] labor is centralized but needs to be allocated in the financials... currently it’s just random.” (F12)

In some cases freelance labor is utilized for various businesses. Each hour used needs to be tracked and allocated to the business that used it. In some cases MOS leaders felt that some pooled functions should be included in shared services. Drawing the boundary for where a shared service lies is a part of the solution. In some cases MOS leaders felt that the line should be

drawn more widely. With the merging of different companies and business units, there are salaries that are outside of the existing salary bands. These need to be dealt with, as they are disruptive. The organization of cost and revenue needs to be aligned such that revenue follows cost.

Based on my discussion with [name], we would like to move [function] cost/revenue into [BU]. This will have negative impact on earnings before interest, taxes, depreciation, and amortization (EBITDA) on [BU] but will show a true picture. I will start the discussion on this with finance, billing, etc. (F43)

All costs associated with a product that is sold worldwide need to be rolled up into one product or service based P&L.

“Financials also need a rollup of the total WW P&L.” (F6)

Likewise, a client that sells product worldwide and uses MediaCorp services to accomplish this should have a P&L that reflects the business that MediaCorp does with this client worldwide. When geographic boundaries are crossed, the availability of data can be a challenge; however, a true global enterprise should have mechanisms that enable transparency regardless of geography. The timeliness of this information leads to more effective decision making and provides an opportunity to exception-manage random expenses that should be handled separately.

“Mysterious charges [where] applied to [BU] without [location lead] or [product lead] approval.” (F39)

Exposure of the P&Ls should be vertically downward such that all the right people know what their financial performance has been. The 10 themes that emerged from the data are included in Table 19.

Table 19  
*Organization Cost Themes*

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Theme
Centralized labor model
Cross-utilization freelance labor (FL)
Expand shared services model
High-flier salaries
Move cost/revenue
Rollup to WW P&L
Data availability
Timely reporting
Random expenses
P&L Scrutiny

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The organization based data and the cost data were consolidated into the relational map in Figure 54. This map suggests that costs can be broken into seven categories; line item, type, ratios, *mystery* costs, activity-based costs, transparency, and organization. Line items could include a number of types of costs associated with space, materials, and other. Some are special, perhaps higher than they should be, or are not in the system, external in origin, reflect waste, or are just mysterious. Line item information can be used to create performance ratios and the concomitant trends useful for analysis. Costs need to be associated with activities so that their cost burden and associated value are understood, and priced correctly. If the information is transparent and applied quickly, it can be mitigated and trended for further analysis.

“Financial analysis is needed to give us a per-service cost / margin breakdown so we can crisply decide where a given service is more profitable, not just which location.” (F17)

Additionally, organization-related aspects influence cost. These include labor models, shared services models, and the cross-business utilization of labor. When costs and revenues can be aligned, P&Ls can be scrutinized. Discoveries of improvement opportunities can then be leveraged. High-flier salaries can destabilize pay structures, as an example.

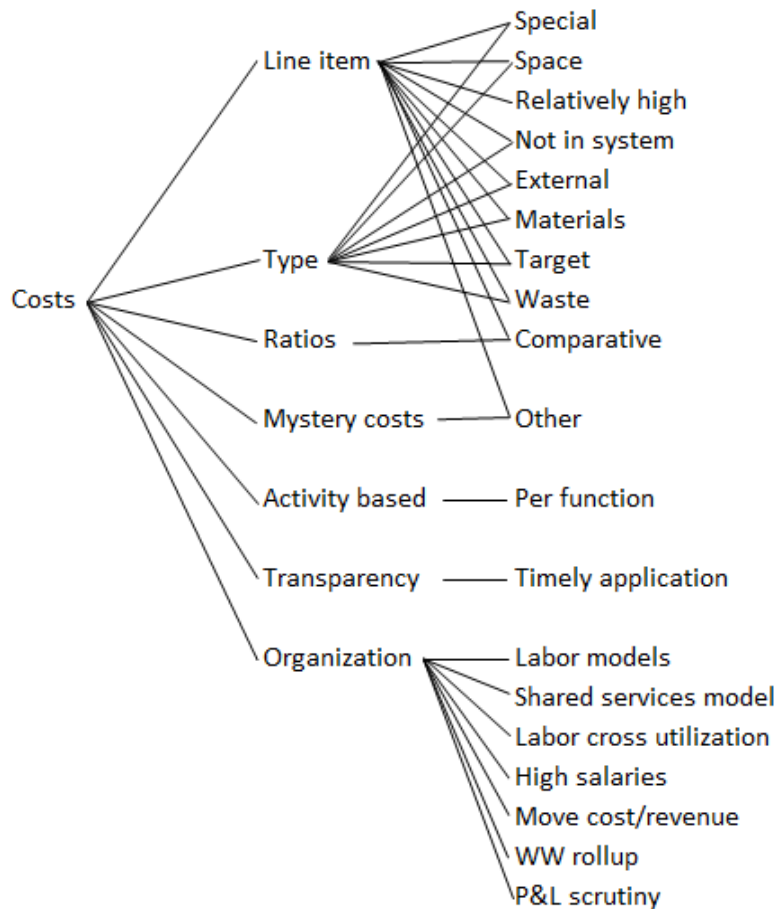


Figure 54. Cost theme map. This figure maps costs as a theme category into descriptive sub-groupings.

In summary, the data suggests that cost awareness and control in a MOS by P&L owners is important for financial performance accountability and control. Clarity around cost allocations driven by a useful transparency can help MOS leaders make timely decisions. This can accelerate positive trends and mitigate the influence of negative trends. Line items in the P&L's contribute to information that is related to a data type, or a variable. These variables can be leveraged to create meaningful performance ratios. These ratios can be exploited for the discovery of best practices that are effective. Typically, a location will have a methodology that could be exploited by other locations for the benefit of that location's profitability. The proliferation of best practice is inhibited when the ratios cannot be used due to accuracy issues. The following propositions summarize the key findings of this section:

- Proposition 108 (comparative ratios): Comparative cost-ratio trend analysis is difficult to leverage if timely posting of accurately-placed cost line items are not made transparent to P&L owners.
- Proposition 109 (value mapping): Cost is fundamentally activity-dependent, where the labor associated with a task must be mapped to the value producing activity regardless of where it came from.
- Proposition 110 (arbitrary allocation): Arbitrary cost allocations used to bolster reporting optics, or delay negative results reporting, obfuscates true performance and the ability to trend deployed cost mitigations.

**Revenue.** Data that related to revenue was coded from the raw data into a representative table, as illustrated in Table 20. The themes that emerged regarding revenue included a number of topics that compromise profitability. For example, there are several value-adding steps that customers are not charged for.

“[Function] for [BU] is being done at cost, so it has a negative impact on [function] margin... I will start the discussion to see how we should make this visible in [the] financials.” (F45)

Additionally, internal departments may ask for services at cost that they apply a margin to and deliver. The department that did the work experienced no margin. To remedy this, the department that does the work may apply a *cost plus* billing model that does not negatively impact the average margin for the business unit. There may be several non-value adding steps that incur cost but not revenue. For example, the storage of assets and delivery activities typically occur without charging for the service. In the case of bundling, services are

consolidated, but the revenue may not track to the effort needed to execute the value-added activity. Eleven themes emerged from the data and are represented in Table 20.

Table 20  
*Revenue Themes*

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Themes
At cost activities
Charge clients
Charge for off-site storage
Combine function revenues
Contract negotiated rates
Cost follow revenue
Cost/Revenue is with product
Delivery fees
Not charging for services
Revenue to other
Cost plus application

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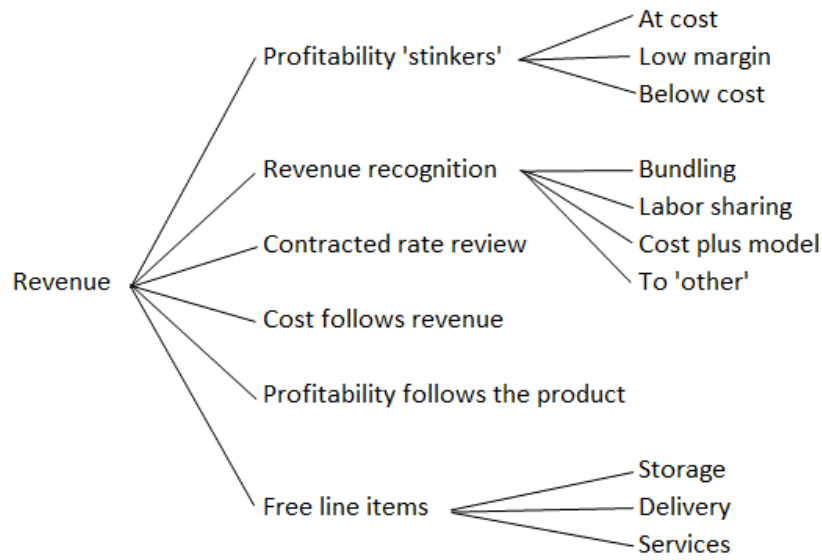
The revenue theme map in Figure 55 includes data that relates to profitability *stinkers*, revenue recognition, contracted rate review, cost vs. revenue analysis, profitability mapping review, and a non-billable line item review. The MOS leaders indicated that it would be necessary to review their purchase orders to find the profitability stinkers. These are situations where effort is expended but the pricing does not coincide with the effort. In some cases the effort is high and the value add is low. This could be a target for effort reduction through streamlining or work shifting. If work is being done below cost and a margin is not possible, it might be worth it to consider making this activity a *loss leader* (service offered with a negative margin that stimulates profitability elsewhere) for another service not realized, or it might be profitable to consider not performing the task at all. Revenue recognition is difficult in bundling sales arrangements. The challenge is the allocation of the revenue fairly. Even when this is done



fairly, it may be realized in a function at a margin less than what that function typically experienced. This then lowers the overall margin as volume increases and is not an incentive for managers to prioritize. When labor is shared, the work that is performed by this labor does not typically experience the revenue that their labor brought into the organization. The sending business may only be allowed to transfer the cost of the labor. Sometimes a cost plus model is used, where the plus part is a percentage above the cost of the labor. This negotiated percentage likely will not contribute to the profitability of the business unit because it is not typically as high as the margin that would be achieved without the work. Revenue may also be derailed to other and disappear, perhaps to fund another area. MOS leaders suggested the contracts be reviewed for operational restrictions. In some cases additional negotiation should have happened, as some requests incur a burden on operations that is not reflective of the value add to the client. Where cost did not follow revenue there should be a correction to align them. Otherwise, reporting, analysis, and performance ratios are inaccurate.

“Another way to confirm this observation: revenue / labor dollar is very high for [location 1] but much lower for [other locations]. Again, opportunity will be at [location 1] and [location 2].” (F53)

The measure of profitability should be attributed to a deliverable product so that the LOB being analyzed will provide a truthful picture of product health. MOS leaders indicated that in some cases deals were made or pricing structures created that made some line items zero cost to clients. With margin erosion, the contribution of one line item with a good margin can no longer carry the line item with no charges. Some examples of this are various services, delivery, and storage. Where the margin has eroded, there should be consideration for charging for line items that previously were free.



*Figure 55.* Revenue theme map. This figure maps revenue as a theme category into descriptive sub-groupings.

In summary, the data suggests that MOS leaders are aware of projects that are challenged to produce a profit. These projects are sidelined and not given priority attention unless the profitability of the work can be altered through an alternative revenue recognition model. Revenue-challenged projects can be proactively avoided if stakeholder involvement can be achieved. These challenges typically are found in line items that are either misunderstood or given away through manipulation by the client. The following propositions summarize the key findings of this section:

- Proposition 111 (pricing effort): The effort needed to establish profitable pricing may not have been expended in cases where free line items exist or price levels are near break-even.
- Proposition 112 (volume accommodation): Pricing strategies may result in margin erosion that may be more than accommodated for by profits from volume.

- Proposition 113 (prioritized profitability): When revenue is reported together with cost, LOB analysis is possible, leading to prioritized profitability enhancements.

**Comparison.** MOS leaders need to be able to compare data to discover opportunities and to understand financial trends. The data can include a number of metrics and ratios, such as financial performance data. In order for MOS leaders to monitor and be aware of their performance, metrics and trends need to be available. There were a number of ratios that were used to build up the budget. These may not have been intentional so ratios need to be calculated. While ongoing trend performance will be better known if the ratios are compared to these targets, transparency and accuracy are needed to make sure that the gaps are known. The metrics needed for comparisons are listed in Table 21, including 25 themes from 28 rich data descriptions.

Table 21  
*Comparison Themes*

Themes	Count
Margin by Service	2
Ratios	2
Salary by Title	2
Capability to Measure	1
Cost by Facility	1
Cost by Function	1
HC by Function	1
Hours used by BU	1
Labor by Function	1
Labor by Product	1
Labor type ratios	1
Margin by Location	1
Margin by Product	1
Margin trends	1
Pay rate by Function	1
Ratio targeting	1

(continue)

Themes	Count
Revenue trends	1
Revenue/Labor\$	1
Scope of Responsibility	1
Seasonality	1
Talent ratio	1
Title Standardization	1
Links to Budgeted Ratios	1
Transparency	1
Trends	1
Total	28

Comparison information is presented in a Figure 56. Comparisons can be broken down into margin, ratios, trends, salary, cost, hours used to do the work, and the capability to measure. The ability to measure needs to be addressed first to enable the other themes that emerged in the data. Margins were broken into two categories, by service or product and by location. This matches the need for a P&L by product across locations and by location across the products that are produced at the locations. The second theme was ratios. Several ratios emerged that relate to revenue, cost, labor, head count, product, pay, and performance. Each ratio used has a target that ensures overall budget targets are exceeded.

“[Ratios] require closer look in all facilities... we are reviewing/correcting this for 2015.”  
(F42)

The third theme category that emerged from the data was trends. An understanding of trends over time, by revenue stream, through seasonal cycles, and due to complexity shifting is critical for forecasting and mitigation initiative development.

“Profitability is on an upward trend in [location]... we need to understand the details around what is driving the significant increases in revenue...” (F1)

Decisions may also be made to exit a LOB or divest a business unit. The fourth theme area is related to labor cost. Salaries are major cost drivers, especially in low material, cost-based manufacturing environments. MOS leaders indicated that salary by title, facility, and scope of responsibility was important to know. Mitigating anomalies relative to an appropriate policy should be planned for. Evolving organizational structures often have title disparities (ex. different titles for the same function) and structural inconsistencies (ex. organizational design flatness). The fifth theme related purely to cost by function. The incremental cost needed to add value should be compared against the amount that the client wants to pay for the billable line item. The sixth emerging theme related to the elemental unit of cost, hours by function, type, and by LOB. The last theme was the ability to measure. The measurement system needs to be accurate and transparent. In many cases inaccuracies become apparent when the information is known to the participants and criticism is received gladly.

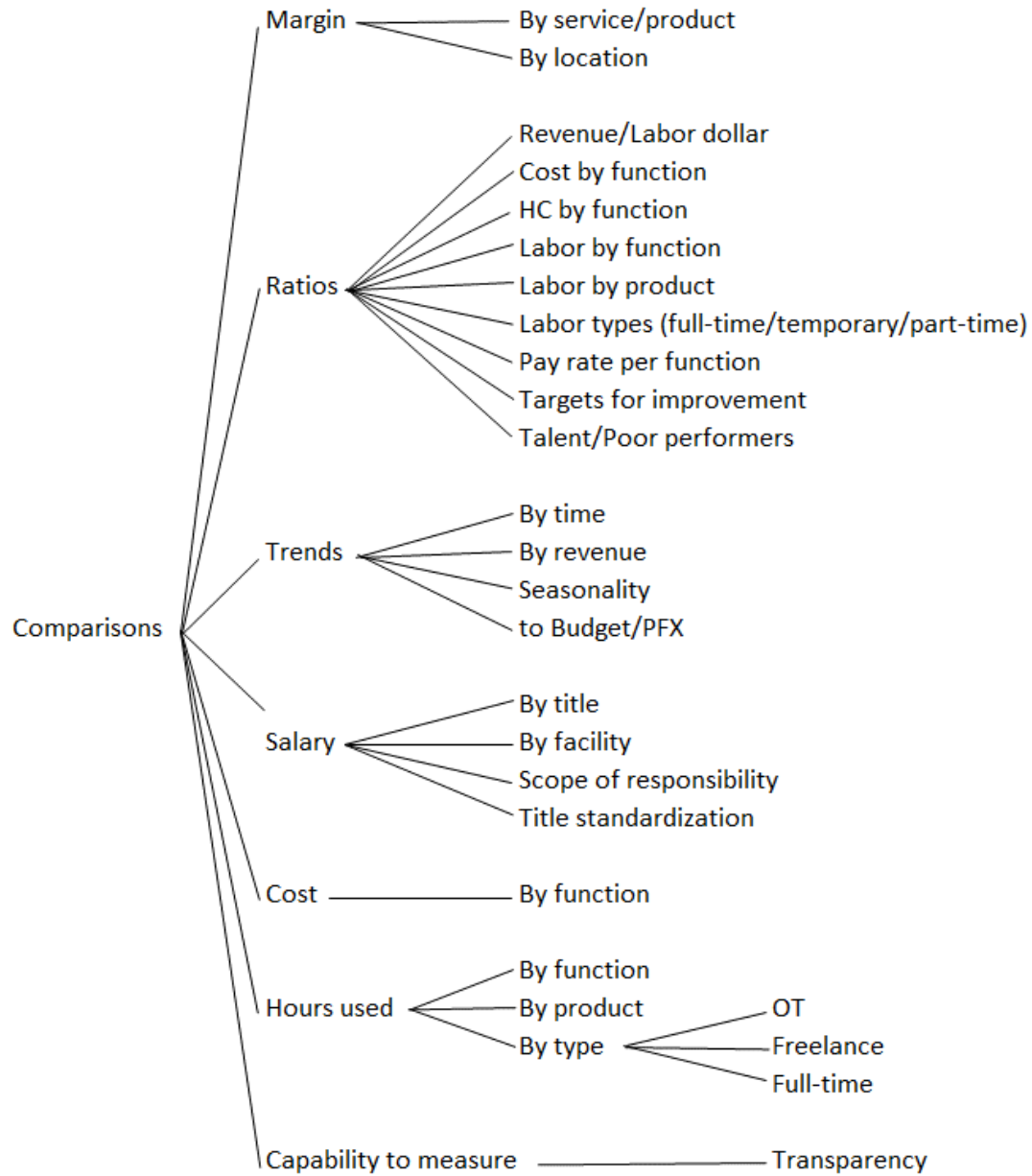


Figure 56. Comparison theme map. This figure maps comparisons as a theme category into descriptive sub-groupings.

In summary, the data suggests that comparisons are very dependent on metrics. The integrity of the metrics and the measurement system is critical to comparison accuracies. Comparisons between locations, by function, and by line of business cannot be effectively done without clarity and accuracy. There is a danger when comparisons are done in an oversimplified manner. Inferences from the comparison tend to be inaccurate. The time needed to correct the

inferences through data reconciliation activities is wasteful. On the other hand, ratios can be very useful for performance monitoring and improvement, leading to profitability in the MOS. The following propositions summarize the key findings of this section:

- Proposition 114 (life-cycle profits): MOS leaders need to know and monitor margins by location, type, and client so that product life-cycles are predictable and so that appropriate pricing strategies can be applied.
- Proposition 115 (meaningful comparisons): An optimal level of granularity and transparency is needed with business unit data such that functional performance comparisons between locations are meaningful and can be leveraged.

**LIMs.** This section discusses observations about various constructs that aided the MOS in being successful by enhancing profitability. It includes both examples and a description of how they work. Literature suggests that lateral integrative mechanisms can augment a MOS's efforts to realize synergistic growth (Hill, et al., 1992; Gupta & Govindarajan, 2000; O'Donnell, 2000). According to De Jaegher and Di Paolo (2007, 2008) the structural coupling between individuals is social if they engender an autonomous dynamic. Coupling, according to Weick (1976) is optimally loose when integrative mechanisms can maintain an identity, uniqueness, and separateness. The looseness of the coupling enhances adaptability to changing conditions (Eisenhardt & Bhatia, 2005). Ideally, a LIM would be autopoietic, able to create and maintain itself, its behavior, its connectedness, its growth, and even react to the need to dissolve, expand, cope, or fold into itself (Capra, 1996; Luhman, 1990; Maturana & Varela, 1980, 1987). This study suggests that the extensive use of integrative mechanisms may not lead to optimal success regarding synergy realization. It rather suggests that LIMs should be selectively applied and that they should be aligned and complementary to optimize the profitability of a MOS. An over-

application of LIMs is a burden to the MOS creating inertia and needless decision-making complexity. An under-application of LIMs also creates inertia as the MOS is under-supported. Stakeholder fatigue then encourages inertia. An optimal combination will match the MUF situation, but will be dynamic in that the LIMs will be transitioned in, transitioned out, or evolved. The data that emerged from MOS leaders suggest that there are three types of LIMs: (a) formal work-structures, (b) shared systems, and (c) cultural mechanisms.

***Formal work-structures.*** Formal work-structures may include prescribed rules, structures, or procedures that coordinate cross-business collaboration. These coordination mechanisms focus on the process of interaction and are a special form of coupling (Maturana & Varela, 1980) that complement the MOS structure by accelerating decision making (Choo, 1998). They promote predictability, shared meaning, purpose, and the perception of problems or opportunities that the organization needs to resolve (Choo, 2002). These mechanisms may have a formal name, membership status, and defined roles. These roles may include responsibilities, reporting relationships, and accountability. The role could apply to a single person, a team, or a board with governance. These structures have the ability to make decisions on cross-business issues. They encourage growth synergy within a decentralized structure by accelerating the organization's ability to collaborate with speed. Secondary decision-making structures bring decision makers together in a structured and focused context. The ability to collaborate and achieve success in this way builds trust between stakeholders. Trust accelerates synergy realization and solves turf disputes (Covey, 2006). It may reduce the need for formal agreements with extensive detail, as both parties know that they have each other's best interest in mind (Dirks & Ferrin, 2001; Ferrin & Dirks, 2003, Jennings, Norman, Faratin, O'brien, & Odgers, 2000). Secondary decision-making structures encourage trust in decentralized structures and



reduce the cost of collaboration. Dyer (1997) suggests that alliances between parties who have established mutual trust help to maximize collaborative value. These structures enhance organizational efficiency by selectively focusing limited attention capacity on prioritized strategic actions. Discussions around opportunities may also lead to the discovery of additional needed actions as participants gain a shared intuition and a wider perspective on addressable markets (Eisenhardt & Galunic, 2000). Knowledge also helps with the more efficient distribution of tasks across involved business. The ability to select initiatives that have the best profitable opportunity may more easily come from engaged cross-business team members. Commitment and cross-business resource trade-offs that leverage strengths may be required to realize the benefit of initiatives (Martin, 2002). Other operational norms and collaborative values guide productive relationships that can emerge in decision-making team members (Jones, Felts, & Bigley, 2007). This culture of collaboration, properly aligned, and executing selected profitable opportunities, will be beneficial to the continuous realization of growth synergies.

Table 22  
*LIMs: Formal Work Structures*

Data Record	LIM Type
L6	Month-end closing protocol
L10	Revenue recognition policy
L11	Location revenue recognition policy
L23	Budget
L29	Platform testing protocol
L30	First article testing protocol
L31	Workflow documentation
L45	MU registration
L46	Location productivity report
L54	Job description
L67	Automated system testing protocol
L76	System feature requirements document
L77	System tool user acceptance test
L78	System feature test QA protocol
L87	Patent registration protocol
L97	Knowledge system document template
L98	System asset capture profiles
L99	Remote login protocols
L100	Work order template
L101	Asset specification template
L102	Delivery notification template
L104	Delivery tool requirements
L105	Location visitors log
L106	System access log
L107	Certificate of destruction
L109	System user access list
L135	Work order (WO) entry procedure
L149	Client on-boarding procedure
L150	MU training certificates
L151	Location network topology
L152	System feature bug tracker
L160	Revenue worksheets
L161	Inventory of material codes

*(continued)*

Data Record	LIM Type
L162	Staffing requisitions
L165	Addressable market analysis
L166	API integrations
L167	Change management protocol
L168	Competitor analysis
L169	Liability prevention controls
L170	Pricing strategy
L171	Product portfolio
L172	Product/Service life-cycle strategy
L173	Quality management system

LIMs, functioning as secondary-operating structures, may improve the implementation of synergy-based initiatives by enhancing cross-business collaboration. Role clarity reduces duplicity of efforts. It also reduces managerial efforts needed to deal with conflict. Deployments in complex environments require clarity and the ability to learn. The effect of this learning is potentially the new and necessary routines that emerge during the evolution of an organization (Benner & Tushman, 2003). Secondary operating structures may serve as tacit knowledge repositories (Jones, 2007) as well as agents of knowledge diffusion (Zander & Kogut, 1995). Domain experience is needed to develop solutions that exploit growth synergy opportunities. The researcher took a snapshot of LIMs put in place around the precipitating event and easily uncovered 159 occurrences, even though many more existed. For purposes of this study these occurrences were consolidated into unique entities and divided into the three categories described below.

***Shared systems.*** Shared systems LIMs helped to facilitate growth and integration. These are listed in Table 23 and include cross-business databases, information systems, storage systems, and other systems that are common across businesses. These systems provide intelligence, real-time tracking of work, and knowledge about how to conduct work. Systems

provide both knowledge exchange and knowledge creation through analysis (Brown & Magill, 1998; Hansen, 2002; Noorderhaven & Harzing, 2009; Tanriverdi & Venkatraman, 2005). Quick decisions in knowledge-rich environments depend on quick access to relevant information. Participants expressed a desire for more information than was available during and after the precipitating event, as this assisted with decision-making accuracy and speed.

Table 23  
*LIMs: Shared Systems*

Data Record	LIM Type
L6	Knowledge Management System
L7	Hardware specifications
L8	Software specifications
L13	Monthly LOB financial packets
L20	Hardware tracking system
L28	Location productivity tracker
L33	Intra-system feature mapping
L34	Intra-system database field mapping
L35	Intra-system feature mapping
L39	Location budget plan
L40	Location budget plan
L41	Location budget plan
L42	Hardware asset inventory
L43	Hardware asset inventory
L47	Function business system
L48	Hardware asset inventory
L51	WW function metrics
L53	Asset aging report
L55	Location asset barcoding metrics
L56	Location asset barcoding report
L57	Location asset inventory
L62	Location asset purge report
L63	Location retention program documentation
L64	Attrition report
L65	Location retention program documentation
L66	Stock purchasing report

*(continued)*

Data Record	LIM Type
L68	Automated system operational documentation
L69	System virtual tour
L70	System embedded rate card
L71	System credentials protocol
L74	System feature mapping
L80	System client view
L81	System scheduling interface
L82	Operations floor control system
L83	System feature
L88	IP management system
L89	Workflow documentation repository
L91	Location quarterly security review
L92	System migration plan
L93	Client audit assessment
L94	System migration plan
L95	Location improvement roadmap
L103	Open work order reconciliation report
L110	Location quality performance report
L112	Specification database
L113	Database user list
L115	ERP floor management system
L116	Asset chain-of-custody report
L117	Location operations productivity report
L119	Location hardware use hours tracker
L120	Location hardware utilization report
L121	Hardware preventive maintenance tracker
L122	Location revenue variance commentary
L123	Location profitability variance commentary
L125	System WO reconciliation report
L126	WO field error report
L128	Location audit report
L130	Hardware inventory system
L131	WW workflow productivity tracker
L132	Workflow hardware refresh tracker
L134	Sales forecast
L136	Open WO report
L137	Client rate card
L138	Rate card analysis report

*(continued)*

Data Record	LIM Type
L140	Service level agreements
L141	Weekly workflow capacity forecast
L142	Off-load hourly reallocation report
L145	MU curriculum
L146	System usage courses
L147	System financial queries
L148	System enhancement queue
L153	Project Management Office (PMO) monthly report
L154	Function capacity ramp tracker
L155	Capacity utilization report
L156	Quarterly cost mitigation plan
L157	Workflow training plans
L158	System consolidation plan
L159	Security control gap analysis
L174	System user interface (UI)

***Cultural mechanisms.*** Socio-cultural LIMs are informal social or cultural mechanisms that may involve vertical and horizontal activities that help to establish and mature the collaborative mindset. This relates directly to significant overriding norms that critical leaders focus on. Many of the cultural LIMs that were established are listed in Table 24. These norms align interests and control behaviors. Strong integration mechanisms support an organizational design that exploits the super-additive benefits of decentralized collaboration and collocated work (Olson, Teasley, Covi, & Olson, 2002). Note that while some of these may appear to be formal work structures or shared systems, they have a shared impact as they facilitate collaboration between MOS dimensions. For example, a client key performance indicator (KPI) dashboard is a shared system that, with transparency, helps all locations that service the client to see where there are opportunities to reinforce success and improve sub-standard performance.

Table 24  
*LIMs: Cultural Mechanisms*

Data Record	LIM Type
L1	Workflow synergy analysis
L2	Sales advisory board
L3	Sector development board
L5	MU course assignment tracker
L9	Labor sharing policy
L12	Offshore utilization report
L14	Horizontal meetings
L15	Vertical meetings
L16	Weekly strategy huddles
L17	Talent review process
L18	Coaching and mentoring program
L19	EU-US strategic bridge
L21	LOB 3 year strategic plan
L22	Off-load analysis
L24	LOB Off-load capability matrix
L25	Escalation contact list
L26	Global Task tracker
L27	Information distribution lists
L32	Business progress tracker
L36	Location operations improvement plan
L37	Location operations improvement plan
L38	Location operations improvement plan
L44	Location audit
L49	Location workflow metrics
L50	RFP
L52	WW function metrics performance report
L58	MOS leader trip report
L59	Intercompany rate card
L60	Best practices documentation
L61	MU course
L72	System training
L73	MU course
L75	System feature gap analysis
L79	System migration plan

*(continued)*

Data Record	LIM Type
L84	System migration plan
L85	System migration plan
L86	Division newsletter
L90	MU function curriculum
L96	Operations function integration plan
L108	Hardware redeployment tracker
L111	Location issue resolution tracker
L114	Hardware inventory list
L118	Productivity metrics target list
L124	Location P&L
L127	Capacity availability report
L129	Division security portal
L133	Sales funnel report
L139	Scope of services document
L143	Management Review
L144	Client KPI dashboard
L163	Communication plan
L164	Mission/Vision statements

In summary, the data suggests that LIMs are prevalent in business transformations. They augment organizational designs by providing structure that can be reused, systems that facilitate growth, and cultural mechanisms that connect and influence dimensional leaders. LIMs are intrinsically synergistic, as they connect dimensions in areas of common interest. Some LIMs are multi-purpose by influencing more than one LIM type. The following propositions summarize the key findings of this section:

- Proposition 116 (*integratively synergistic*): LIMs are synergistic as they connect MOS dimensions in meaningful ways through common interests.
- Proposition 117 (formal structures): Formal structures are required for the coordination and enhancement of cross-business collaboration in an evolving synergistic growth environment.



- Proposition 118 (cultural mechanisms): Socio-cultural activities help MOS dimensions establish and mature a collaborative mindset in a complex environment.
- Proposition 119 (system sharing): MOS leaders benefit from access to meaningful and relevant tacit knowledge and domain experience that can be used to accelerate growth-oriented decision making.
- Proposition 120 (decentralized collaboration): Decentralized collaboration includes business unit autonomy in selecting and implementing growth initiatives, both of which are directly related to growth synergy realization.
- Proposition 121 (mechanism strength): Strong integrative mechanisms applied appropriately and with the right frequency are positively related to continuous growth synergy realization.

**Drift mitigation.** In order to sustain gains made in a MUF, MOS leaders need to be attentive to organizational entropy that could lead to the erasure of performance gains. This section discusses techniques used to mitigate this entropy and allow for ongoing gains to be autonomous. Growth synergies will not be beneficial if the gains made in other related areas are not sustained. MOS leaders need to address the tendency of an organization to drift if they are too effectively led across multiple physical locations. With this in mind, qualitative inputs were collected, coded, and sorted into theme categories and are presented in Table 25. The most frequent theme that emerged from the data was periodic communication. This would take a variety of forms. In the absence of information rumor would replace fact, leading to distraction and poor decision making. The enforcement of values aids with decision making, as it is an alignment LIM even if it happens in unrelated areas of the organization.

“Communicating and enforcing organizational values on daily basis so people automatically follow them while [I am] not here.” (DM70)

Making sure that the right people are aware of business changes was important. Leaving someone off of a distribution list or disallowing information to be available to key talent will result in drift due to a lack of transparency. Many good intentioned actions are not complete due to a lack of follow through. According to MOS leaders, action trackers, including tool development trackers, that are prioritized and appropriately delegated, along with frequent periodic updates, help with this. When dates are in jeopardy, it is necessary to have points of escalation. As the locations are dependent in the supply chain, consistency is also critical. The relationship that leaders have with each other helps with the building of trust that results in lower effort needed for change, communication flow, and peer accountability. This only works if they are available to each other. Reports are critical for communication and awareness. They include location production schedules, performance trends, and metrics. Exceptions need to be investigated with urgency and remedied to avoid performance drift from further non-conformities. If a MOS leader is not available, a #2 will need to make sure that entropy does not occur. Table 25 exposes 31 themes from 99 rich data descriptions.

Table 25  
*Drift Mitigation Themes*

Theme	Count
Periodic calls	12
Value enforcement	10
Distribution lists	8
Action tracker	8
Good relations with location leaders	5
Availability	5
Review location production schedules	4
Report tracking	4
Point of escalation	4
Performance reports	4
Escalation for priority items	4
Delegation	4
Daily follow up	3
Metric reports	2
Follow up with #2	2
Delegate to #2s	2
Daily meetings with key people	2
Create reports	2
1-on-1s with reports	2
WW Communication	1
Tool request procedure	1
Tool development tracker	1
Set expectations	1
Review other facility schedule	1
Review of other facility reports	1
Periodic meetings	1
Immediate investigations	1
Good relations with clients	1
Clear assignments	1
Checks and balances	1
Assign tool owners	1
<b>Total</b>	<b>99</b>

According to data collected from MOS leaders, entropy drift would be mitigated by periodic personal communication. This includes personal meetings, like one-on-ones, daily

follow up, having issues escalated as needed, being added to distribution lists, having a method for cross-business communication, and giving clear assignments. A second critical area for drift mitigation is the culture that is created by the MOS leader. This includes having checks and balances, enforcing values, setting clear expectations, and delegating tasks appropriately. The third area of drift mitigation was related to having or creating the right guiding documents. This includes performance reports, schedules, and action item trackers for each location.

“[I] have a tracker to keep track of WW assignments, action items, and deadlines to complete them.” (DM27)

The fourth area was relationships. Entropy is mitigated when relationships are strong and there is trust. This also applies to external relationships with support functions and clients. The last area for entropy mitigation was response related. This includes the quickness of the response, the ability to follow up with others, the ability to assign tasks, and the ability to assign owners of tools. These relationships are mapped out in Figure 57.

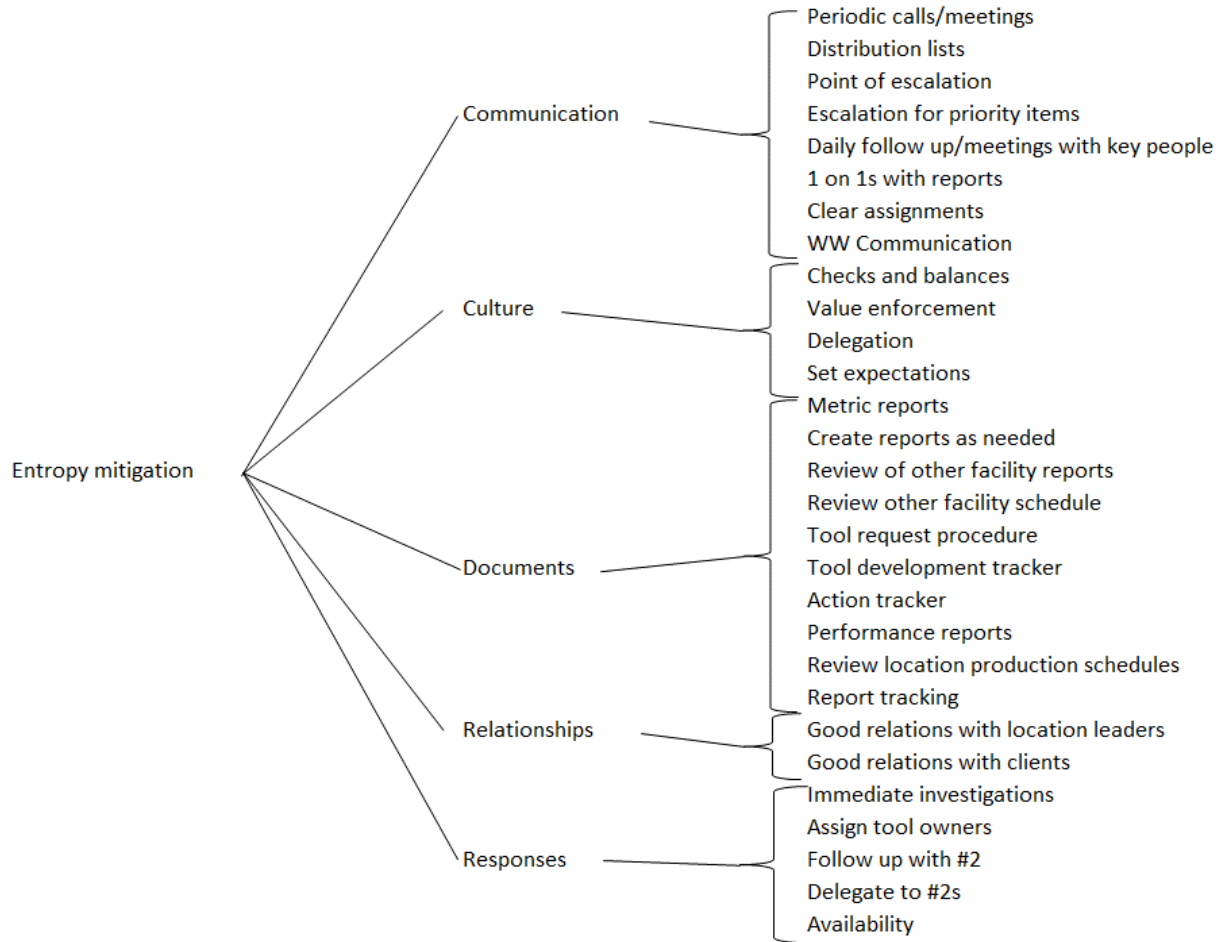


Figure 57. Entropy mitigation theme map. This figure maps entropy mitigation as a theme category into descriptive sub-groupings.

In summary, the data suggests that entropy in a MOS is mitigated by communication, a suitable culture, robust documentation, strong working relationships, and response capability. A robust communication strategy augments awareness that could trigger a mitigating action. Continuous dialog and debate encourages an autonomous culture that makes the right decisions in the absence of the MOS leader, from buy-in to operating norms and executing the vision of the organization. Decisions will be made present in documentation that guides actions. Strong relationships will have fluid interaction uninhibited by fear of retribution should something go wrong. When information exchanged suggests that there is a drift opportunity, it can be

investigated and mitigated. The following propositions summarize the key findings of this section:

- Proposition 122 (movement measurement): The design and strategy of communication can influence entropy rates; however, an existing reference for movement can be used to measure expectations against the values of defined variables to expose the drift rate.
- Proposition 123 (reaction speed): Performance reports are snapshots in time that are a delayed rather than an instantaneous means by which a reaction can ensue.
- Proposition 124 (integrating relationships): The ability to timely mitigate undesirable drift is enabled by relationships built on trust and accountability.

**Focused action.** Taking steps to significantly reduce noise in the environment aided the stakeholders in redirecting and focusing mental attention on the purpose of executing focused action (Fiol & O'Connor, 2004). Action needs to be selective and intense in an environment where the results would clearly be visible. The MOS had to be nimble to capture opportunities before competitors were able to pull them away. In order for MediaCorp to achieve sustained corporate advantage, it had to execute a sequence of steps for each opportunity including: the identification of opportunities, the selection or prioritization of the opportunities, and the subsequent exploitation of the opportunity. The exploitation would need to include energy optimization through prioritization, resource allocation, value creation, plan clarity, and purpose clarity. Energy is strategically allocated to accomplish tasks that optimize profitability. The strategy was directional leveraging strategic complementarity as it was focused on profitable opportunity. Four organizational themes are patterns in the data that emerge as critical roles in profitable growth including (a) the MOS, (b) finance, (c) LIMs, and (d) corporate, as shown in

Table 26. Each role element will be discussed individually. Theme categories within each of the four organizational categories are listed within the table. They are listed in order of frequency of occurrence. Preexisting data was retrieved from action trackers during the timeframe around the precipitating event. The list of selected and focused actions included 325 items that were coded into 358 rich data descriptions divided into the four organizational categories mentioned above.

Table 26  
*Focused Action by Category*

Themes	Corporate	Finance	LIM	MOS	Total
Synergy			1	74	75
Support	4		6	64	74
System			63		63
Savings		26		2	28
Report	1	3	13		17
Analysis		12	2		14
Tracker			12	1	13
Knowledge	1		9	1	11
Client		2	3	4	9
LOB				9	9
Strategy	1			7	8
Plan		4	3		7
Assets				6	6
Budget			4		4
Property	3				3
Allocation		2			2
IP			2		2
Policy		1	1		2
Scaling				2	2
Audit			1		1
Controls			1		1
Job Description			1		1
Metrics			1		1
Quality			1		1
Rate card			1		1
RFP			1		1
Training	1				1
Workflow			1		1
Total	11	50	127	170	358

**MOS action.** In a MOS, selective task identification is possible as local opportunities are the focus of local business unit leaders. These leaders can establish the scope of the opportunity as they are in direct contact with the prospective client. As they are local, they can give focused attention to the client in order to benefit from the discovery. The MOS achieves the local market



benefit through the selection of the opportunity. MOS leaders in the know can control corporate perceptions and bias about complexity and infrastructure, as examples, around the opportunity. As local and product leaders understand the market, they can also control self-cannibalization through the opportunity selection, or even the sequence. The MOS leader can exploit the opportunity by creating local capability to meet expectations with regard to requirements, timeliness, and capacity. They need to minimize the internal and external induced inertia so that the opportunity does not disappear. The team needs to be aligned to expedite the achievement of profitable revenue streams when they present themselves.

Focused MOS-related actions are illustrated in three figures below. In the first illustration, Figure 58, focused action in the MOS includes actions in eight theme categories. The first is the use of trackers to assist with expansions. The second is actions regarding assets that include the proliferation of best practices, the improvement in utilization of assets, profitability enhancement by charging for asset-related billing line items, and the reduction of the cost of storing assets. The third is focused action related to the client. This includes a tracker that lists client actions. With the outward facing dimensions of the MOS, a rate card design can be exploited. There are also opportunities for increased profitability. The MOS dimensions are helpful in *horizontalizing* best practices. The LOB dimension of the MOS experienced focused action related to consolidation of disparate organizations and the integration of new organizations into the existing structure. Within each LOB there are opportunities for performance review and cost reduction activities. In general MOS leaders pursue cost mitigations while scaling to increase revenue. Strategy is a focused action driver that included the 1MC initiative, drift mitigation, exploiting locations and roles, and improving on profitability.

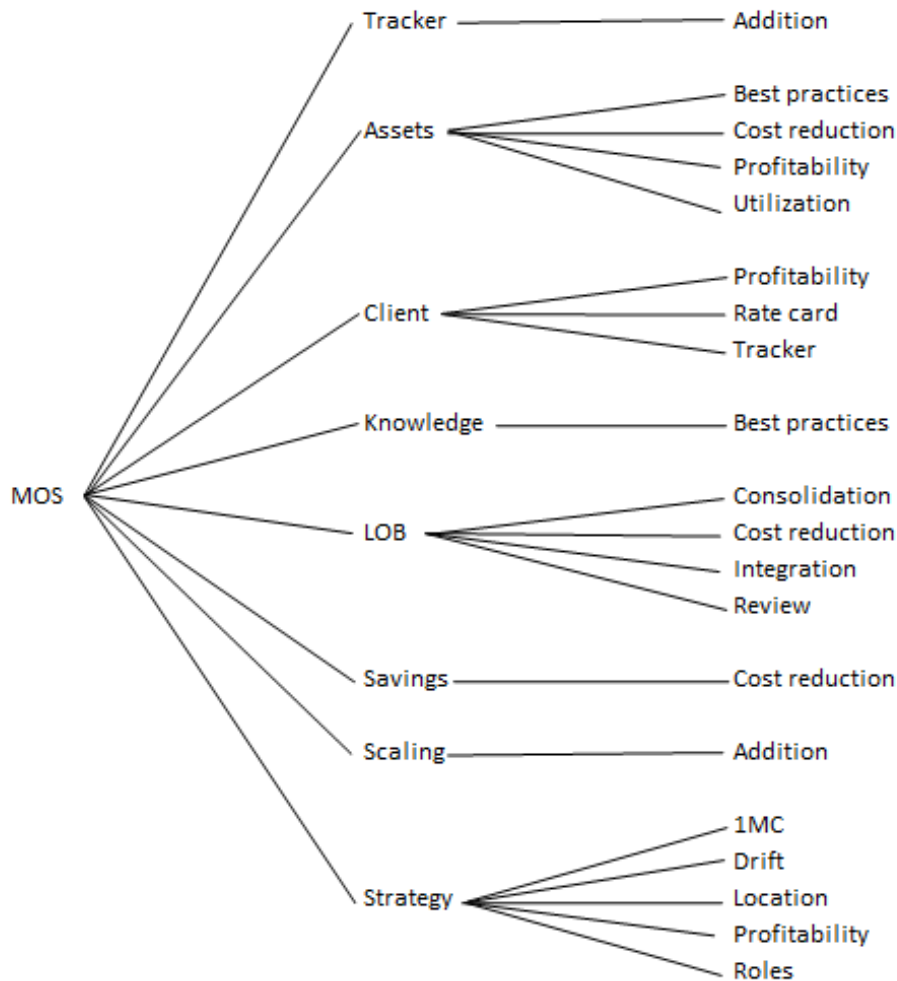
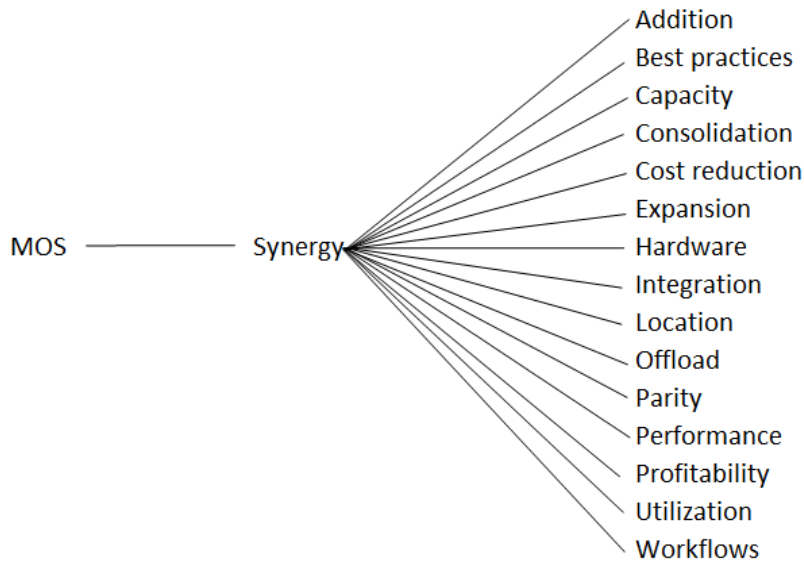


Figure 58. Focused action: MOS. This figure maps MOS as a theme category into descriptive sub-groupings.

The second illustration, Figure 59, shows the synergy aspect of focused action in a MOS. There were 74 rich descriptions that emerged from the data that were synergistic. Synergy enables the addition of other business units, the consolidation of business units, the expansion of existing business units, the off-load to other business units, and the better utilization of existing locations, workflows, and hardware.

“[I] lead UK and European efforts of getting equipment into [system] using [location] standard to help leverage existing inventory in the region for cost reductions.” (SF283)

Synergy helps with the spreading of best practices to establish performance parity. It also helps with cost reductions and overall profitability.

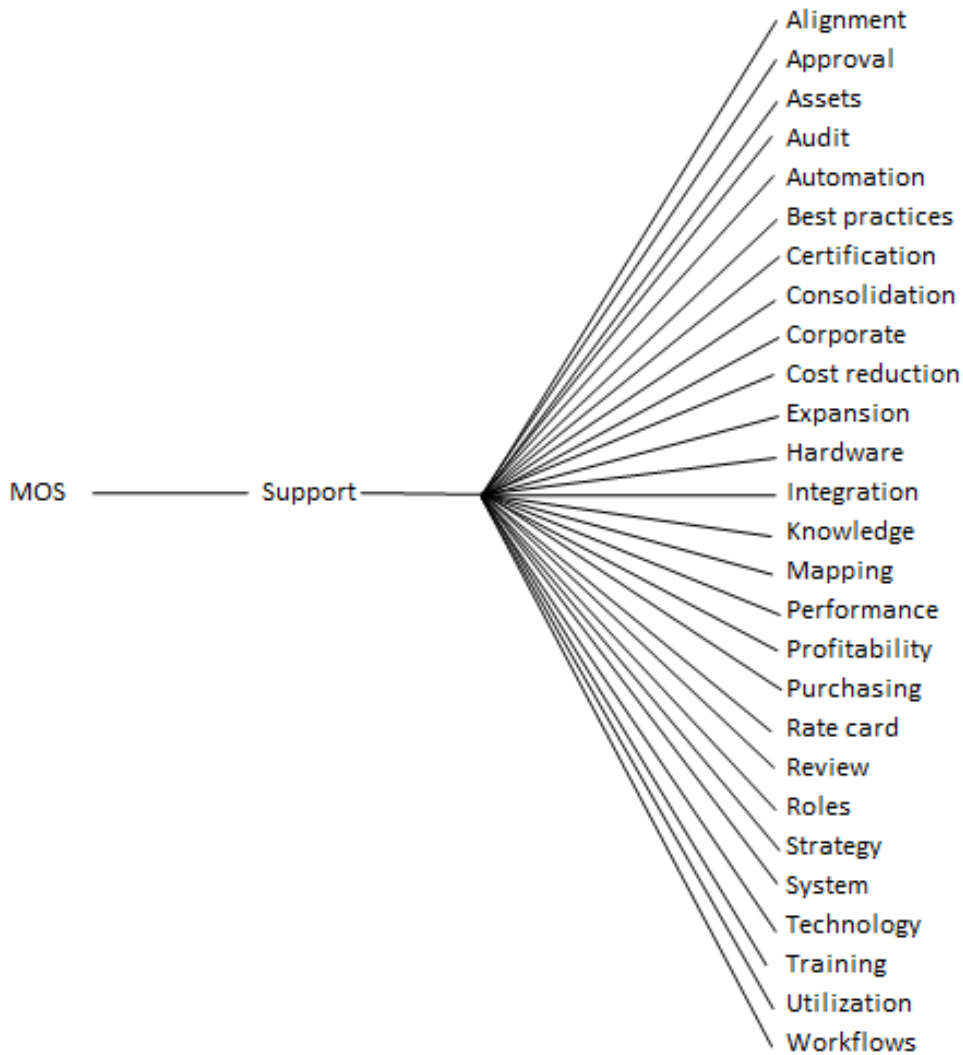


*Figure 59.* Focused action: MOS synergy. This figure maps MOS synergy as a theme category into descriptive sub-groupings.

Focused action in the MOS includes supporting synergistic profitability. There were 64 rich data descriptions that emerged from the data as illustrated in Figure 60. The MOS had focused action that supported alignment. Alignment included supporting best practices, industry certifications, knowledge exchange, training materials, and strategic plans. The MOS also supports getting approvals for resources, for automation needs, for technology, systems, new roles, performance information for reviews, and accurate accounting mapping. Focused actions in the MOS occasionally involved corporate approval. Scaling was supported by the MOS as leaders put forward ideas regarding consolidations, expansions, integrations, and better utilization of resources through synergistic tasks.

“[I] outlined a plan for integrating [LOB] capabilities so they can be leveraged more effectively by US operations particularly in support of [location LOB] workflows done by [division].” (SF290)

Ultimately, the goal was improved profitability through the realization of synergistic growth.



*Figure 60.* Focused action: MOS support. This figure maps MOS support as a theme category into descriptive sub-groupings.

***Finance action.*** Finance, as a support function, has a critical role in successfully completing focused actions that result in the realization of growth. They may present trends that lead to the discovery of opportunities. They facilitate the allocations of costs and revenues that are present in the production network. A local business unit may discover a growth opportunity that is beyond their capability. The MOS is an advantageous organizational structure in these cases as the capability to perform is in the network and can be exploited through the MOS

structure. Finance facilitates the need for self-interest-based motivation by ensuring the business unit that discovered the growth opportunity is rewarded for doing so. Finance, through reporting, provides ratios that guide the geographic leader by providing performance feedback. This allows for immediate mitigation.

“[I] ensure that financial modeling capability is present for quick analysis.” (SF337)

The selection of the opportunity is aided by the provision for capital that enables the network by making technology or capacity available. This funding is validated as necessary through tools like value stream mapping and feasibility studies. The opportunity is then exploited with the help of finance as they provide review information about the contribution of the opportunity. A valid track record of success as measured and presented by Finance helps to create growth momentum.

The focused action tracker provided 52 rich data descriptions in seven theme categories. The first theme category related to focused action regarding establishing policies for revenue recognition and cost allocations. Furthermore, assets were used by various business units. The cost to store these assets needed to be allocated to the business units. An allocation strategy was a focused action item that was deployed. Finance provided analysis for the MOS. Focused action in this area included budget analysis, LOB profitability analysis, cost and revenue allocation, P&L reports, and other reports. Finance assisted with client financial issues that helped with profitability. This included assessments of billing line items that were omitted and opportunities for increased profitability. It also included actions associated with budget and cost mitigation plans. Alignment in the financial reports helps with the analysis of workflows and functions as they can then be compared like-for-like. This helps to uncover opportunities for improvement. Reports also help to create alignment around cost effective methods; however, reports are only effective if they are similarly mapped. Reports, and the associated analysis, allow finance to

discover and assist with savings initiatives. Consequently, focused actions, as illustrated in Figure 61, included the reduction of asset costs, automation, the sharing of best practices, and the better use of hardware, materials, and labor together with cost reductions and the elimination of waste.

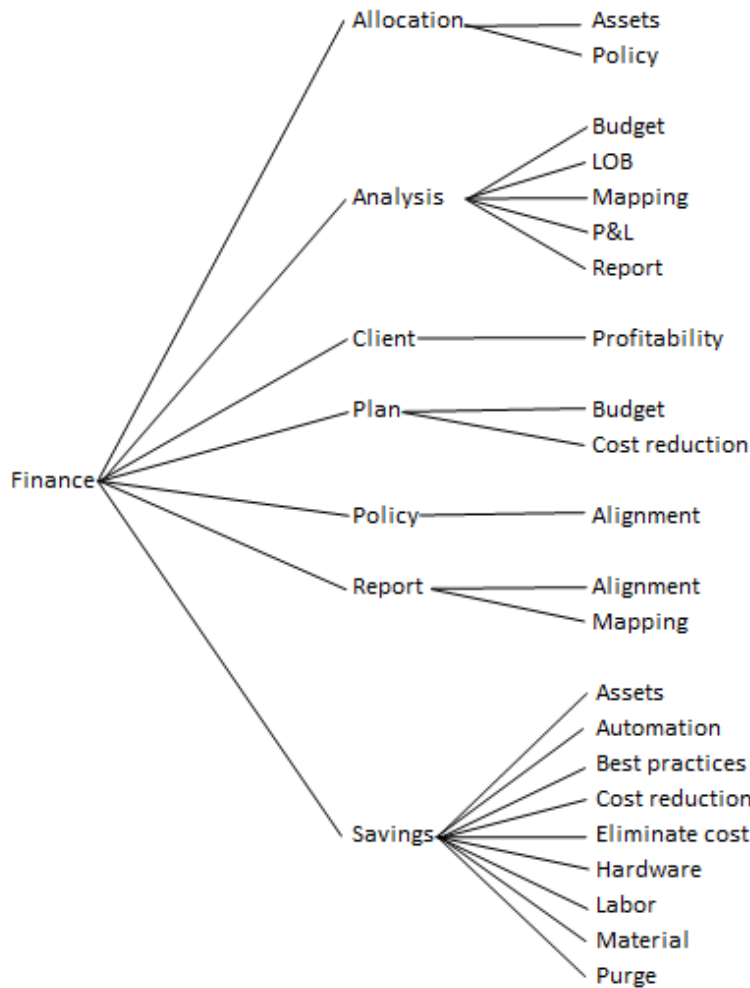


Figure 61. Focused action: Finance theme map. This figure maps finance as a theme category into descriptive sub-groupings.

**LIM action.** Lateral Integrative Mechanisms help to sustain the realization of growth synergies because they strengthen organizational constructs by making it capable. LIMs enable the sharing of knowledge that makes the production network capable and so available for opportunities discovered. They compensate for the *ripple effect* of the intrusion that is the

opportunity. For example, the temporary increase in capacity consumption to exploit the opportunity is compensated for through load balancing mechanisms or the introduction of new technology.

“Provide weekly capacity remaining report for major workflows [LOBs].” (SF301)

The new technology may come through a community of practice LIM. The selection of opportunities can be influenced by the mutual gain of the MOS in relation to objectives set in strategic plans. The MOS can enhance the selection of opportunities by optimizing them. This may include upselling, fulsome rate structures, and opportunities for overages. The collaboration of MOS leaders, who are interested in profitable growth, is a super-additive as it focuses constructive attention on the local business unit to enable growth.

“[I initiated an] upselling strategy and training for operations... met with the team to discuss further and roll out to locations.” (SF274)

The needed collaboration and transparency within the MOS are enabled by LIMs such as ERP system reports, strategic huddles, or technology groups. A total of 127 rich data descriptions emerged from the data as illustrated in the following three figures.

In Figure 62, a number of LIMs are illustrated. Focused actions in the LIMs include the ability to accomplish analysis. The analysis actions allows for the creation of metrics and the use of them to help with off-loading within the production network. The industry that MediaCorp operates in requires significant security controls. These are validated through internal and external audits. Financial focused actions include creating budgets and operational plans that support them. Related are client actions that include forecast trackers, rate cards, and predicted profitability. Actions were listed that related to creating parity around controls in all locations. Technology is a dominant theme in actions that require intellectual property (IP) protection. As

the MOS expands, job descriptions are LIMs that have to be created to establish the list and segregation of duties, thereby enabling accountability. A learning organization has tasks associated with knowledge creation and distribution. LIMs are needed to help the LOBs consolidate and integrate. LOB information helps with financial performance reviews as it reveals the influence of cost reductions. There were focused actions that included creating reports with relevant metrics. Plans for LOB enhancement included off-load plans and escalation to help with moving actions forward. LIMs included policies that were created to govern the control of assets, for example. The quality system enabled reliability. Rate cards were created for intercompany work that benefitted other divisions and protected P&Ls where the work was done. LIMs enabled synergy utilization through workflow reports.



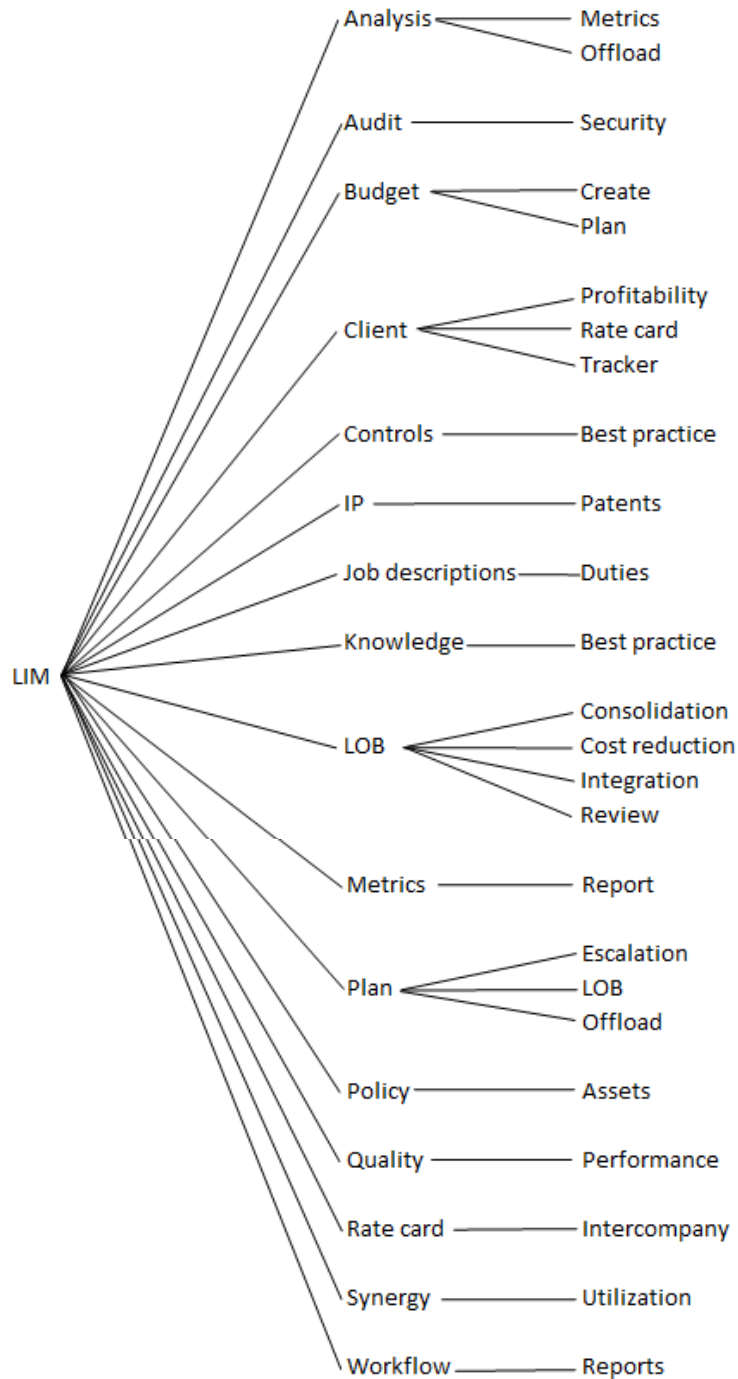


Figure 62. Focused action: LIMs. This figure maps LIMs as a theme category into descriptive sub-groupings.

Other focused actions through the LIMs related to the creation of reports, support, and actions related to creating action trackers. Knowledge oriented LIMs are illustrated in Figure 63.

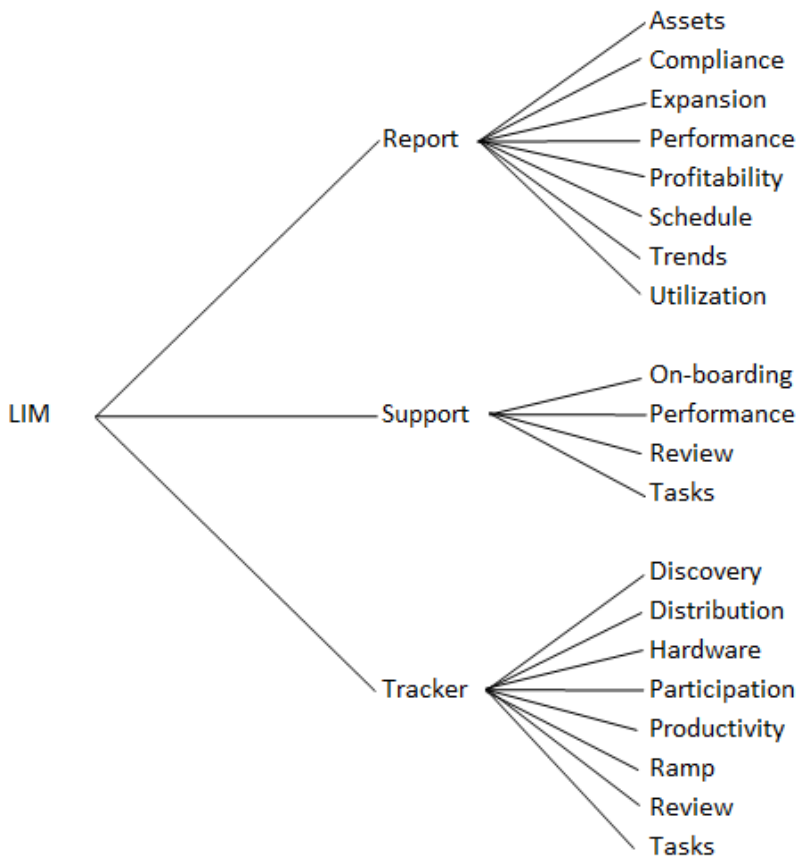
Reports that were created helped MOS leaders to know about progress and real-time status.

Reports related to the status of assets including aging, counts, and inventory accuracy. Audit reports showed compliancy. Roadmaps helped MOS leaders know if they were on schedule with regard to expansion projects, schedules for work, and trending analysis for forecasting purposes. Reports helped with performance awareness, including profitability. Focused actions included support activities, which included client on-boarding activities, support for performance related tasks, the status of tasks themselves, and reports that helped with the review of statuses. The last area of focus action that is influenced by LIMs is the use of trackers. Trackers include discovery roadmaps augmented by market analysis. Trackers are roadmaps that were used to monitor status on roadmaps. Trackers show capacity ramp-ups and performance or productivity.

“[I] participate in unified productivity tracking WW as well as provide regular updates on available capacity for primary workflows.” (SF284)

“[I] establish capacity targets desired and ramp-up schedule for each.” (SF344)

Lastly, trackers can show resource allocations including hardware. Resources can be redeployed to fulfill capacity needs at any location.



*Figure 63.* Focused action: LIM knowledge. This figure maps LIM knowledge as a theme category into descriptive sub-groupings.

The last figure that illustrates focused actions includes LIMs that relate to systems. This is shown in Figure 64. Systems are prevalent LIM at MediaCorp.

“Many ERP enhancements are in the queue which will increase productivity.” (SF327)

Focused actions regarding systems were numerous and significantly influential in the transformation of MediaCorp. Tasks related to the uniform use of systems help with alignment between and within facilities. Systems assisted with the tracking of assets. Systems were critical for the deployment of automation and they enforce best practices by embedding them into the workflow. When business consolidations or integrations happen, the new business embraces the new system, and benefits from it.

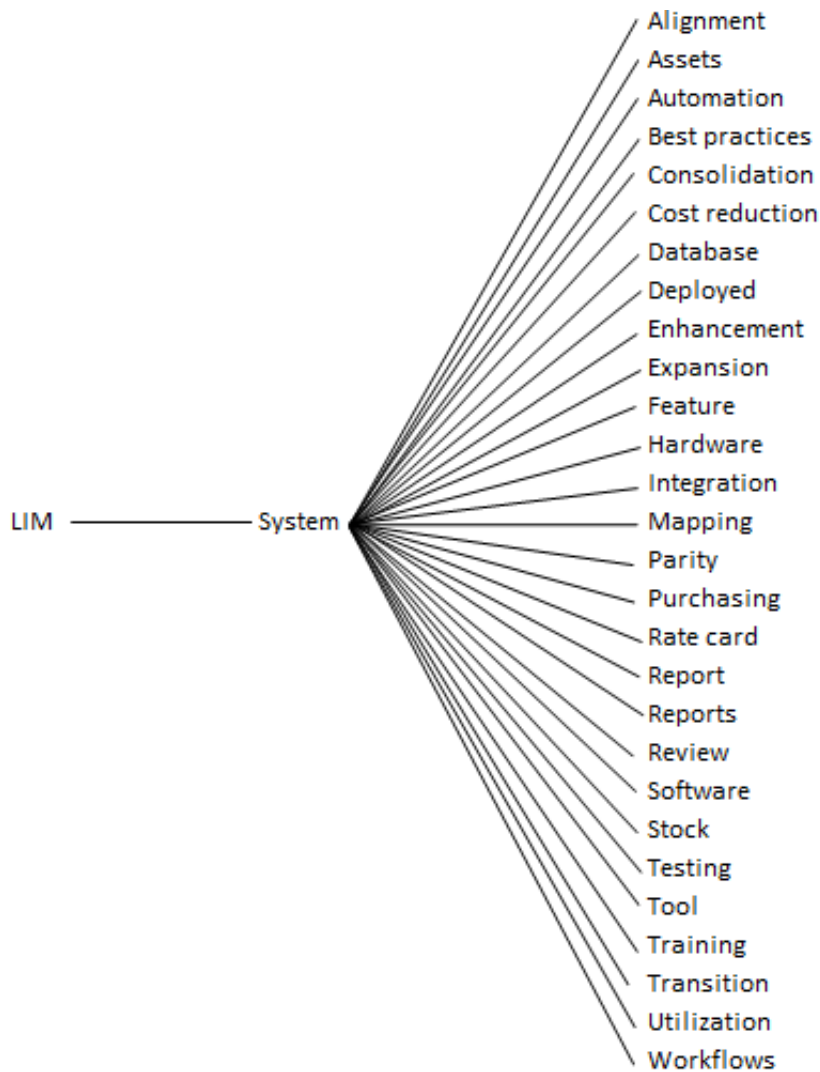
“[Client name] has client view access and will review prior to [LOB work] being done.”

(SF159)

Systems assist with cost reductions as they eliminate wasted effort. System databases allow for the storage and retrieval of important information. System enhancement lists were large; however, when enhanced features were rolled out, the benefit was significant to financial performance. The systems supported global purchasing that saved money on materials.

“[Location] is paying outrageous prices for stock... [they] will start ordering stock through my team.” (SF105)

Additionally, systems helped with servicing clients by managing workflows and the rate cards associated with them. The system supported MU used to collect and distribute information. Reports were built and retrieved for analysis and review of workflow performance.



*Figure 64.* Focused action: LIM's system. This figure maps LIM systems as a theme category into descriptive sub-groupings.

**Corporate action.** Lastly, Corporate assists with focused action. Corporate makes sure that business units understand their targets for financial performance and sets the strategic plan. This focuses business units on opportunity discovery. Corporate provides information about where the business unit is relative to goals, and where they need to be. They may provide guidance and reference information regarding discovery opportunity and connect local business units with critical contacts. Corporate assists the MOS by providing information about the value of the benefit hoped to be achieved from the opportunity. They alert the MOS about negative

impacts that are about to surface. For example, an opportunity may consume a large amount of infrastructure that would be needed for other growth opportunities. The ratio between cost and benefit help local leaders to understand the differences between opportunities and aid in the selection or prioritization of them. Corporate accelerates the exploitation of opportunities through motivation. The self-interest of MOS leaders is achieved through the reward system that corporate puts in place. The outcomes from objectives need to be connected meaningfully to the reward system. This helps with the alignment of MOS leaders and encourages them to contribute to the production networks' capability to exploit growth opportunities.

Corporate helps with knowledge distribution by providing performance reports that relate to profitability as illustrated in Figure 65. They deal with physical property. This included the consolidation of properties and the expansion of properties. Additionally, properties were set up and run based on best practices. Corporate reports were set up for performance analysis. These reports indicated if strategic actions were successful. Corporate assisted with strategic plans that improved utilization. Corporate tasks included support for space, information, and trend mapping. And lastly, corporate assists with training that improves efficiency and so profitability.



Figure 65. Focused action: Corporate theme map. This figure maps corporate as a theme category by breaking it into descriptive sub-groupings.

The purpose of focused action, as illustrated in Figure 66, was to realize synergistic growth. Generally, opportunities were identified, selected, and then exploited. As per the mapping described above, focused action was divided into four categories: MOS related, finance related, LIM related, and corporate related. Opportunities were identified through a discovery process. For MOS items, discovery occurred through creating an optimal scope and disallowing scope creep. Discovery originated in local markets and was given focused attention. Financial discovery happened through financial ratios and trends after the correct allocations were made. LIM discovery happened through the collective attention of MOS leaders. The impact of actions needed to be controlled. For example, a communication plan helped to reduce the negative impact of an information vacuum. Corporate discovery occurred with the awareness of goals, the knowledge of a baseline, and what it would take to close the gap.

The selection of tasks helped to create focus and impact. Selection in the MOS was oriented around local markets and sustained corporate advantage from these opportunities. The exploiting of local markets can cause cannibalization for other locations and this had to be

watched. Additionally, corporate bias needed to be checked as expectations from corporate on profitability and the support needed to achieve margin were oversimplified. Financial selection was driven by value-stream mapping. This focused action on the items that created value for customers. They paid more for this, enabling enhanced profitability potential. If achieving customer expectations was questionable, finance could assist with a feasibility study.

Furthermore, they could help with the capital investment needed to achieve workflows that could meet expectations. LIMs assisted with selection as they were able to optimize impact. This might happen through the sharing of information that could lead to the exploitation of synergistic capacity. The mutual gain and potential achievement of cross-unit objectives of multiple functions or business units brought more entities, expertise, and capacity to the opportunity. Corporate enabled focused selection by minimizing any negative impact of capital investment on the P&L, for example. Analysis of the cost and reward ration assisted with the selection of the opportunities with the best profitability. Having this prioritization methodology pushed the profitability of ventures pursued higher. With these analyses in hand, outcome values could be predicted and support granted to realize the profitability opportunity.

The exploitation of synergistic opportunities resulted in higher sustained corporate advantage in relation to the resources applied. The alignment of the MOS structure within an entrepreneurial culture minimized organizational inertia. The structure and capability of the MOS was brought to bear on the opportunity. Local leaders were then very capable to exploit the opportunity.

“[I] provide commentary on monthly financial reporting to help more effectively understand market changes and workflow trends from a local perspective.” (SF296)



Financial review by looking at workflow components and throughput metrics has made it easier to establish price points. Typically each deliverable at MediaCorp was unique. The incoming assets were of different component types and different material. A workflow may have been used repeatedly, but with the asset uniqueness, simple automation was not possible. This presented pricing challenges. The pricing typically was *situational* and this discretion had to be monitored. Metrics from similar workflow or component sub-assemblies could be used to determine optimal pricing strategies that resulted in optimal profitability.

“[I] identify items that are not charged for or items in package pricing not charged for, to recover some historical ‘giveaways’ on low priced items.” (SF291)

LIMs aided with transparency by providing system-based intelligence. Problem solving teams reduced waste and cost in workflows, thereby increasing the competitiveness of MediaCorp. Other LIMs were employed, usually systemic, to monitor work through workflows designed for requested deliverables.

“[I] participate in projects to align [system] work order entries to one-another in the three major WW locations to get data points into parity.” (SF297)

Corporate assisted with profitability by aligned reward systems with achievement. An entrepreneurial culture is significantly energized by the opportunity to be rewarded for profitability achievement. Reward systems also motivate alignment of purpose and encourage leaders to collaborate in order to achieve desirable outcomes.

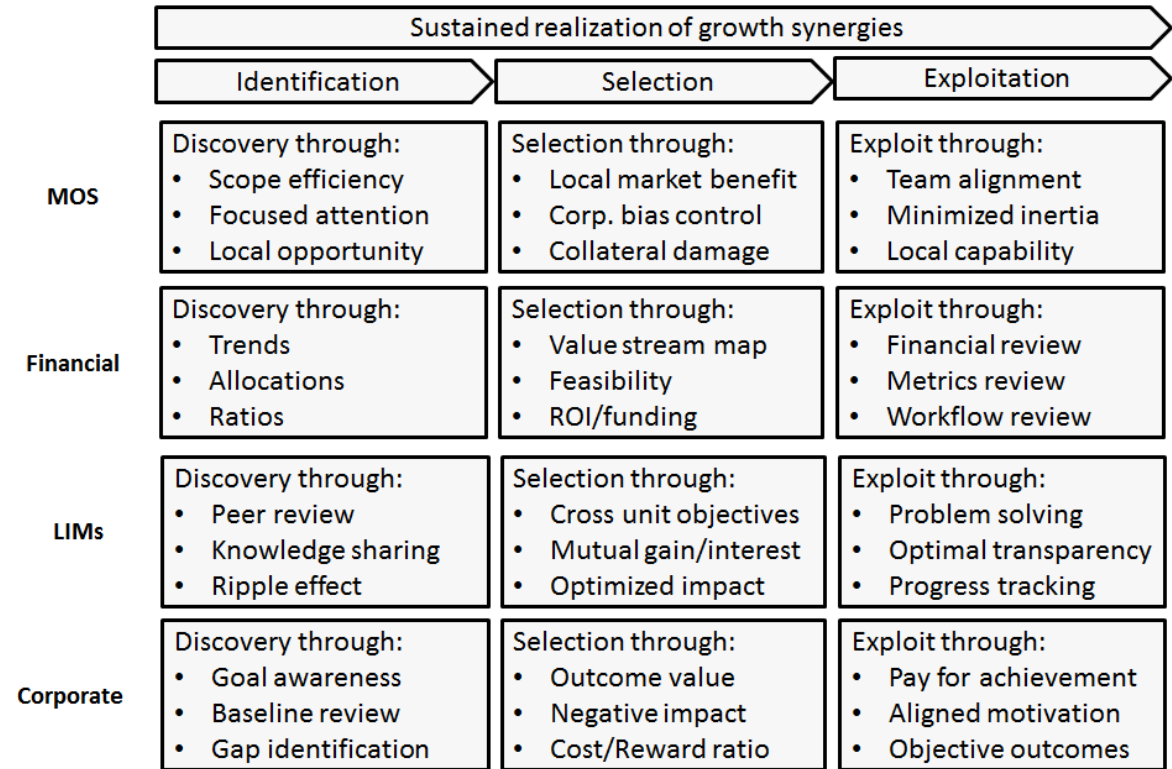


Figure 66. Focused action. This figure illustrates the progression from identification of an opportunity to the exploitation of the opportunity within five domains.

**Organizational aspects.** The continuous realization of growth synergies is associated with a selective focus on growth synergy opportunities, including those that link directly to corporate advantage, those that are narrow in scope over cross-business domains with high growth potential, and those that have horizontal cross-business opportunity that guide the continuous exploitation of these domains to stimulate profit enhancement (Bellis 2012). The continuous realization of growth synergies is also associated with an organizational design that promotes decentralized collaboration; healthy, unit, self-interest; and includes a culture of honesty and mutual support (Ansari, Schouten & Verwaal 2006). Such an organization would need design elements that include decentralized collaboration, strong financial controls that focus on business-specific performance and targets, corporate-level incentives that are meaningful, strong integration mechanisms with formal structures, operational norms that are enforced, and a

culture that promotes success-promoting behaviors. Finally, selective focus and decentralized collaboration combine into a model of guided and balanced self-interest, which is promoted by corporate leaders that establish effective motivational incentives. This is a reward system that promotes the guided evolution of the organization through growth synergy initiatives.

*Strategy and execution.* MediaCorp strategy is driven through the discovery and execution of opportunities. Transparency is provided through the use of strategic task trackers and periodic progress reviews. To ensure that margins are improved, strategic action may include business reorientations, megatrend exploitation, portfolio-expanding innovation, customer enquiry for opportunity, talent optimization, and penetration initiatives. Storefront location managers were liberated to oversell capacity. Products or services managers had to optimize product profitability by relocating capacity. Support function leaders were able to standardize and redeploy hardware, software, and storage, and optimize the performance of systems in all locations. Sales leaders were able to exploit all opportunities for existing and new customer spends.

In summary, the data suggests that action, when selected and focused, can achieve high levels of profitability for multi-unit firms. The organization design that is described by the MOS is ideal for the discovery, prioritization, and exploitation of profitable opportunities. Financial support encourages action through measurement, monitoring, and rewarding achievement. Finance also provides analysis that supports capital investment, appropriate pricing, and profitability monitoring. LIMs add to the structure of the MOS and support profitable growth. LIMs help with the sharing of knowledge, gain across the organization, and transparency. Corporate provides strategic awareness and the gap between current reality and expectations.

Corporate can also assist with reward systems that guide the right behavior. The following propositions summarize the key findings of this section:

- Proposition 125 (nimble construct): The MOS is a nimble organizational construct that can effectively exploit focused action to realize synergistic profitability.
- Proposition 126 (mutual profitability): A sequence of tasks, quickly discovered and effectively executed, can lead to mutual benefit between business units that collaborate.
- Proposition 127 (economized energy): Energy consumption, aligned to realize a local synergistic opportunity, is minimized in a MOS augmented by LIMs and supported by the corporate center.
- Proposition 128 (intrinsically aligned): A MOS is intrinsically aligned as the structure that is connected and through which tasks are shared by relevant functions needed to achieve growth synergies.
- Proposition 129 (scalable synergy): A MOS can drive synergistic focused action that, when exploited, can realize scaling that includes expansion, consolidation, and the integration of business units.
- Proposition 130 (evolving mitigation): A MOS can be leveraged to support cost mitigation through a continuously evolving organizational effectiveness that is superior to that of competitors.
- Proposition 131 (inspiring finance): Finance, as a supporting function, augments the self-interest in a MOS by promoting performance transparency and inspirational reward systems.

- Proposition 132 (monitoring mechanisms): LIMs augment the MOS's ability to realize synergistic growth by focusing action execution through collaborative task monitoring mechanisms.
- Proposition 133 (super system): The ERP system, a significantly influential LIM, is a super-additive, as it enables scalable organizational efficacy by promoting cost effectiveness, transparency, and workflow control.
- Proposition 134 (corporate resource): The corporate center provides relevant information needed to exploit resources effectively in fulfillment of MUF strategic objectives.

**Summary of endogenous data.** In summary, endogenous data related to information collected from participants and preexisting data regarding the MUF. This included information about the roles of the MOS, the corporate center, and LIM structures. Specifically, the MOS included the four dimensions: LOB leads, location leads, support functions, and client functions. Endogenous data also included information about products and services for sales and workflow channel clarity. MOS leaders contributed experiences about synergistic growth that they learned before, during, and after the precipitating event. These were both positive experiences and experiences that should not be repeated. As MUFs are driven by profitability, financial reporting must be aligned and accurate. Opportunities to ensure that this happened were discovered and provided by MOS leaders. Behaviors in the MOS were then discussed. These included collaboration, drift mitigation, and focused action.

### **Exogenous Data**

The exogenous issues are areas of influence that are external to the MOS. This section is divided into six focus areas. The first relates to the impact of megatrends on the products and

services at MediaCorp. An awareness of the consequences of these trends informs mitigations and opportunities for growth. The second focus area is the growth strategy. This is an outward facing strategy topology that was deployed to achieve desired financial outcomes. The third area is data related to market penetration. The key to getting access to pockets of revenue in this industry is to break through customer silos. The fourth focus area external to the MOS is the design of the corporate center. This data includes information about support roles such that growth synergies are experienced with minimal inertia from corporate. The fifth relates to externally-oriented selected and focused actions. The sixth is concerned with the alignment strategy of the IMC initiative. These areas all relate to the ability of the MOS to expand or scale.

**Megatrend impact.** In any business environment megatrends affect the behaviors of dynamic markets. In this section the megatrends in the entertainment industry are exposed from the data and linked to consequences. These consequences impact the various products previously mentioned. With this understanding, a business like MediaCorp can make changes to optimize profitability and avoid economic pitfalls. The MOS leaders contributed data that is reflected in Table 27. This table identifies megatrends, their consequence to MediaCorp, how important they are to achieving MediaCorp's desirable outcomes, and the impacts on profitability based on LOBs. Megatrends that are influencing accelerated life-cycle decay require a different response than life-cycles that are still ramping.

Table 27  
*Megatrends and Consequences: Market Observations*

Megatrend	Consequence	Weighting	LOB1	Profitability impact of LOB				LOB5
				LOB2	LOB3	LOB4		
Adoption of file based assets	Infrastructure is good currently	3	DOWN	UP	FLAT	UP	N/A	
	Volume implications on the infrastructure	2	DOWN	DOWN	FLAT	FLAT	N/A	
	Existing systems are good but finite	4	DOWN	FLAT	FLAT	FLAT	N/A	
	Large sunk cost into existing investment	5	DOWN	FLAT	UP	UP	N/A	
	Skill sets have to change	4	UP	UP	FLAT	FLAT	N/A	
	Training capability becomes more critical	5	UP	UP	UP	UP	N/A	
	Physical has a strong based for training to move to digital	5	UP	UP	UP	UP	N/A	
	Can leverage longevity and existing tacit industry knowledge	5	UP	UP	UP	UP	N/A	
	Infrastructure investment for in-house facilities	1	UP	FLAT	FLAT	UP	N/A	
	Increased competitive position due to existing infrastructure	5	UP	UP	UP	UP	N/A	
	No need to rent machines	5	UP	UP	UP	UP	N/A	
	Fewer facilities to service these needs	4	DOWN	UP	UP	UP	N/A	
	Increased variation in workflows	5	UP	UP	FLAT	FLAT	N/A	
	Increased need for robustness in quality planning	4	UP	UP	FLAT	FLAT	N/A	
	Change in the need for security controls and systems	3	FLAT	FLAT	FLAT	FLAT	N/A	
Replenishment workflows	Will trigger restoration demand from analog tapes	5	FLAT	UP	FLAT	UP	N/A	
	Bundle deals on volume of work, reduced margin	2	FLAT	UP	FLAT	UP	N/A	
Legacy/archival workflows	Leverage existing tools	4	UP	UP	UP	UP	N/A	
	Capability is a competitive advantage	5	UP	UP	UP	UP	N/A	
	Significant opportunity for volume and market share	5	UP	UP	UP	UP	N/A	
	Systemic production floor scheduling	5	UP	UP	UP	UP	N/A	
	Mobile ingest facilities	4	DOWN	UP	FLAT	UP	N/A	

(continued)

Megatrend	Consequence	Weighting	Profitability impact of LOB				
			LOB1	LOB2	LOB3	LOB4	LOB5
Emerging linear play-out for quick turn workflows	Invest in semi-automated systems to help with margins	4	FLAT	UP	FLAT	UP	N/A
	Increased capability regarding project management	3	DOWN	UP	FLAT	UP	N/A
	Competitive advantage of existing fast turn capability	4	FLAT	UP	FLAT	UP	N/A
	Premiums can be achieved with shorter turns	5	FLAT	UP	FLAT	UP	N/A
	Challenges capacity planning, schedule inserts	3	FLAT	FLAT	FLAT	UP	N/A
	Pooled capacity	4	FLAT	FLAT	FLAT	UP	N/A
	Dedicated capacity	4	FLAT	FLAT	UP	UP	N/A
	24/7 always on operation	5	FLAT	FLAT	UP	UP	N/A
	Large specification library	5	FLAT	FLAT	UP	UP	N/A
	Parallel distribution in large volumes	5	FLAT	FLAT	UP	UP	N/A
Evolve to support file distribution and localization	Enterprise wide increased revenue	4	DOWN	UP	FLAT	UP	N/A
	Linear linked as an entry point for other revenue pipelines	4	FLAT	UP	UP	UP	N/A
	Linear dependency to upstream schedules	3	FLAT	FLAT	UP	UP	N/A
	Increased exaggeration of demand	3	FLAT	UP	FLAT	UP	N/A
	Dependency on ERP system and schedule transparency	4	UP	UP	FLAT	UP	N/A
	Talent export to these regions	3	DOWN	FLAT	FLAT	FLAT	N/A
Regional opportunities	Penetrating new markets	4	FLAT	UP	FLAT	UP	N/A
	Ahead of the competition, emerging competition	4	FLAT	UP	FLAT	UP	N/A
	Price compression to follow	3	FLAT	UP	FLAT	UP	N/A
	Joint ventures	3	FLAT	FLAT	FLAT	UP	N/A
	Cultural implications	3	FLAT	UP	FLAT	FLAT	N/A
	Equipment drain	3	FLAT	UP	FLAT	UP	N/A
	Coordination effort	3	DOWN	FLAT	FLAT	UP	N/A
	Increased deliveries in digital	4	DOWN	FLAT	FLAT	UP	N/A
Clients reducing capabilities in physical media	Reduced client infrastructure	4	DOWN	FLAT	FLAT	UP	N/A
	Capture opportunities	4	FLAT	UP	FLAT	UP	N/A
	Limits in-house capability	5	FLAT	UP	FLAT	FLAT	N/A

(continued)



		Profitability impact of LOB					
Megatrend	Consequence	Weighting	LOB1	LOB2	LOB3	LOB4	LOB5
Physical to file with image restoration	Revenue opportunity	5	FLAT	UP	FLAT	UP	N/A
Television restoration	Convert from analog formats to digital	5	FLAT	UP	FLAT	UP	N/A
	Upconversions	5	FLAT	UP	FLAT	UP	N/A
Next day workflows for WW distribution	Capacity constraints	4	FLAT	UP	FLAT	FLAT	N/A
	Increased security requirements	3	FLAT	FLAT	FLAT	FLAT	N/A
	Dependency in the supply chain for services	4	FLAT	FLAT	UP	UP	N/A
Next day workflows for high profile TV shows	Increased security requirements	4	FLAT	FLAT	FLAT	FLAT	N/A
Physical media still has long life-cycle	Can leverage existing systems/knowledge/skill sets	5	N/A	N/A	FLAT	N/A	UP
	Time in life-cycle to improve on costs/offshoring	3	N/A	N/A	UP	N/A	UP
Cost pressures downstream	LOB5 is a loss leader that could be off-loaded to us	3	N/A	N/A	UP	N/A	UP
	Short runs are inconvenient to replicators, off-load to us	3	N/A	N/A	UP	N/A	UP
Multi-platform content demand	Variety of products will remain	4	FLAT	FLAT	UP	UP	UP
Competitors are struggling	Opportunity for consolidations	5	UP	UP	UP	UP	UP
Client in-house facilities are costly	Opportunity for single supplier scenarios	5	UP	UP	UP	UP	UP
Bundled access on LOB5	May attract volumes	5	FLAT	FLAT	UP	UP	UP
Lower cost configurations	More of the lower margin effort will be applied	3	FLAT	FLAT	UP	UP	N/A
Excluding high value components	Less of the higher margin effort will be applied	5	N/A	N/A	FLAT	N/A	N/A
Day and date positioning of delivery	Compressed schedules, stacked stock keeping units (SKUs) in WIP	5	UP	UP	UP	UP	N/A
	Shorter turn times	5	UP	UP	UP	UP	N/A
	Less repurposing of effort	4	N/A	N/A	N/A	FLAT	N/A
Limited digital delivery distribution first	Shift in peak season	4	FLAT	FLAT	UP	UP	N/A
	Delay in first SKU release	4	N/A	N/A	DOWN	N/A	N/A
Source deliveries will be digital	Linear workflows not needed	3	DOWN	DOWN	UP	UP	N/A
Flat volumes declining revenue	Margins are being attacked	4	DOWN	DOWN	DOWN	DOWN	N/A

(continued)

		Profitability impact of LOB					
Megatrend	Consequence	Weighting	LOB1	LOB2	LOB3	LOB4	LOB5
Overall home entertainment revenue is flat	No expansion in the industry from volume	4	FLAT	FLAT	FLAT	FLAT	N/A
	Expansion would come from new formats	3	UP	UP	UP	UP	N/A
Increased product diversification	Requirements on skills and infrastructure	4	UP	UP	UP	UP	N/A
Increased requirement for quality and reliability	Performance receives high scrutiny	4	UP	UP	UP	UP	N/A
	Volume is vulnerable to any reliability issues	4	UP	UP	UP	UP	N/A
Increased pricing pressure	Increased cost pressure	3	DOWN	DOWN	DOWN	DOWN	N/A
	Requirement to off-load	3	N/A	N/A	UP	UP	N/A
	Risk based decision making on cost items	3	N/A	N/A	UP	UP	N/A
New emerging products	Low volumes associated with high R&D costs	4	N/A	N/A	UP	UP	N/A
New products may influence margins	Maximize profitability at introduction	4	UP	UP	UP	UP	N/A
	Consumes R&D capacity and reduces margin	3	N/A	N/A	DOWN	DOWN	N/A
Territory penetration	Increased volume opportunity	2	UP	UP	UP	UP	N/A
Going deep into replenishment reserves	Increased volume opportunity	2	UP	UP	UP	UP	UP
Component delivery vs. full package	Reduced revenue potential per title/SKU/Variant	3	N/A	N/A	N/A	DOWN	N/A
Last minute bulk order sales	Consumes capacity significantly	2	UP	UP	UP	UP	N/A
Interactive features will enhance revenue	Complexity for the effort needed to be watched	2	N/A	N/A	UP	UP	N/A
	Process development including QC	2	N/A	N/A	UP	UP	N/A

*Note.* In the Weighting subheading, the scale is 1-5, with 5 being the most.

The industry has gone through significant technical changes in the last 2 years. There has been a shift in volume from physical workflows to digital workflows. Volume expansion has come in the form of increased requests for physical to digital transfers and there has been a significant volume expansion on the digital side as well. Assets are now being delivered more frequently in digital formats, but replenishment driven orders leverage the existing inventory of physical assets. Consequently, a large sunk cost in infrastructure is being leveraged, however,

there is a shift in training to new workflows as they have become more important. This significant market shift has required existing facilities that have inadequate digital capacity to invest in new infrastructure. This created a favorable situation for MediaCorp, as the allocated work gravitated to the available capacity. The adaptability of a MOS to changing workflows, aided by scalability, allowed for an easy transition. Additionally, physical workflows did not bottom out, but stabilized as sales efforts to run replenishment work were successful. This made up for some of the shrinking physical asset volume and allowed for other ancillary services to be sold.

Legacy workflow capacity could be leveraged as the tools were mature. This capability was a competitive advantage due to capacity and an extensive range of workflows that drove consolidation in the industry within MediaCorp. Market share was increased and operational performance met client expectations. Scheduling efficiency was augmented by a shop floor system that was part of the ERP. Expansion plans for discovery of other library type work was assessed and aggressive sales plans were deployed.

Another competitive advantage came from the ability to turn orders around quickly. An investment in semi-automated systems augmented the physical shop floor. The ERP system allowed for efficient scheduling and management of bulk orders. Premium pricing was associated with rush orders, adding to the ability to assign overages to purchase orders. The ability to execute these orders without incurring additional cost augmented profitability. A supply chain that is *always on* is available to clients when they have the need. In some cases, functions were pooled to enhance capacity. In other functions, the capacity was dedicated to maximize throughput of predictable tasks.

Global workflows evolved so that the network could be leveraged. The pooled capacity made it possible to accept large orders and order with quick turnarounds that could be inserted into schedules. Physical workflows were leveraged as entry points to other workflows. An ERP system that allowed for transparency across the supply chain allowed for better capacity planning within all functions. Talent within the enterprise became available for territory expansions. New facilities were seeded with experienced workers who had the opportunity for leadership succession in expanding markets in new regions. Existing equipment was redeployed and made available to expanding markets avoiding capital expenditure.

Even with the preservation of physical workflows by sales strategies, digital workflows experienced increased volumes. In-house facilities experienced pricing pressures and became less profitable. MediaCorp workflows were able to create complex deliverables and deliver them quickly. The user trends were migrating to more complex workflows leaving MediaCorp in a competitive position. In addition, the variety of products increased and new products were being introduced regularly. Strength in R&D allowed for workflow creation and component performance. New products allow for profitability opportunities especially at the beginning of the life-cycle.

Challenges surfaced with the velocity of the work. Performance increased in importance as the opportunity to rework failures diminished significantly. Any issue was escalated as volume increased. Additionally, security requirements increased as content significance increased. Content leaks and information about storylines were important to content owners. Reliability performance came under significant scrutiny as performance and tool maturity could be leveraged and enhanced. A theme map for megatrends is shown in Figure 67.

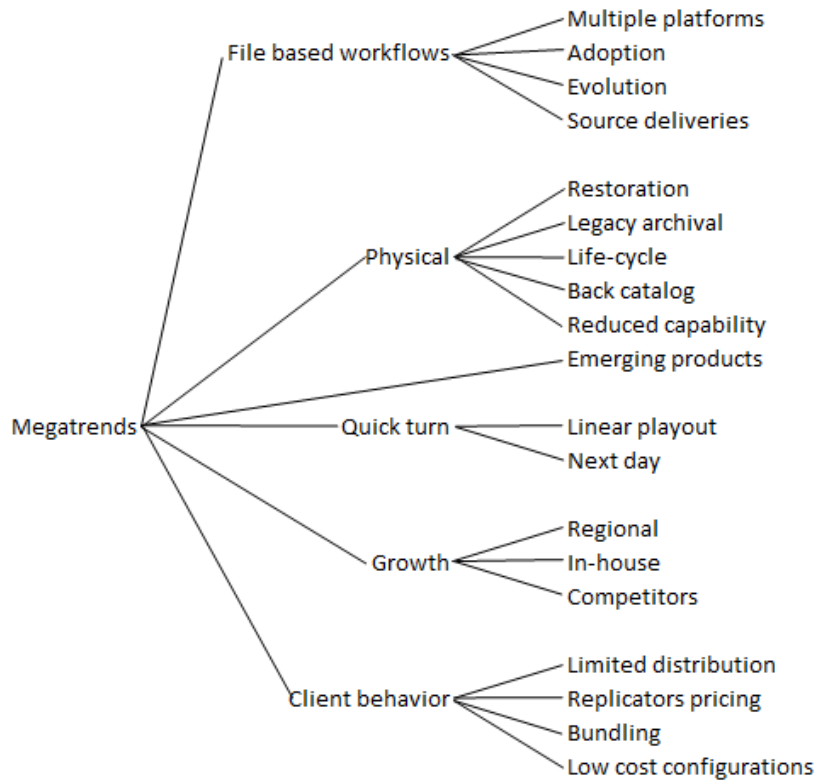


Figure 67. Megatrend theme map. This figure maps megatrends as a theme category into descriptive sub-groupings.

In summary, the data suggests that megatrends that are external in origin can significantly change the profitability capability of an organization. The organization needs to be able to shift and evolve while maintaining profitable free cash flow. Typically a shift will precipitate a need for capital investment; however, synergistic consolidation augmented by system and technology enhancements can minimize capital requirements. Other shifting may relate to clients deciding that they need different services, that they need products faster or in a serially customized way. Growth may happen when competitors take market share unbeknown to MediaCorp. Some new configurations may cannibalize existing revenues. Furthermore, clients may want their products in a different configuration, beneficial to them but less profitable to MediaCorp. The timely response of the vendor is critical for sustained corporate advantage. The following propositions summarize the key findings of this section:

- Proposition 135 (nimble organization): A nimble organization that can redeploy resources and satisfy clients through innovative sales initiatives is able to ride life-cycles longer than unprepared competitors.
- Proposition 136 (dynamic scaling): Dynamically scaling capacity in a global production network allows for the successful completion of bulk work over a short duration as a competitive advantage.

**Corporate center.** Support from the corporate center is a strong dependency on business agility. The ability to get resources when profitability potential is high is as important as the ability to reduce costs when it is lower. The MOS leaders were able to influence the design of the relationship between the MOS and the corporate center. The data that emerged from the interviews suggests that the following areas of focus were of interest regarding this relationship: reduce organizational inertia, provide needed information, and support initiatives. Each of these will be discussed.

**Organizational inertia.** The reduction of organizational inertia allows a business unit to be nimble and adapt to a dynamic market as illustrated in Figure 68. This nimbleness is critical for the realization of synergistic growth. The rate at which the organization is constantly evolving must be greater than the competition (Grant, et. al., 2002). When there is a need by the corporate center for data reconciliation for reports or analysis, the operation that is involved stops evolving and may stop servicing clients in order to obtain the information. Systems and the reports that they produce need to be synchronized with the questions corporate needs answered. This allows for quick decision making and reduces hours spent collecting data and analyzing it.

The data that creates inertia revealed another theme, which is the tendency for leaders who are removed from where the work is being done to oversimplify. This oversimplification

results in false inferences about the business unit, the LOB, the support function, or the client. A decision was made or a path is laid out that resulted in strategic rework. The incorrect steps taken would then need to be reversed and the correct steps then need to then be executed. This can delay organizational evolution by years and is a major source of inertia. The *approval* process is controlled by corporate. This process is a significant source of inertia. Corporate needs to be able to connect the staffing models to the effort needed to accomplish the work. In some cases, an oversimplified view of the complexity or the enormity of the work leads to the belief that staffing capacity or capability enhancements are not needed. This leads to an inability of staff to execute work and may lead to service failures or revenue opportunity refusal. In some cases it is possible to lay out a strategy that requires *one large approval*. This *approval bundle* streamlines the effort needed to pass through the approval stage of the project. These strategy-based approvals required thorough planning and a *big picture* perspective. For example, to create these plans the business units needed information that was financial in order to represent the project benefit to the company financially. They also needed recruiting information from HR, and infrastructure information from IT, etc.

The last theme that emerged in the data related to trust. Trust reduces organizational inertia and speeds the change process. The MOS leaders suggested that trust could be extended to corporate leaders. This would then give the MOS leaders an opportunity to go directly to the corporate leaders if there was a need. This process bypassed the bureaucracy that otherwise was a contributor to delayed approvals. Another suggestion was to have lunch with the CEO. Being so far removed, the CEO may not be aware of the great people and the excellence they produce daily. The opportunity to spend some time with the CEO and go directly to corporate officers can

free up the flow of information. Trust and information flow allow for speed and organizational efficacy.

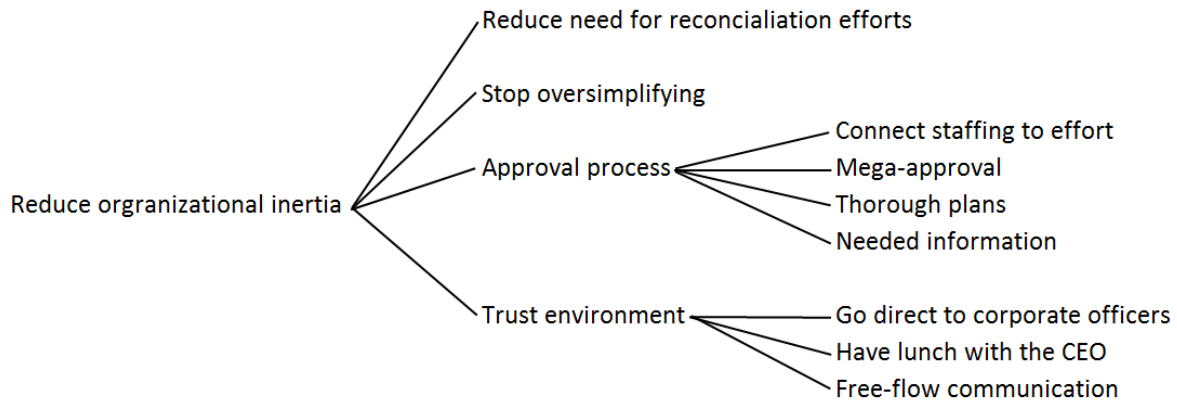


Figure 68. Corporate: Organizational inertia. This figure maps reduced organizational inertia as a theme category into descriptive sub-groupings.

**Information.** The relationship with corporate also centers on relevant information, as illustrated in Figure 69. A pattern in the data suggested that location and LOB leaders crave information from corporate. This information is necessary for synergistic growth. A significant pattern was that MOS leaders needed financial information. They wanted an appropriate level of detail, at the right time, and with accuracy. This information allows them to understand their financial performance, which is ultimately what they are measured against. The budget is also very important to MOS leaders. It needs to be influenced by business unit leaders as they know their markets and trends. It also needs to be accurate and made final in a timely manner. Finally, results against the budget also need to be available in a timely manner.

MOS leaders felt that it would be advantageous to educate corporate. This would make them more capable to make effective decisions. Corporate is not aware of the complexity of the work or the environment in which it is completed. They may not understand the functions involved or the related issues. Additionally, they may not be aware of the inertia they cause. This can be remedied through facility presentations or video tours, and by making information



available to increase intra-divisional awareness. When MOS leaders have connections to the parent company through corporate, then a broader awareness is created. Furthermore, as ERP systems are expensive, it is important for corporate to be familiar with the system they financed. The flow of information should also be periodic through regular communication events.

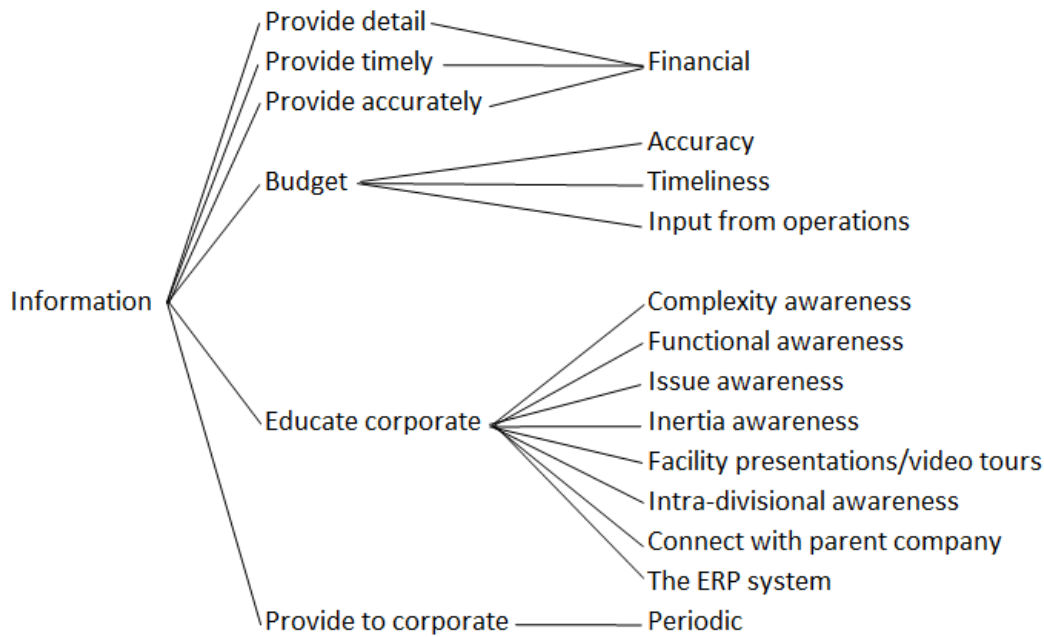


Figure 69. Corporate: Information. This figure maps information as a theme category into descriptive sub-groupings.

**Support.** The third theme category that emerged from the data was gaining support from corporate for initiatives. This is illustrated in Figure 70. Entrepreneurial MOS leaders are dependent on corporate to support their initiatives. MOS leaders see one-ness as a competitive advantage. This is especially the case with global supply chains that perform competitively. The 1MC initiative was critical to MediaCorp’s growth strategy. MOS leaders indicated that having a singular security policy, university, hardware inventory system, and ERP would help with the realization of growth synergies. Additionally, the consolidation of disparate ERP systems, enhanced the one-ness experienced by clients who accessed the system for order tracking information and reports. MOS leaders understand that their success is also dependent on the

vendors that support them. When these vendors are not paid timely, they are less cooperative, in a desperate situation, they change the payment method and terms, they raise prices because of payment risk, and they do not offer the deals that they had previously. A consistent and timely payment history results in a vendor that will be very cooperative when needed. Additionally, and relatedly, there is a need for corporate to be supportive with regard to P&L design and reporting accuracy. The P&L is the basis for financial performance and it needs to be respected. MOS leaders indicated that corporate can help them to connect to other parts of the company, including the parent company, corporate officers, clients, and may even assist in penetrating global company silos. Corporate can then help MOS leaders to initiate and deploy both global and regional strategies. Performance excellence is realized with the proliferation of best practices while existing functions can achieve cost goals through synergistic integration. Unwanted attrition drains talent. Corporate is needed to retain talent through meaningful retention schemes and opportunities for enhancement. Job enhancement was described as including a meaningful reward system, mentorship programs, and leadership training. Each of these are enacted when talented employees complete cost saving projects through a structured continuous improvement program. When contracts are made with clients, they need to be scrutinized for performance expectations; however, line items that are billable are often left off. Corporate can help with rate structures that allow for all billable line items, overages on additional services, and the upselling of related services internal and external to the division.

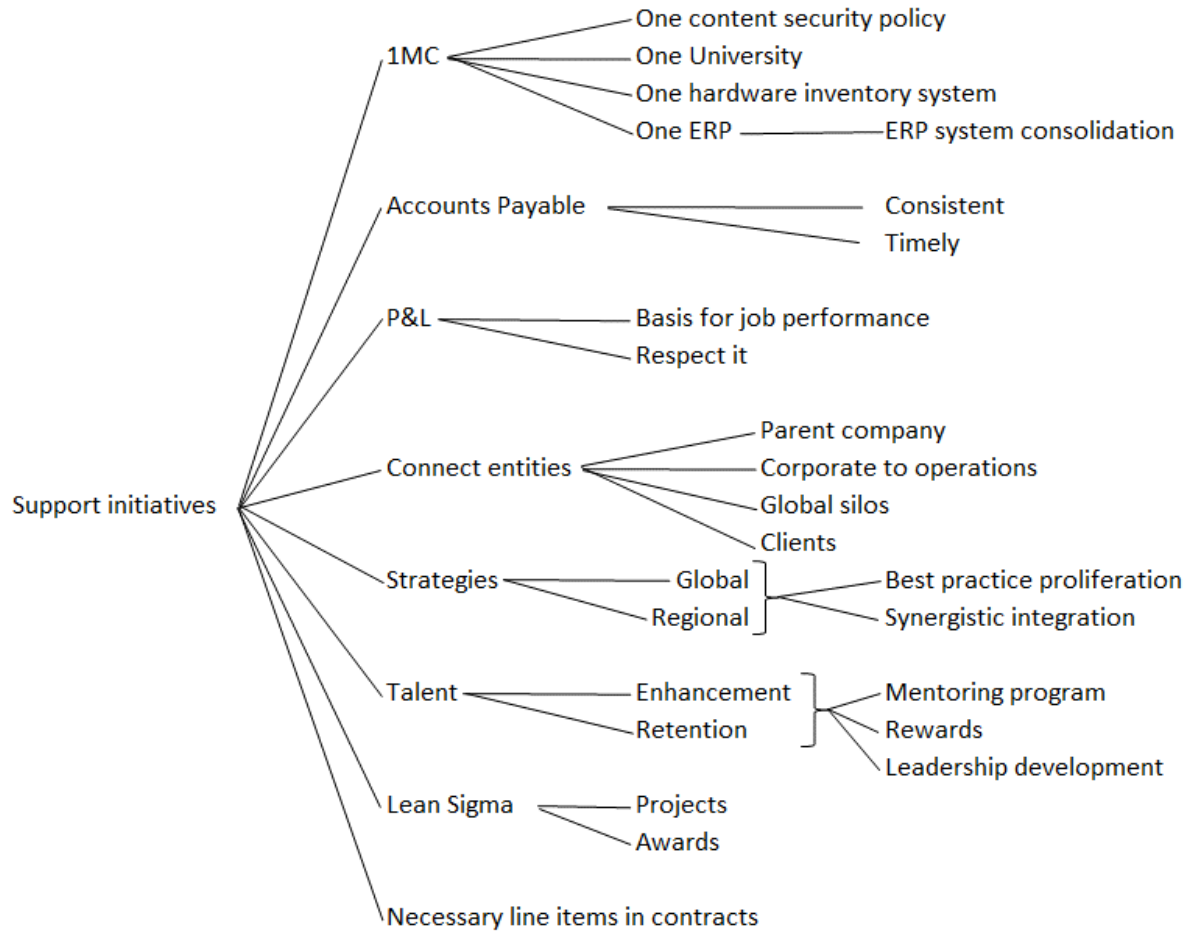


Figure 70. Corporate: Support initiatives. This figure maps support initiatives as a theme category into descriptive sub-groupings.

In summary, the data suggests that three patterns emerged. The MOS leaders want corporate to assist them by reducing organizational inertia. They need relevant information. They need support for their initiatives. Entrepreneurial MOS leaders want to grow and achieve. They want to be supported in their efforts. They want to move quickly so that they can move on to the next achievement. They want information, specifically financial information, so that they can measure their own effectiveness and progress. The following propositions summarize the key findings of this section:

- Proposition 137 (corporate oversimplification): When corporate leaders oversimplify a complex situation, they create inertia; as decisions are not

sufficiently robust, residual work or unacceptable and unanticipated collateral damage are the results.

- Proposition 138 (organizational inertia): Entrepreneurial MOS leaders can achieve synergistic profitability faster when the relationship with corporate is streamlined and supportive.
- Proposition 139 (trust environment): The rate at which the realization of profitable growth is achieved is influenced by the quality of the relationship with corporate, specifically with regard to trust between interacting parties.
- Proposition 140 (performance information): MOS leaders benefit from performance information because they use it to recalibrate, course-correct, adapt plans, and monitor progress for the achievement of desirable outcomes.
- Proposition 141 (corporate awareness): In order for corporate to be supportive, they need to have a minimal understanding of the business unit's function, capability, culture, systems, and its relationship with other business units or divisions.
- Proposition 142 (one-ness support): One-ness is a complexity mitigation technique, embraced by corporate and business units alike, that accelerates profitable growth because it is a suitable platform on which growth can more easily take place.
- Proposition 143 (synergistic connections): Corporate can help business units connect with other business units that have achieved synergistic capabilities that can be exploited.

- Proposition 144 (talent retention): Corporate can assist business units to retain and mentor talent so that they can be leveraged to achieve growth synergies.

**Alignment as an influence.** Alignment is the third significant area of data collection related to the influence of the MOS, both internal and external to the division. The ability of a business to influence is dependent on the internal alignment of the organization. Two focus areas were studied. One was the alignment of the MOS around the 1MC initiative. MediaEnterprises launched vertical end-to-end product offering to clients, leveraging bundling to acquire market share. The strategy was also used to attract new clients who would benefit from a one-stop-shop instead of incurring the additional cost of managing multiple vendors. Corporate did not realize that MediaEnterprises had silo challenges that needed to be overcome before clients could have the *single vendor* experience. Clients commented on this in surveys.

“The different departments within MediaCorp should work together seamlessly from our viewpoint to complete our work. They still work as standalone silos. I think that is a great improvement that would help both our teams.” (CS56)

To remedy this and to enable the end-to-end initiative, the 1MC initiative was launched. This helped corporate pursue the goal of profitable growth and to increase the penetration of unrealized market share from existing customers. It was also the compelling reason for new customers to submit orders, as reflected in a client survey comment.

“[Client] has a need for an end-to-end asset/format management system. MediaCorp needs to get better at integrating [functions] servicing across [the supply chain] and showing those time and cost advantages.” (CS33)

Market coverage and differentiation was to be achieved by providing industry-specific, cross-business solutions that leveraged MediaEnterprises portfolio of offerings. The client focus

centered on creating value for clients and solving their problems by lowering their costs from a simplified chain of custody and by reducing order dwell time by eliminating unnecessary transfers.

***Drivers.*** The key drivers for the initiative were stagnating growth, price erosion, market dynamics, changing customer needs, and severe pressure on capital expenditures.

MediaEnterprises' profits were well below budget after the first half of 2014. The end-of-year forecast suggested that the profitability miss was going to be significant. The growth landscape was challenging, as competitors were desperate for revenue at almost any price. In other cases, companies were stretching vertically and they offered these services as loss leaders. Further pressure came from client-based strategic sourcing. Clients were not willing to give MediaEnterprises increased market share and their new product release volume was abnormally small in a fragmented market. Some of the existing markets were already saturated with product due to aggressive product launches, causing supply to exceed demand. New products were being released; however, commodity pricing was achieved very early in the product life-cycle, hurting profits that should have offset research and development expenditures. This discouraged R&D investments. The situation was exacerbated by a lack of sales coordination that was to be resolved by a CRM; however, cross-business client poaching and sales channel cannibalization were enabled by the transparency provide by the CRM. This was further augmented by tension around the financial performance.

***Development.*** While profitability dwindled, clients looked to MediaEnterprises for R&D and ERP development services, as other competitors could not financially afford to provide these services. Additionally, clients expected a significant amount of one-ness in the company in the form of standardized workflows and systems globally. A counterforce was the proliferation of

new services and products which contributed to overall complexity. The demand for service, advice, and optimized pricing was relentless. The company was destroying rather than adding corporate value; however, the increasing demand from customers indicated increasing growth synergy potential that could result in a reduction in the conglomerate discount. And so, corporate leaders decided to increase the focus on growth synergies through the 1MC initiative, realizing that the cross-selling initiative was insufficiently impactful. MediaCorp initiated the 1MC initiative to help align the organization around one-ness. This one-ness enabled clients to more easily engage the company. The various aspects of 1MC are discussed below. These descriptions include ways that MediaCorp was not one and what they did to become one. The second focus area in this section was the ability of MediaCorp to scale. These opportunities for scaling were discovered, enacted, and the results are discussed.

In summary, alignment is necessary in a market that is consolidating and in which vendors are expected to solve client supply chain issues. A MOS cannot promote an external perception of one-ness when internally it does not significantly exist. Clients know the complexity that comes from a fragmented MUF, as they typically have many touch-points that provide this feedback to them. On the other hand, simplification and the ease of doing business with MediaCorp would indicate that one-ness has proliferated within MediaEnterprises. The competitive advantage is lost if a MUF does not respond to this market demand, especially as clients themselves are pursuing a more unified posture within their business units. Even so, profitability can be compromised while achieving unity through self-cannibalization. This can be minimized through new product and system development. The following propositions summarize the key findings of this section:

- Proposition 145 (internally one): The effort to achieve revenue realization from a client that requires one-ness is significantly more difficult if internal business do not embrace the alignment vision.
- Proposition 146 (problem solving): A fragmented MUF cannot easily solve client issues that relate to one-ness as they do not understand the root causes of the problems or where they occur.
- Proposition 147 (disruptive change): A MUF may introduce disruptive change to align it with market dynamics; however, product development must progress at a suitable rate to replace negative profitability impacts.

*IMC.* The IMC initiative was initiated in order to align the firm around opportunities for the continuous realization of growth synergies. The structure of MediaCorp has been illustrated in Figure 2. It is a global value chain consisting of a few dozen locations, several on each continent. Regional companies have a degree of autonomy around their local markets, but some clients are multi-regional and collaboration between units is needed to serve them globally. An issue in one location impacts the global relationship. Furthermore, global clients have initiated one initiatives, and expect the same from MediaCorp. Vendors and industry organizations have done this as well. MediaCorp is in a position where they are surrounded by entities that have already moved in this direction.

MediaCorp's managers unanimously adopted the MOS, stressing the benefit of a scalable design that optimizes decentralized collaboration providing dimensional guidance over all dimensions. For example, the product dimension spans all locations and provides guidance for the unification of best practices, tools, and knowledge management. This dimension has a P&L for each LOB so the performance of products and services across locations is understood and



appropriately influenced. The strategy of MediaCorp is to outperform competitors, exceed financial performance targets, and grow the company into addressable markets. Together with corporate guidance, dimension leaders strive to grow MediaCorp's market presence through superior strategic positioning and operational excellence. Location leaders strive to position their businesses in attractive markets with sustainable growth, high earnings potential, and with low volatility. Operational excellence is achieved through innovation, a global network for production, world-class performance, and a leading technical capability. Horizontal leaders leverage and develop cross-business synergies with product lines. Continuous alignment allows for the realization of efficient synergy, product performance, and knowledge sharing. Diagonal support leaders enable operational efficiencies through systems and infrastructure. Growth requires that systems be modified to meet new client needs. Increased throughput requires infrastructure capability. Infrastructure continuously evolves as equipment achieves end-of-life and as new workflows are built. Diagonal client leaders have relationships with clients that may span multiple facilities or be just in one location. The responsibility of these leaders is to exploit the *wallets* of clients in the most profitable scenario possible. All of the dimensions in a MOS are linked, requiring a high degree of collaboration for success.

MediaCorp has an established and continuously evolving portfolio of products and services. Megatrends affect choices by clients and end users; however, it is necessary that MediaCorp be proactive in development decisions so as to leverage as much of the product life-cycle as possible. Furthermore, megatrends as described in Figure 66 also affect strategic decision making so as to optimize profitability potential in all business units. Operational excellence enhances the value of products and services and supports higher pricing than competitors. To a client the product quality is important; however, the arrival of that product, as

intended, to the right destination, through the correct method, in the right quantity, on time, and with an accurate invoice on time are also aspects of the overall product. A delivery may also be associated with the experience that the client had while ordering the deliverable. This impression of service is a part of the product and influences the client to order again from MediaCorp.

*People excellence* focuses on human resource talent in use. The current and evolutionary level of talent guides recruiting, personal improvement plans, succession planning, and membership in the talent pool. Corporate excellence relates to best-in-class governance through direction and support.

The IMC initiative was introduced to focus on horizontalization of excellence across locations, but also included the overall scalability of the MOS. It was not desirable to scale until the correct foundation was in place. The deployment of the MOS at MediaCorp was an ideal choice because excellence in performance and entrepreneurship was already strongly established in the culture and continued to evolve. This was an opportunity for MediaEnterprises to exploit a scalable organizational design augmented by LIMs for the purpose of rapidly achieving growth synergies. It was also an opportunity for MediaEnterprises to exploit further the one-ness that had already been achieved in MediaCorp. This initiative aims to promote profitable growth through a variety of sales strategies designed to increase market share, market coverage, and market differentiation. Products and services are designed to solve client problems with regard to their profitability.

This strategic initiative was driven by a number of critical aspects of the business. Growth stagnation had settled in and the company's expansion opportunities needed to be exploited. The market was shifting and it was important that MediaEnterprises was not left behind. MediaCorp and MediaEnterprises operate within a market that has intense competition.

Product commoditization occurred at a rampant pace, reducing life-cycle earning potential and the ROI on R&D investments. Competitors had strong growth aspirations and were willing to compromise price in order to get some of the addressable market. Additionally, some of the markets that MediaCorp operated in had become saturated and the life-cycle of some of the legacy, money-making products had peaked.

MediaCorp's clients became annoyed by the lack of coordination in sales and operational efforts. Not only were sales efforts uncoordinated, but clients were able to get one location of MediaCorp to give them better pricing than another location. Internal price wars damaged rate structures and profitability potential. The MediaCorp sales effort was restructured to include three aspects; (a) winning new customers, (b) harvesting as much as possible from existing customers across all product lines, and (c) managing service excellence. The objective of the first initiative was to penetrate existing customer silos and win new customers with respect to each line of business. The objective of the second was to expand revenue opportunities with clients with whom MediaCorp already had a relationship. In some cases a client silo had not been penetrated; however, the relationships with adjacent silos could be exploited to get into the new spend. Cross-selling initiatives were enabled by a CRM that was deployed to record prospects in the sales funnel and lead sharing. Existing customers were experiencing rapid changes in a dynamic market. Furthermore, clients were being restructured internally, the complexity of products was increasing dramatically, the security landscape was becoming significantly more intense, and disruptive technologies related to products and workflows were challenging existing paradigms. Clients had a hunger to learn about these changes. It was necessary that MediaCorp help its clients deal with their revenue challenges through products and services. They demanded solutions and advice, and these needed to be given by one voice without conflicting information.

MediaCorp could leverage this strategic concept and the opportunity to increase its value to clients and to shareholders.

MediaCorp leveraged LIMs to promote its 1MC initiative. A strategic leadership team made up of leaders from the horizontal dimension of the MOS was given the task. As horizontalization was a quick win, it made sense to start with this team. This team had executive sponsorship and support. Each of the leaders had extensive experience in the industry and was well connected. Similarly, the executive sponsor was also well connected and had purview over a significant domain of support and operational areas such that the 1MC initiative could be realized. It was believed that when MediaCorp experienced a one-ness internally that this could be seen and leveraged externally through sales initiatives. It was also believed that if one-ness was not achieved internally that end-to-end sales initiatives would be very difficult to implement, as these initiatives demanded a one-ness in execution in order to be profitable and sellable. The initiative began with the collection of 61 ways that MediaEnterprises was not experiencing one-ness. These are listed in Table 28. A poll was used to collect this data a root cause was determined, and a remedy for the lack of one-ness was listed. These will be discussed.

Table 28  
IMC Themes

Attributes of a Lack of One-ness	Count	Root Cause	Remedy
Training capacity availability and uniformity	18	Lack of a centralized university	MediaCorp university
No end-to-end (E2E) rejection tracker	11	Multiple systems/methods for tracking	Title base rejection tracker
Disparate logistics groups	10	Fragmented logistics resources	Consolidate management of logistics
Warehouse proliferation	10	Multiple warehouses	Warehouse optimization strategy
Lack of capable support for infrastructure	6	Fragmented support for infrastructure	Centralized support for infrastructure
Lack of E2E version control	6	Multiple systems/methods for tracking	Common system (ERP)
Non-collaborative growth synergy strategy	6	Multiple agendas, lack of coordination	Strategy consensus at upper levels
Variable ratio FL/FT per location	6	Variable methodologies	Analysis and recalibration
Varied software development process	6	Disparate processes	Deploy common method/consolidate
Lack of infrastructure management	6	Multiple agendas	Consolidate management of infrastructure
No synergistic consolidations	6	Lack of coordination, strategy	Assess opportunity and exploit
Non-centralized maintenance of equipment	5	Multiple approaches	Hardware inventory system
No collaborative execution	5	Lack of coordination	Lack of trust, reward system
Unconsolidated billing	5	Disparate entities	Consolidate management and optimize
Unconsolidated storage of assets	5	Disparate locations/methods	Assess, consolidate, purge
Unconsolidated ingest of assets	5	Disparate locations/methods	Strategy to route to one point
Unconsolidated shipping & receiving	5	Disparate locations/methods	Strategy to route to one point
Continuous improvement is not executed timely	5	Disparate methods	Adopt a single process
Data architecture standards are varied	5	Multiple agendas	Consolidate management and standard
Financial reporting - late or hard to comprehend	5	Single understandable timely packet	Direct finance to do so
Hardware inventory unavailable	5	Lack single system	Hardware inventory system
Lack of parts centralization	5	Not registered in single system	Hardware inventory system
Lack of resource redeployment process	5	Not registered in single system	Hardware inventory system
Varied or no Quality Management System	5	Disparate systems/agendas	Consolidate into one QMS
Varied or no Security Management System	5	Disparate systems/agendas	Consolidate into one SMS
Lack of skill synergy exploitation	5	Siloed businesses	Assess and consolidate, strategy
Uncoordinated software licensing	5	Not registered in single system	Hardware inventory system
Not standardize best practices	5	Multiple agendas	Singe performance excellence leader
Uncoordinated support contracts	5	Not registered in single system	Hardware inventory system
Disparate workflow management systems	5	Disparate systems, if any	Consolidate on ERP
CRM not uniformly utilized	5	Disparate systems, if any	Consensus on participation by upper management
Lack of billing consolidation/standardization	3	Siloed businesses	Consolidate billing under one team
Sub-optimal P&L grouping	3	Lack of appropriate grouping	Change to optimize profitability
Do not bill the same customer similarly	2	Siloed businesses, multiple forms	Consolidate billing under one team
Disparate business system	2	Disparate legacy systems	Consolidate on ERP
Unfair intercompany rates	2	Disparate methods, if any	Consensus on single method by upper management

(continued)

Attributes of a Lack of One-ness	Count	Root Cause	Remedy
High level of intercompany research on issues	2	Lack of coordination	Directive by upper management
Unmerged service lines	2	Lack of coordination, interest	Set strategy and execute
No agnostic escalation point	1	Multiple strategies, if any	Determine and communicate
Lack of business communication	1	Siloed businesses	Set effective communication strategy
Uncoordinated compensation system	1	Disparate legacy systems	Assess and set new system
Cost does not follow revenue	1	Multiple methods for mapping	Gap analysis, close gaps, establish norm
No cross-divisional incentives	1	Siloed businesses, P&L protection	Establish incentives, reward system
Lack of employee development	1	Multiple agendas, if any	Effective development strategy
Unfair end-to-end pricing	1	Lack of coordination	Coordination between sales teams
Conflicting initiatives	1	Lack of coordination	Coordinated strategies
Dysfunctional intercompany process	1	Lack of coordination	Consensus on single method by upper management
Inconsistent invoicing choices - line items	1	Lack of common perspective	Singular strategy, execute
Multiple invoices on the same purchase order (PO)	1	Lack of mature system	Singular billing methodology, standardization
No <i>self-interest</i> policy	1	Lack of coordination	Document and communicate revenue recognition policy
Lack of offshore exploitation	1	Lack of coordination	Singular strategy, execute
One business profits at the expense of another	1	Lack of coordination	High level coordination preserving self-interest of BUs
Sub optimized overall bandwidth capacity	1	Lack of coordination	Singular point of coordination
No org structure for same products/services	1	Lack of vision	Establish structure and deploy
Lack of pricing strategy	1	Lack of coordination	Singular strategy, execute
Rate card misalignment	1	Lack of coordination	Singular strategy, execute
Variable recruiting practices	1	Multiple agendas	Singular strategy, execute
Shrinking margins in BUs	1	Lack of coordination	Profitability initiatives, execute, measure
Lack of strategy communication	1	Lack of effort	Deploy effective communication strategy
No unified performance metrics	1	Lack of coordination	Singular reporting through QMS
No unified quality metrics	1	Lack of coordination	Singular reporting through QMS
Sum	230		
Count	61		

The 61 themes that emerged from the data do not create an exhaustive list; however, they begin the discussion about where the sub-division is with respect to achieving one-ness and also briefly outlines some steps that can be taken to move in the right direction. As these steps are taken and the gap is closed, they establish a momentum for the evolutionary establishment of a one-ness that clients will benefit from as MediaCorp becomes a more effective solutions

provider. Below, the 61 themes were broken down into 13 theme categories, including a description of the issue (denoted in regular font) and the remedy (denoted in italics below).

- Knowledge management
  - The availability of training materials was limited for use. They had not been collected into a format that was fulsome and standardized. There was also no mechanism in place to make this information available to all locations. Clients expected that all of MediaCorp would function similarly within the scope of a given set of tasks. When clients saw that the methods were different, they equated MediaCorp locations to being different vendors. This made the end-to-end initiative a much more difficult sale. Internal locations wasted effort discovering and documenting processes that already had documentation.
  - *A MediaCorp university (MU) was established that included a prescribed methodology and format for creating content. Curriculums were developed with regard to processes that included means for comprehension measurement. These materials, along with general documentation, were made available worldwide through a knowledge base that hosted the university and a single coordinator that administered the system.*
- Quality management
  - The maturity of the quality system varied from BU to BU. This included BU workflow reliability and the measurement of that reliability level. The measurement would have been possible if a rejection tracker had been

available end-to-end. The client wants the vendor to process a project that is named. The project has a large number of deliverables in a variety of formats. Configurations throughout the global supply chain are subject to progressive invoicing and configuration yields. When a client wants to know what happened within a configuration, they could be talking to an isolated vendor, as there is a lack of uniformity in the rejection tracking and a corrective action process does not exist. Additionally, the ability to continuously improve the process is not uniform.

- *A quality management system was deployed to control the quality process in a centralized context. This included a single document that outlines our quality strategy, a single document that records measurements regarding all process yields, documents that cover quality system principles, and documents that include work instructions and specifications against which operational quality is compared.*
- A robust and mature quality system is not applied across the end-to-end supply chain. This is a force against the exploitation of this type of sales opportunity. The lack of a quality system implies that a culture of reliability, a standard for performance, a method for a quality system, and guiding documentation has been applied across the organization in a variable way. This variability is seen when clients investigate issues. This variability encourages a lack of confidence in MediaEnterprises' ability to perform the tasks that clients give to them and may result in the diversion of work or even inhibit the rewarding of work.



- *All business units in MediaEnterprises were brought under one quality management system (QMS). This system included a quality manual, quality system documents (QSDs), management review (MR), and work instructions (WIs). This system set the tone for quality performance regardless of the product or service. From a growth perspective, the quality manual influenced the introduction of new products, technologies, and expansions in capacity. The QSDs influenced aspects of the workflow that they applied to creating a united quality approach regardless of location. The MR included a unified set of metrics for all like workflows. It included performance targets and corrective action information that would lead to the closing of the gap. The relative measure of performance encouraged a push or pull strategy for information flow. A business unit that was performing very well would share their knowledge and transfer talent if needed. The WIs documented how tasks were performed. These documents, made available worldwide, allowed all locations to standardize on best practices. This accelerated performance improvements and allowed any location to perform tasks with a high degree of reliability quickly.*
- Various business units, some of which have similar workflows and products, did not have quality performance metrics. In some cases the metrics existed but were different or were calculated differently. This lack of standardization made it difficult to assess performance levels and know where to apply energies for the mitigation of vulnerabilities.

- *The remedy was singular reporting through one management review. The review included metrics for all businesses, including their definition and the method of calculation. These metrics could be applied across all applicable locations and workflows. They were used to assess where there was opportunity for improvement. Quality performance was a significant market differentiator that led to the awarding of additional work from clients. This was especially the case with sensitive work products that had short delivery requirements. Once the client could count on MediaEnterprises because they were easy to work with, they would tend to award work even at higher prices. This was validated by client survey information. “Our jobs are made so much easier based on the performance delivered by this team.” (CS67)*  
*Internal costs at the client were higher when they dealt with a vendor who could not figure out how to make difficult projects easy. This led to better profits due to higher price points.*
- Asset management
  - Logistics were managed by a variety of divisional and sub-divisional groups. Each group had a different perspective on how logistics should be managed. The level of excellence also varied as they had not standardized best practices. When a client wanted to know where an asset was or how it was managed, they received a variety of answers from locations within the same company.

- *The unification of practice came from the MOS. A horizontal line included this dimension. The MOS leader was able to push practices worldwide to mitigate risk and vulnerability. When a client RFP (request for proposal) was issued, MediaEnterprises was able to answer asset and logistics management questions in a singular way, encouraging confidence in a one-ness. The deployment of mature practices mitigated incidents that otherwise would have discouraged clients from using MediaEnterprises' services. These practices mitigated cost, enabling better profitability as well.*
- There was a proliferation of locations where assets were stored. Each location was managed differently and was in a different state of integrity with regard to asset tracking. The physical environment in which the assets were kept also varied significantly, to the point where the condition of the facility could damage the asset. This could happen through water damage or a lack of temperature controls for example. When a client wanted to know where their assets were, they did not want to hear that they were scattered in different locations, some with asset tracking capability and others without.
- *The consolidation of locations into three worldwide regional storage locations helped to concentrate inventories. The integrity of the inventories was controlled through the use of cycle-counting practices that force asset count accuracies to very high levels. If a client asked for an asset, it could be quickly located and made available. If the operation*

*needed an asset, the same thing would happen. The consolidation of vaults reduced complexity and increased the ability for the vaults to serve internally to operations and externally to clients. The consolidation also helped with cost synergies, thereby reducing cost and improving profitability.*

- When assets are received they are typically ingested, or digitized, such that they are digitally available on storage. Access to digital storage is not provided to operations, slowing their ability to exploit the assets through availability.
- *Digital storage came under centralized control. Previously, storage was isolated to business units and hoarded for spike capacity requirements. A shared solution increased utilization and made capacity available to all through sharing. When there was a spike, the storage was reconfigured temporarily to allow for the volume requirement. When capacity needs shrunk, storage capacity was reduced.*
- Asset storage charges were applied to some clients but not to others. When clients were charged for storage, their assets were requested to be returned soon after their use. When clients were not charged for asset storage, they would be left in MediaCorp vaults, as they could take advantage of free secure storage for years. The majority of the assets, based on last movement aging reports, had not been touched in more than 3 years.
- *Inconsistent rates for storage encourage less profitable behaviors due to storage costs. If storage was free then clients were prone to use it,*

*bloating inventories. They were not motivated to take their assets back, as this would transfer costs to them. The cost of storage eroded profitability possibilities. A unified purging program was installed that applied pricing to storage. This encouraged behaviors that included payment, purging, or the destruction of assets. These actions improved profitability.*

- A consolidation of shipping and receiving by region allowed for consolidated courier use and shipping efficiency. It also allowed the client to have a singular *ship to* address, reducing complexity. These assets could be received and made available to operations based on an SLA. Feedback to clients provided information relative to the pre-qualification of the asset within an SLA as well.
- *The consolidation of logistics services enabled a centralized management structure based on best practices. All clients received similar service delivered by one pool of drivers in similar looking vehicles. Tracking capabilities allowed for performance monitoring. Scorecards on SLA performance inspired confidence from clients. This typically led to the awarding of work. The pooled resource allowed for better utilization improving cost per delivery performance levels, and profitability.*
- Infrastructure
  - Decisions about local infrastructure components resulted in the use of incompatible components in the global supply chain. Disparate components increased training requirements and service or troubleshooting complexity. The use of disparate component types

hampered scalability and created a larger dependency on service organizations.

- *Centralized control of the purchasing process allowed for standardized component purchasing based on workflow use and capacity needs. The reduced complexity ensured the best performance possible based on a total cost calculation. It enabled component redeployment possibilities, making locations more nimble for quick capacity expansions. These measures increased predictability, stabilized capacity planning, enabled growth, and reduced costs. “Most of the divisions do [function, and] have their own teams doing this differently versus a [centralized] team that optimizes [capability].” (IMC49)*
- The infrastructure is managed inconsistently. Outages are more complex to troubleshoot than they would be otherwise. End-of-life issues become apparent when different equipment refresh philosophies are applied. The capacity-related dependency on the network was jeopardized due to an increasing number of surprise outages.
- *The attention of infrastructure teams to infrastructure uptime is critical to business continuity, a contractual expectation of clients that includes recovery times. Breaches can incur penalties or the removal of work. A management culture that has the will to beat uptime metrics is less costly if the ability to troubleshoot is encouraged by similarities in component usage. A single event at a competitor can redirect work to a more reliable team, enhancing profitability. Having a simplified and optimized workflow*

*design improved uptime due to component interchangeability, minimized troubleshooting time, and a reduced need for training.*

- Equipment maintenance procedures are redundant and not unified. These disparate procedures result in additional training efforts. The dynamic market and the need for rapid technical evolution make it necessary to simplify and optimize procedures regardless of geography. This is even more important in a location agnostic capacity model.
- *The application of a unified, centralized, predictive maintenance program improves uptime of equipment. Unscheduled outages will reduce capacity expectantly and inhibit the shipment of products on time. On the other hand, a mature predictive maintenance capability will create competitive advantages through equipment availability. Simplicity makes it possible for staff to travel to any location to resolve problems. Replacements and new build-outs are also easier and predictable.*
- Workflow management system
  - Disparate workflow management systems result in the lack of suitable configuration, version tracking, and control, which could lead to a failed delivery. This is especially critical for a project that utilizes a large portion of the supply chain and extends beyond a single division.  
  
*“A common system would go a long, long way towards unifying the different companies... all our disparate systems create inefficiencies and an inability to present a unified front to ourselves let alone the customers.” (IMC146)*

- *A system unification initiative led to a system consolidation roadmap. Operators were then able to go to one system to get the information that they needed. Their effort regarding the entry of information was reduced due to data sharing. Asset configurations were shared rather than recreated. Clients who had access to the system experienced end-to-end transparency and ease of use. This complexity reduction accelerated workflow throughput and reduced system management and enhancement costs.*
- Many of the comments that emerged from the data related to systems. In a MUF, the ability to lead change is a core competency (Burnes, 2004; Mitroff, 2001). The monitoring of performance is enabled by systems that impose workflow controls, track the progression of work, and provide data for review and analysis. Within the end-to-end supply chain, a variety of systems are in use. This may be due to acquisitions and a subsequent lack of integration. It may be due to unique requirements that triggered a development or purchase due to isolated perspectives. This may also be due to a lack of awareness that other systems exist that could perform the work. Regardless, disparate systems do not share information well, if at all, and organization evolution is slowed as a result.
- *A plan was developed that reflected an assessment of systems in use and a roadmap for integration into a single ERP. The plan included the cost savings associated with not having to maintain disparate systems, the cost that would have been incurred to benefit from additional features*



*available already in the ERP, the financial benefit of these features, the training benefits, and workflow efficiency gains. This resulted in a compelling basis to provide the additional labor to accomplish the integrations in the shortest amount of time possible.*

- System design is based on the user interface, the structure that drives navigation, and the core database architecture. As customers are introduced to the varied systems, they see that all of them are variable. For example, core database architectures drive information required for the system to function. A client would notice that a field array of data is required and repeatedly entered for MediaEnterprises. This is needed for work to be processed. This variability due to a lack of an organization-wide standard suggests that clients might experience similar issues if they were using multiple vendors.
- *With the consolidation of systems, the user interface (UI) was also standardized. MediaEnterprises did not assume that this user interface would be adequate for client usage. As a result, an assessment was done of client requests and a development roadmap was executed to accomplish the changes to meet or exceed client expectations. In some cases the client was not sure what they would want. In these cases the features that were already accomplished as a result of previous client feedback could be exploited. Repurposing features accelerated the accomplishment of meeting client expectations that were desired in their UI to the ERP system.*

- The ability to execute work may depend on the availability of equipment. Capital constraints may inhibit the ability of the organization to purchase needed capacity. On the other hand, the redeployment of existing equipment to the point-of-need could increase utilization while accommodating demand. A capacity planning system is typically needed in a complex global environment with significant volume variability.
- *A system was deployed that listed the inventory of all workflow equipment and the disposition of the equipment. The maintenance history and run-time was also listed such that the next interval for preventive maintenance could be known. This data produced capacity availability information through the inventory. This inventory was available to all locations. When a local business unit had the need for equipment or parts for their existing equipment, they were able to locate suitable components and request them. The system allowed for components to only be moved if they were required elsewhere. Consequently, a central storage facility was not needed.*
- Hardware viability is reflected in uptime measurement and output quality. Proactive maintenance driven by component failure predictability drives hardware performance metrics. Systems are needed to predict hardware life-cycles, track maintenance histories, identify parts inventories, and schedule downtime to avoid hardware outages that could influence delivery performance. Inconsistent use of a system may lead a business unit to tell a client that they do not have the capacity to do a job.

Furthermore, a BU may be renting equipment that could be replaced by existing equipment that needs repair. Parts inventories are valuable for quick repair. Triggers for ordering or sending them to other facilities that need them is also a requirement of the system.

- *The inventory system was used to pull parts and hardware into locations that had the need. The provision of on-demand capacity allowed businesses at various locations to accept work, rather than turn it down, because they were capable to increase capacity as needed. The system only worked if all locations participated by listing their inventory. The diagonal support function that manages equipment was able to work with each location to enter their inventory in the system. Additional support was given to the location if they did not have the capacity or the skill to enter the information.*
- The inability to monitor delivery systems promoted sub-optimal utilizations of this capacity. In some cases deliveries could not be made while capacity to make deliveries was available elsewhere. An inability to be aware of current usage trends kept managers from knowing what was available and where the capacity constraints were.
- *The delivery function was centralized under a technical group that could train the delivery teams on optimal practices for shared resource utilization. Tools were made available so that capacity was known real-time. This allowed for flexibility and adaptability depending on demand.*

*As a result, the continuous stream of deliveries was seen as consistent and reliable both internally to departments and externally to clients.*

- Systems are useful in tracking licensing of software and support contracts. When these are not tracked and monitored, licenses can expire leading to penalties. Additionally, hardware may become unsupported, leading to a decision to get other equipment or bring support capability in-house.
- *All of the support contracts were entered into the equipment inventory system. Cost was optimized by determining which items would need to be supported in light of replacement component costs. Other items were determined to not need support, as parts were easily available and in-house capability to repair these components was also available. A model for regional maintenance was set up to assist with regional location maintenance needs. These locations kept part inventories, performed repairs, executed preventive maintenance at all locations, and trained locations on troubleshooting and simple maintenance activities.*
- A sales system is beneficial to track leads and manage work through the sales funnel. A CRM is a typical system type to facilitate this. The system must be used uniformly in order to ensure that leads turn into revenue. This may be influenced by a willingness of the sales force to expose leads, the effectiveness of the system, the timeliness and accuracy of entries, and the design of the system.
- *A commission structure was deployed that linked to the CRM. If the project was not in the CRM, it was not commissionable. The amount of the*

*commission varied by project type. If it was new business, the commission was higher for example. If another person could assist with the closing of the deal, then the extra commission available was shared. This drove collaborative behaviors, including lead sharing which accelerated the closing of the deal.*

- The end-to-end supply chain uses multiple systems to track work between business units. Customers are given the opportunity to track their work in these systems, they receive reports from these systems, and they have to integrate their new products or features into these systems. The multiple system environments are difficult for clients, as they need training and access to multiple database environments. They are challenged to create one report with regard to the performance of MediaEnterprises.
- *The ERP system became common along the supply chain after a development roadmap was achieved. A performance report was available for each function in the supply chain. If a client wanted to know the results of key performance indicators (KPIs) they would only need to enter the date range and function in the workflow to have a report quickly displayed.*
- Strategy
  - A strategic-planning coordinated capability was not in place. As a result, initiatives in one business unit would conflict with the initiatives in another. A gain could be cancelled by a loss, due to the transfer of work as a cost reduction strategy, for example.

*We often have development projects generated in some business units running at cross purposes. We should try to get some oversight into development so we don't 're-create the wheel' or develop applications that directly oppose initiatives in other business units. (IMC148)*

Externally, clients noticed and were asking for an improved relationship through strategic discussions.

*"We'd [like] to have MediaCorp serve as [a] technological thought leader as relates to our business... we'd also like to have more strategic discussions/direction with the MediaCorp team." (CS13)*

- *Periodic strategic planning meetings were initiated. The results were documented and used for follow up. Benefits of each were documented and used as a partial basis for prioritization. LIMs were deployed in the form of action trackers and weekly huddles to share information about status. In these huddles, awareness was created through questions to project leads. This allowed for inclusion of critical participants that may not have been anticipated. It also gave business unit leaders information about deployment plans and status.*
- A trend was developing regarding the rapid commoditizing of pricing. This applied to new products and workflows as well. Clients were quickly involved in workflow and product design so that they could minimize prices, citing their involvement in the development. Additionally, they

were able to cost out workflows based on legacy pricing structures and require that these structures be replicated in the new pricing structures.

- *A two-fold approach was used to counter this trend and ensure elevated product introductory pricing. The first approach was that MediaCorp began to develop their products without direct client involvement. This allowed for elevated pricing. The second strategy was that an R&D component was added to rate structures. In cases where commoditized line items were mandated, an R&D line item was added to reflect development costs with each product delivery. Prior to a collaborative initiative with the client, the cost was determined as well as the volume. The R&D cost per product was then allowed to be applied.*
- The communication of strategic endeavors was not known to those affected or participants. The lack of awareness resulted in critical information not being made available to leaders, which altered roadmap designs. A lack of communication during deployment also promoted dysfunctional effort during implementation. In some cases implementation died as a result of communication barriers, resulting in deficiencies in design not being heard from stakeholders.
- *A communication strategy was developed. This included template-driven notifications to ensure fulsomeness for new developments and enhancements. Feedback was solicited from stakeholders during formal user acceptance testing. A formal fitness-for-use program was used by a*

*third party department to ensure that the process performed in accordance with internal and external expectations.*

- A complex organization in a MUF requires collaboration in strategy development and execution to keep ahead of a dynamic marketplace. Trained behaviors, a culture of isolationism, and silos that are augmented by disparate reward systems within the business units in a MUF, can create organizational inertia, especially when there are production network dependencies. Furthermore, the lack of a North Star vision will keep these disparate organizations from heading in a singular direction. The inability to know if progress is on track and proceeding at a suitable speed breeds confusion among stakeholders.
- *A North Star vision did not exist and the organization was largely reactive. The development of a vision of the deployment of a MOS with the goal to improve growth synergies through robust strategic task structures allowed for the execution of a roadmap that led to the vision picture. Alignment was promoted, reducing wasted effort associated with multiple agendas and a lack of collaboration. Clients were able to see a singular design that was scalable and growth oriented.*
- The desire to discover synergies is constrained as business unit leaders put up barriers, disallowing transparency or investigation into potential synergistic integration. *Turf* is valued and drives behaviors of protection. This source of inertia keeps synergistic integrations from getting off the ground. In the event that they do get off the ground, there will be those



who will want the integration effort to fail so that the organization can return to the previously wasteful equilibrium.

- *Business unit leaders are more likely to offer up turf if they understand the strategy and subscribe to the overall vision of the organization. The self-interest of each location needed to be respected through a guided process that promoted organization evolution. Leaders saw that a networked-production environment allowed them to improve the financial performance of their business. It allowed them to grow their businesses as well. “Merging (at a high level), service lines based on overall workflow / product... for [series of functional areas].” (IMC2-9)*
- Skills and the tasks performed by human resources or hardware are redundant within the silos. Utilization may be high, but there may be an organization combination with altered methods or workflow and based on most effective practices that could be a super-additive when these resources are combined. This benefit may effectively promote growth. The exploitation of these super-additives may be constrained by isolated work cultures.
- *Skills were established and transferred worldwide through a centralized learning management system. This included curriculums of training within functions. Anyone could learn how to use a system. This liberated learning and normalized methods allowing for continuous improvement from a common platform. Locations were, therefore, made capable to perform and acquire more work from clients, as they were now made capable.*

- If analyzed, it would be clear that there are product and service workflows that are redundant. These can be consolidated with the associated super-additives that produce profitability. There is a resistance to converge like functions due to turf protection and ego-based aspirations for empire building rather than profitability realization. The discovery of these opportunities often does not get off the ground. In the event that the discovery does happen and is made known, the plans for execution to create consolidation are often difficult to perform.
- *A synergy analysis was conducted by business type and location. Many locations have similar workflows. Also, businesses in the supply chain have similar workflows. This was assessed and consolidation opportunities were included in centralized organizational designs. Increased utilization boosted profitability and capacity to accept more work.*
- Organizational design
  - There is variability in the perspective of what an organizational design should be and how it should be constructed.
 

*“There are inefficiencies in how the boxes are laid out... some people have 2 reports and should have 10... this depends on the position... the idea is to create an effective design relative to the situation.” (IMC106)*

Designs may be situational, based on the maturity of the business unit or the growth stage it is in. Organizational design may be more or less effective based on the design itself. For example, the MOS is unique to

MediaEnterprises generally. The intent of this study is to show that a MOS contributes to growth synergies and is scalable. Clean designs that are understood with accountability may perform better than designs that are unstructured or convoluted through multiple paths of accountability or variability regarding flatness. Furthermore, a design may have been created to accommodate a personality and so this design may introduce dysfunctional behavior that negatively influences the performance of the organization.

- *The MOS provides a standardized structure that encourages performance in the dimension assigned to the leader. All leaders are oriented within the prescribed design and so reduce personality-driven variation in design. It provides a vision for design and scalability and so is a design control. Accountability is ensured through performance measurement but also through collaboration-driven dependency within the structure. Succession planning is oriented around the ability to function successfully in this structure. LIMs provide additional structures that accommodate leaders with unique capabilities and structures with unique missions.*
- A lack of business communication caused employees to wonder or rumor about what might be happening in the company. The evolution of the organization was unclear, leading to diversion of attention from progress on the vision roadmap. Leaders said that the communication vacuum was worse than receiving bad news. They just wanted to know what was happening and how the company was performing.

- *This was remedied by a communication strategy that included periodicity, method, and audience. Leaders were transparent about the next steps that the organization would take. These actions may be uncomfortable to some, but the overall effect of having informed employees outweighed any negativity. The bias to over-communicate turned out to be advantageous with good-willed employees.*
- MediaEnterprises had an established offshore location. This location had effective leadership and skilled employees. Some businesses took advantage of these capabilities while others preferred to keep their processes local. They cited that the offshore location was not able to perform functions targeted for off-loading. They said that the offshore location was not able to turn the work around quickly enough. The off-load location did not understand local needs and so could not do the work.
- *This was remedied through shift configurations that allowed for 24-hour operations. An always on initiative helped the offshore operation to understand the goal of how they should be perceived by the various operations. Teams at the offshore location were put on distribution lists that put them in the know immediately. It was as if the offshore person was sitting next to a location worker. Capabilities were made available to all offshore workers through a learning management system. Personnel exchanges allowed for local cultures to be learned. Representatives for each location were set up so that a single-point-of-contact liaison relationship with the offshore location was possible. A collaborative*

*environment was encouraged by one-on-one contact. The impact of this was better cost structures. This allowed for different pricing structures that promoted increased volumes and enhanced profitability.*

- Similar products and services did not have the influence of a single leader. This promoted variability in culture and practice. The results of this variability were seen in financial and reliability performance. In some isolated cases, performance was very good for a portion of the supply chain. The clients' view of performance in a supply chain relates to their experiences with the weakest link. A failure in one aspect of a workflow is a failure of the supply chain. Issues negatively influence the workflow cycle-time due to delays, rework, and resupplies.
- *The MOS design has a horizontal product and service leadership provision. These leaders work collaboratively with each other vertically in the supply chain and horizontally within their lines of business across the geographical dimension. They flush out variability and enable the standardization on best practice by pushing policy uniformity, tools, system enhancements, and metrics for monitoring.*
- A side effect of a dysfunctional organization is the lack of a streamlined and effective escalation process. Business continuity and performance predictability are generally desired internal to the business and external to clients. While this is a panacea perspective, there are exceptions that occur. The nature of an intense, high-volume business with significant associated liabilities is that these exceptions tend to have significance.

There may be a single \$30 delivery that is used politically to sink a \$200 million deal. While all risks cannot be predicted and the best, most robust workflow cannot keep a single non-conformity from occurring, there is the need for both contingencies and exception management. When a reactive action is required, the organization needs to have the ability to escalate the exception to someone who can course-correct a delivery or a re-delivery to mitigate penalties and brand image tarnishing.

- *A template was established and deployed worldwide for purposes of escalation. The familiarity of the design made it easy for everyone to know how it worked. Exception management was then accelerated as workers knew who to contact when they could not handle a situation. Clients noticed that issues were resolved more quickly. The resulting confidence encouraged increased work from the client. Sensitive work was assigned to MediaCorp because clients knew that the work would be accomplished on time and not stopped by issue resolution problems.*

- Financial functions

- The preparation of an invoice that is accurate and includes every possible billable line item with maximum value placed on time is a challenge for any organization. In some cases it seems like it is more difficult to invoice than to make the product.

*One of the biggest blockers (from my viewpoint) is the dysfunctional intercompany process that we are following... it takes my entire team 2 days at the end of every month to reconcile*

*intercompany... that's nuts. If we add the time and resources that we are wasting invoicing each other – it really gets crazy.*

*(IMC127)*

An organization that delivers complex and individually unique products to many customers simultaneously is especially challenged. Adding to the complexity, when different organizations create invoices for various parts of the supply chain in isolation from other organizations, inconsistencies and errors are possible. The client will view this bi-product of a lack of centralized control as being similar to dealing with multiple vendors. This then negates the end-to-end strategy.

- *A LIM was introduced in the form of a product line manager. This role made it possible for a product line, in all of its variations, to be tracked through the supply chain. A single point of communication for the client inspired confidence. Frequent executive summaries promoted transparency and issue resolution. The product line manager was able to monitor billing line items for the product line to ensure a single representation of the financial cost of the product line. This single point of contact made it easy for the client to do this work with MediaEnterprises.*
- Accountability for financial performance mandates that those held responsible have feedback on the impact of their decisions over time. Periodic financial feedback needs to be aligned and timely. The alignment of financial information includes report design aspects that allow for analysis and comprehension. Some of these aspects relate to time. For

example, the capability to perform year-over-year (YoY) analysis across locations would suggest that the data is consistently constructed and applicable over the time frames. Additionally, for those who are accountable, it would be expected that they would receive feedback on their decisions soon after the effect of their decisions was experienced by the organization. If this is not the case, the ability to accelerate progress in the right direction or course-correct away from a bad direction is slowed.

- *A single design for financial performance packages was deployed. This promoted a consistent look of the documents from month to month. Once a P&L leader was trained on how to read it, they became much more aware of their financial performance. The financial packs reduced complexity and helped them to make quicker decisions. They also helped leaders to see the impact of their decisions, thereby enhancing profitability.*
- The construction of a P&L includes functional groupings and their associated costs and revenue. These groupings may not be optimal or practical. The ability to understand performance by LOB would suggest that the functions that add value to a LOB workflow would be financially grouped in the P&L. Not understanding this performance leads to pricing inconsistencies that appear to the client as irrational.

*There are huge challenges ... the largest from my perspective is due to our businesses all being on separate P&Ls. The business leads are being judged against that, and thus, need financial incentives to place the work where it makes sense. With pricing*



*pressure being what it is, this becomes even less lucrative as margins shrink further. (IMC139)*

Internal competition can lead to a negotiation that hurts profits, as a client then asks for the lowest pricing for the same value-added activities but from different sources within the organization.

- *Horizontal LOB leaders gained access to financial information from all locations that produced the products that had been mapped to them. They were able to review the allocation of expenses and the organizational designs at all locations and make alignment corrections. They were able to increase organizational alignment to make sure that the right groupings of functions were organized within their associated lines of businesses worldwide. This also enabled performance monitoring and the use of ratios.*
- A single customer may be billed using different methods or multiple template designs because deliverables came from many BUs at MediaEnterprises. This leads to inconsistent methods being deployed that may result in increased error rates. It may also lead to needless discussion around these inconsistencies so that the client can understand what the invoice is saying.
- *The client would prefer to have a similar looking invoice. This suggests one-ness in the value chain. It ensures readability and reduces errors or confusion. A centralized billing department was used for the supply chain. This department led by a horizontal dimension leader pushed policies that*

*promoted conformity to a single standard across all locations. To the extent possible, a similar rate structure and strategy was used. In some cases the structure was driven by contractual documents.*

- The rate structure also applies to intercompany situations. A division in the supply chain may need a workflow output from another division to make a sale. This becomes even more prevalent in an end-to-end scenario. Within the sale, the cross-divisional workflow element was priced and may be an isolated line item on an invoice. Intercompany rates typically are discounted against this line item and so the organization that performs the work and bears the cost does not experience the full revenue associated with the line item. Regardless of how the rates are structured, a lack of consistency and agreed to billing norms leads to needless negotiations with every project on what the internal rate is going to be. This influences the internal behaviors about the desirability of the work and also delays the execution of the work, which subsequently delays its associated revenue. It may also lead the client to believe that the organization is not able to perform the work, leading to a reassignment.
- *The intercompany rate card was eliminated by consolidating P&L structures. The result was that the revenue received for the line item was fully experienced by the P&L. The transfer of funds between P&Ls, guided by the intercompany rate card, was eliminated. The effort and research when discrepancies occurred were eliminated. This, together with the centralized billing function for all functions, reduced cost. The centralized*

*function also allowed for systemic enhancements to streamline processes going forward.*

- The silo environment does not encourage cross-division revenue opportunities. Each division is measured independently and is not incentivized to provide revenue opportunities to upstream or downstream divisions. In some cases a division was working on a product that could be exploited vertically. These opportunities are lost due to a lack of collaboration.
- *A LIM was implemented to cross over divisions while looking for opportunities to share work. This LIM connected a selling group and an operational group that could make supply chain deals. They could also vertically expand a deal to benefit other divisions. A commission-based reward structure was associated with these deals to motivate the sales group, while bonuses motivated operation groups.*
- A dysfunctional rate structure, intercompany or across clients, leads to effort needed for research. The complexity brought on by variable rate structure designs and a lack of a common method, leads to inaccuracies applied to invoices. Training becomes more difficult and human performance inconsistency becomes more prevalent, leading to investigations and reconciliations. This research consumes capacity and increases the cost within the billing function and the operation. Customers then experience a delay in receiving their invoices. They may even indicate that one part of the supply chain is able to send invoices timely

and accurately, while another section of the organization struggles. This is confusing and frustrating for clients. The inability to invoice has led clients to move their work to, or away from, their vendors.

- *The centralized billing function was able to deploy a module in the ERP that standardized billing methods through the system design. Local nuances were accommodated for, while rate card designs were standardized so that the system could exploit them. Sales modified rates in the system when new contracts were won. Billing functions that could be automated were. Policy and commonality could be pushed through the system. Training on the use of the system was facilitated through MediaCorp's online university.*
- Unfair end-to-end pricing resulted when deals were made. Some businesses were used as loss leaders to make the deal. This hurt P&Ls that were used as part of the reward system, and so were protected. Giving some services away for free compromised the performance of business units and presented the image that they were unhealthy and subject to divestiture.
- *A methodology for the redistribution of revenue was deployed to avoid a perception of poor financial performance. The redistribution was related to the business unit total cost as a percentage of the overall cost associated with the project.*
- A dysfunctional intercompany process resulted in negotiations, some of which were achieved under duress, regarding internal pricing. The intent

was to increase margins in the home business unit at the expense of the business unit that was offering services unavailable to the selling business unit. The inflated margins created line item targets for discounts. Clients wanted details of cost in the workflow at the line item level, leading to the discovery of opportunities for reductions. With this information they were able to reference market pricing for these line items. This left the business unit that provided internal services with a loss leader that was uncompensated for in the selling unit. Additional costs were associated with coordination, internal transfers, and internal invoicing.

- *The selling units became members of a single P&L structure where intercompany transfers were not needed. The P&L experienced the revenue and the cost was allocated. As a result all line items were justified against market pricing standards.*
- Revenue was lost due to the inconsistent choices of line items used in the invoicing process. This inconsistency led to the loss of revenue potential for services. Rate cards may not have provided adequate information about the rates that can be used. In this case line items would be consistently missed.
- *Revenue worksheets were set up in the ERP system to provide template-based invoices that referenced rate cards built into the system. All rate card structures were reviewed for fulsomeness. Automatic checks were built into the system such that any changes to the invoices outside of the template rate card needed approval prior to being sent out.*

- A client may receive multiple invoices on the same purchase order (PO) due to the segregation of functions in the value chain. The preference of the client is to receive one PO for all services in the value chain. This also reduces costs at the vendor site, as processes are consolidated and connected providing a general level of transparency.
- *The ERP system was used to prepare billing across the value chain in all supply chain services. As the ERP migrated vertically to business units, they were able to use automated billing and repurpose data that was populated once at the beginning of the project. This saved time and met the clients' expectations.*
- The behaviors of the facilities were influenced by the fact that there was no self-interest policy. The effort expended to accomplish work that meets a client's expectations should be rewarded with revenue and profits that are part of the location's reward system. This motivates locations to accomplish the work with the least cost and the most value to clients.
- *A self-interest policy was created to reward locations that accomplish work in their local markets. This also influenced reward systems as they were designed with a strong local component to motivate leaders to exploit addressable markets within their reach.*
- In some cases rate structures were set up such that one business profited at the expense of another. This occurred in deals that were made. A concession in one area allowed another business to profit. Essentially the losing business was given a loss leader.

- *A policy related to the redistribution of funds was implemented. It was structured in accordance with an allocation policy that related to total costs in the loss-leading business unit. A monthly transfer was made based on the calculation. In this way, the cost burden was equalized across all participating businesses.*
- Every project had an aspect that was unique. Consequently, a pricing structure was created around each project. To optimize profits, a pricing strategy to optimize profitability would have to be used. The strategy needed to include various techniques to optimize profitability.
- *Each deal was unique and so needed a unique pricing strategy. The techniques used to optimize profits in each deal came from an assortment of techniques that could be applied, such as seeking overages and upselling services. Every billable line item was considered. As an example, there was the opportunity to upsell other services to gain more revenue. A strategy may also include the inclusion of line items that were not previously considered. These line items are needed when other line items cannot adequately carry the cost of those not listed.*
- Rate card misalignment happened as the result of unique deal structures. Even so, treating every deal as a one-off resulted in the loss of opportunity to charge for other aspects of the project for which the client would have paid. This happens when the dealmaker does not understand what is valuable to the client. In addition, there are nuances to rate structures that are geographically driven.

- *The MOS includes geographic locations in the vertical dimension. An awareness of value in each location was determined. For example, one location may pay more for security than another that would consider it a barrier to entry. Horizontal leaders were able to see how their pricing was handled by client and by location. This allowed for discovery of line items that could be used, thereby optimizing alignment while allowing for customization.*
- Continuous improvement
  - Some parts of the organization may have a structured continuous improvement process while other parts may not have one at all. However, not learning from failure encourages a repeat of that failure. This is confusing for clients who want MediaEnterprises to learn from their mistakes. Typically a mistake will result in a penalty to both the vendor and the client. For example, the vendor will have the cost of the rework while the client may have to wait longer to get their product. This will impact schedules and lead to penalties. An inconsistent or incomplete application of the corrective action process may lead customers to believe that in some areas there is no hope of keeping issues from happening or reoccurring due to the significant existence of residual risk.
  - *An analysis of all workflows was completed to understand what they were and where they were located. The quality system was then applied to these workflows in all locations. The quality system includes a robust corrective action process. A SLA on corrective action turnaround time was deployed*



*and measured for compliance. All issues were logged in trackers and reflected in the management review that went to all executives. All investigations and corrective actions were reviewed by a single capable person.*

- Leadership

- While personalities of leaders and their leadership style will differ, clients want to see IMC guided by a single set of values that drive behaviors. They want to see one culture driven by these values. They expect that these values drive performance that is predictable and desirable.

*“When we see things (in our business unit or others) that seem to oppose this initiative, we need an agnostic escalation point that represents ‘MediaCorp’ ... not just a slice of MediaCorp.” (IMC150)*

The lack of leadership conformity within BUs and at corporate suggests to clients that they cannot predict the behavior of leaders when they engage leadership at MediaEnterprises.

- *A vision and mission statement was made public by MediaEnterprises’ leadership following significant discussion on the topic. Supplemental statements were made with regard to sub-aspects of the statements related to security, quality, and service levels to provide additional detail on responsibilities. As the MOS scaled, the culture driven by these statements was transferred to each additional business unit in the overall organization.*

- Compensation system

- With the blending of business units through synergy exploitation or acquisition, there were anomalies in compensation systems. This included terms of employment and compensation amounts. This caused issues of compliance with payment bands and uneasiness among those within the bands due to a lack of conformity in a few instances.
- *The issue was resolved by extending the bands and adjusting the wages of the high-fliers. This enabled those who were paid at lower rates to be pushed up further into the band and conversely, it pulled those outside of the band back into the range. The band creation regulated the hiring of new employees, including allowing for new employees at higher rates. This system was deployed to all business units and included regional nuances.*
- Performance in the business units was not linked to compensation. This was partly due to a lack of a unified set of performance metrics. The metrics that existed had variations in the methods by which they were calculated. This prevented relative measurement and made it difficult to set targets that applied to all business units for like workflows.
- *A set of KPIs were created that were agreed to by business unit leads. These KPIs were defined including the methodology for calculating them. With this, it was the possible to set annual performance targets and target improvements. The results of the measurements are published monthly in the management review. The targets and their definitions are also published in The Review.*

- Training
  - Employees did not experience training such that they could perform at suitable levels, especially in light of change. Most of the training that happened was on-the-job, as needed. In some cases training was provided after a failure occurred. The training function was provided by functional leaders on location. These leaders could be overwhelmed with production needs. The lack of training therefore could negatively influence performance.
  - *Training curriculums were developed by each functional leader and included in the MediaCorp University. The university allowed for the presentation of information regarding work responsibilities for business unit functions and clients that leveraged MediaEnterprises' systems. It also allowed for testing while providing details on comprehension issues. A single university allowed all functions with similar attributes to exploit the training materials of other business units. This reduced the effort needed to create the materials. Updates to the materials were relatively easy, as leaders were trained on how to create and modify courses.*

*[Client] wants to leverage MU to help enable their people to perform tasks in [the] ERP as an example. This gives us the ability to measure comprehension through testing, the ability to evaluate test capability through the analysis of question success, the tracking of who has and who has not passed a test, etc. (IMC19)*
- Recruiting practices

- The recruiting practices at each site varied according to local practice. While geographical nuances needed to be considered, many of the functions were similar worldwide. The lack of standardization on best practice inhibited the transferability of work. When this occurred there were excessive failures, diminishing confidence in the ability of the business unit to execute the work. In many cases the performance of the teams was directly related to getting other work. Poor performance influenced revenue and profits. In some cases penalties were assigned.
- *A process for recruiting was implemented to ensure the best candidate was awarded the job. This was determined through preliminary knowledge testing and a structured interview process. The functional leaders were directly involved in interviews to make sure that the new employees were a good fit. A better fit also reduced attrition rates. The mix of full-time (FT) and freelance (FL) workers was also optimized.*

*... using operator skills in all places possible where they can be applied... informs our ability to consolidate activities across functions [including] labor type modeling that relates to the percentage of freelance staff as compared to full-time relative to the volatility of volume. (IMC45)*

- Security management
  - The assets that MediaEnterprises handles are not their own; they belong to clients. These assets are the crown-jewels of the clients. They have invested significant capital in these creative properties. The loss or leakage

of these assets results in significant loss on this capital invested. Consequently, security management is paramount in this industry. A single breach could result in significant penalties and financial loss. Clients expect that when they review the security management in any division of MediaEnterprises, that they will see similar leadership, culture, and controls. When this is not the case, they lose confidence that a security breach will not happen and they award the work elsewhere. This is a barrier for entry in many cases.

- *A unified security approach was applied to all locations through a security management system. This system was used in all new locations. An internal assessment tool was made to assess the compliance status of each location. A centralized team supported the location to bring the new site up to company standards quickly. Local regulations were taken into consideration as part of the initiative. Ongoing assessments were completed through internal and external audits. Non-conformities were resolved through corrective action. A security standard was constantly updated to reflect the last threat mitigation controls. This standard informed the gap analysis. With each update, the gap analysis was used to ensure that all locations met all the controls, including the new ones. This also prevented drifted and accommodated new workflow introduction.*

*“The MediaCorp security policies are very tough and should pass any industry audit. It will take some serious work to get some of our facilities up to the new standard.” (IMC62)*

*“I support using [MediaCorp’s] security policy for all of [MediaEnterprise facilities]. I recommend doing this ... to standardize on one set of policies and improve our overall security.” (IMC63)*

In summary, the data suggests that the IMC initiative is critical for the growth strategy of MediaEnterprises. In order for clients to entertain this strategy, they would have to see the competitive advantage from the one-ness factors that differentiated MediaEnterprises from a sequence of vendors in the clients’ supply chain.

*“[We established] customer decision maker alignment for product [that] lead to synergistic supply chain opportunities.” (MS58)*

The effort on the clients’ side to manage a sequenced vendor chain would be significantly more than the IMC alternative. An end-to-end proposition for services would eliminate handoffs, reduce order dwell time, and reduce the number of outputs needed. The following propositions summarize the key findings of this section:

- Proposition 148 (knowledge consolidated): Effective data management consolidates knowledge by exploiting a globally accessible framework.
- Proposition 149 (reliability system): A mature quality system that promotes a performance standard should have equal influence on all locations, encouraging performance parity and improvement.
- Proposition 150 (practice unification): Practice unification on excellence assumes that asset locations are always known and are being cared for, returned, or timely purged.

- Proposition 151 (component unity): The standardization of infrastructure components allows for knowledge of disposition and redeployment to accommodate local capacity requirements.
- Proposition 152 (system unity): The internal unification of systems to streamline operations also influences external perceptions as API integrations and client data views may be variably complete.
- Proposition 153 (embedded alignment): A common vision-mission will be found embedded in strategic planning and discovery documents when the parts of a MUF are aligned.
- Proposition 154 (design effectiveness): Unity is easily found in a MUF's organizational design when the layout of the positions is clear and service failures are rare.
- Proposition 155 (validated transformation): The clients' impression of the MUF's capability as an organization is influenced by how the MOS allows itself to be transformed and monitored externally.
- Proposition 156 (single mindset): A deployed set of values and norms creates the perception of a single mindset among MOS leaders.
- Proposition 157 (acquisition mechanism): A mechanism should be deployed to verify that training is effectively deployed on a single platform by measuring comprehension and also to what extent users depend on it for knowledge acquisition.

- Proposition 158 (threat-scape): Security awareness and the integrity of infrastructure at each site indicates the level of concern and control over the threat environment.
- Proposition 159 (competitive one-ness): Competitive enterprises are compelled to strategically position themselves in alignment with the one megatrend in order to maintain and enhance market share in a dynamic environment.
- Proposition 160 (excellence *horizontalized*): Consistent excellence across all locations is foundational to a one initiative, as it validates the single vertical supply chain perspective of the client.
- Proposition 161 (organizational recalibration): Organizations seeking one-ness must recalibrate their perspective on organizational design to enable or sustain profitable growth in an evolving market that embraces, or that already has embraced, the benefits of one-ness.
- Proposition 162 (knowledge centralization): Knowledge management engages entrepreneurialism, producing new knowledge while unifying task knowledge through centralization, utilization, and influence.
- Proposition 163 (one reliability): Clients expect a singular, high-reliability, performance experience in the value chain that is subject to a mature remediation process when infrequent non-conformities occur.
- Proposition 164 (one vault): Clients expect that their assets are available, locatable, and treated in a similarly excellent way, regardless of where they are in the end-to-end vendor supply chain.



- Proposition 165 (one infrastructure): Clients count on the reliability of the vendor supply chain workflows, which are dependent on the continuously available capability of each linked functional element.
- Proposition 166 (one strategy): An end-to-end value chain must be aligned in purpose and destiny in order to realize synergistic growth.
- Proposition 167 (financial information): MOS leaders benefit from timely, concise, and complete financial performance reviews that are linked to cost mitigations and the result of opportunity exploitation.

**Scaling the MOS.** An effective structure must be scalable to increase its potential benefit. The scalability of the MOS was also critical to the preservation of the one-ness inherent in the MOS design. Figure 71 illustrates this by showing how the MOS can carry the norms to new businesses through synergistic expansion. The MOS design is scalable in all dimensions. A new client can be added, just as a new location, product line, or support function can be added. Some use cases could include the following as illustrated below:

- Product four could be sold to other clients in other sector services by other divisions. The MOS could assist the other division by making and delivering the product to the client. Profitability comes from additional revenue at an intercompany price that includes a suitable margin.
- The ERP system developed in the sub-division could be exploited in another division. It could be used as a market penetrator, helping another division to close a sale. The other division could charge a fee for usage of the system, thereby increasing profits by leveraging growth synergies.

- A particular client that is being serviced by the division could want products and services in another division. The cross-selling could result in the sub-division managing the purchase order to completion, thereby exploiting existing relationships to achieve increased revenue and profitability.
- A location may be exploited to manufacture a product needed by another division. The skills and capacity are exploited to increase revenue and influence profitability through a margin-laden pricing structure.

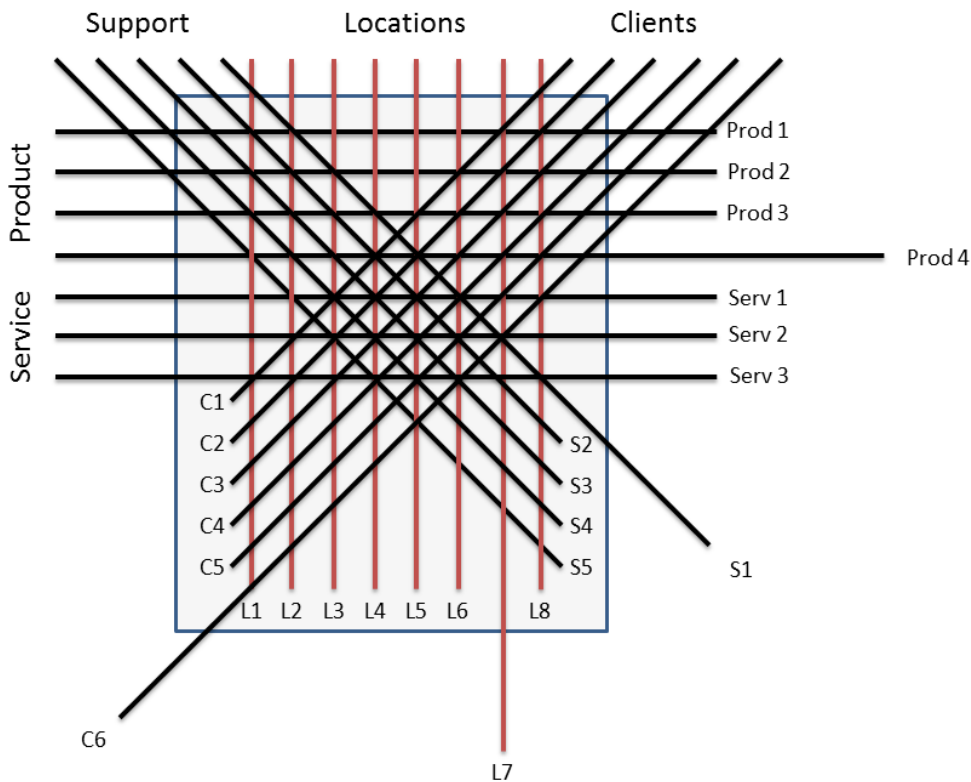


Figure 71. Exogenous scalability of a MOS. This figure illustrates how lines in the MOS can expand beyond existing boundaries.

Scalability data suggests, through 111 rich descriptions, 110 coded themes, within 3 primary patterns that emerged from the data, that scaling is critical to synergistic growth. The three theme patterns were *assess*, *define*, and *execute*. Assess, for example, is interpreted to mean

that prior to MOS scaling, an assessment should be done to understand what LOB is being scaled.

“Business review of that specific area (e.g. LOB) to understand their growth strategies, etc.” (MS5)

The next step that emerged from the data was to define. The context in this case was to determine the mission to accomplish during the scaling.

“Creating milestone schedule-showing actions need to be performed along with financial impacts.” (MS17)

The last step in the scaling is to execute. The context in this case is that MOS leaders need to achieve critical results while aligning the organization and avoiding undesirable outcomes, even if they are relatively small.

“Bifurcate existing operational entities into components that fit within other entities without having to add or change optimal organization/operating structures.” (MS63)

MOS leaders understood that assessing and planning were critical to execution. Given that they have had experience in synergistic change, this is understood. This experience helped them to provide data relevant to scaling the MOS. Each of these three areas will be discussed in further detail below.

Prior to scaling execution, the entity to be introduced needs to be assessed. According to the data that emerged from MOS leaders, this includes seven areas to be considered as illustrated in Figure 72. The first area to be considered, the order is not relevant per se, is with regard to the client. This includes assessing the attributes of current relationships with the entity being integrated or scaled into the MOS.

“Reviewing if there is any opportunity for price increases by creating ‘value’ for [the] client by utilizing [division] resources (e.g. R&D, ERP, etc.).” (MS24)

Additionally, this includes an understanding of what the client thinks is valuable. This may include existing services and products, as well as those that are not currently provided. An understanding of value helps with pricing optimization. It also helps to uncover growth opportunities that might be synergistic with existing business units that could participate in the relationship.

The second area that emerged was an assessment of infrastructure. Infrastructure is critical to workflow operation and on-time delivery realization to a prescribed specification. Hardware and software need to be assessed to determine if they are relevant to ongoing business continuity. Software may not be licensed or supported. Hardware may be at the end of its life-cycle and be unsupported. Issues that arise will need to be remedied. Furthermore, an understanding of efficiency improvements may be discovered during the assessment. Similarly, systems must be assessed for similar reasons. Questions regarding the possibility of system consolidations and enhancements need to be discovered. The data also suggested an assessment of automation opportunities to assist with profitability in the integration or during the scaling to optimize profitability. In some cases, automation may already exist that can be exploited. An assessment of disaster recovery and business continuity plans needs to occur to ensure alignment with client expectations. Lastly, the infrastructure needs to be assessed for compatibility. This includes compatibility in the existing location. Opportunities for space optimization can be realized during scaling. These gaps need to be identified and then closed.

Next, the leaders of the facility to be integrated should be asked about their R&D roadmap. This is the best time to acquire information about the opportunities to make further

change that will enhance profitability. The legacy leadership has an opinion about what needs to change just prior to their knowledge of the acquisition or integration. Not exploiting this may result in significant discovery effort.

“[We will be] reviewing [to see] if any tasks can be automated by R&D tools or by ERP enhancements.” (MS20)

These leaders can also provide valuable information on the effectiveness and capabilities of the support functions. These capabilities would be assumed by the diagonal support dimension in the MOS and should be known. Specific information that would be valuable includes the capability and capacity adequacy of these functions. Lastly, an understanding of the administrative burden of these functions may have impacted their capability and capacity.

“[We spent time] reviewing all admin tasks for off-load to lower cost facilities like [location A] or [location B].” (MS13)

To the extent that this burden can be minimized, capacity could be influenced, producing a synergistic gain.

Operational assessments include the discovery of synergistic opportunity. This could happen through the review of reports that are currently used and an understanding of deliverable expectations.

“[We will be] reviewing requirements and the possibility of moving the workflow to the ERP system.” (MS22)

A capacity analysis may also reveal utilization information and other relevant information.

Related to capacity, quality performance information will reveal capacity consumed by rework.

Revenue concessions due to operational failures may also be remedied to improved profitability.

Having an understanding of rejection types, frequency, their root causes, the corrective action process, and general reliability trends would be valuable during MOS scaling.

[Regarding] rejection tracking... we're on this call with [MOS diagonal support leader] on the failure mode and effects analysis (FMEA) reporting and we need[ed] to pull her into this as soon as possible because in some areas there won't be much in the way of reporting and we need to make sure it's there. (MS54)

The assessment of human resources produces valuable information according to experienced MOS leaders. This assessment includes talent measurement and assignment, an understanding of churn and its drivers, mediations to stem undesirable churn during the integration, and an assessment of the organizational design. This assessment may reveal needed organizational design modifications, promotions, or reassignments.

A financial assessment will reveal the current health of the business along with recent or long-term trends. MOS leaders recommended that a quick assessment of the current and past budget is needed to understand trends and performance expectation gaps.

“[We will be] hashing out short-term and long-term P&L impacts [and] working with finance to create a P&L for integration so it will be very clear what is needed.” (MS28)

A business review will reveal current cost structures, cost efficiency, and pricing strategies. An assessment of the P&L impact of the scaling or integration is critical to financial performance during the time of transition. This awareness helps MOS leaders to be aware of challenges so that mitigations can be prepared.

Lastly, an assessment of support functions was beneficial. This included an assessment with regard to the support functions' ability to perform tasks. Where the capability did not exist, the task was subcontracted. Further to this, their capacity to perform these tasks had to be

assessed. Situationally, if they did not have the capacity, they would outsource the overflow, or the complete job. Special attention was given to minimizing the administration burden of the support functions. While some reports are valuable for performance monitoring, the overall value of any report or form that supports was assessed for value before it was implemented.



Figure 72. Assessing MOS scaling map diagram. This figure maps assessing scaling in the MOS as a theme category into descriptive sub-groupings.

The second significant pattern that emerged from the data was a defining activity. The defining activity included determining or planning a number of critical items to a successful MOS scaling activity. The first to be discussed is communication.

“[Had a] meeting with the new team to communicate the reasoning behind the integration and that they will have [a] bigger opportunity in MediaCorp since they can get involved with more workflows.” (MS15)

The data suggested that three elements to communication are important attributes to be considered; if it is internal, if it is to the client, and its timing. These attributes related to the transition plan, the message delivered, the strategy, and the escalation path. The data also suggested that effective communication tools be used to enact the communication strategy.

The various LOBs to be integrated or scaled must be understood. This includes the data classification of the content being used in the workflows. The portfolio needs to be understood within the context of the constellation of products and services within the MUF as well as the sectors that are being exploited. Volume trends need to be understood as well including short term variations and seasonality.

The organizational design needs to be defined within a MOS framework as illustrated in Figure 73. A scaling activity may add lines within the dimensions. These lines need to be assigned to relevant leaders for accountability. The integration of activity to the lines needs to be accomplished within the mission of the dimension. This assignment sustains the segregation of duties, optimizing the opportunity for exploiting existing synergies. Furthermore, the acquired capacity may have capabilities that are of interest. These may become best practices within the relevant dimension and may influence that dimension generally. A growth synergy plan needs to be defined to exploit these opportunities.

“[We pursued] customer organizational enhancing [as we] postured ourselves to identify, support, and promote efficiency opportunities with our customers.” (MS60)



As workflows are reviewed constraints are understood. The associated constraint mitigations may then also be considered. Cost efficiencies may be improved with capital investments and by exploiting discovered best practices. Plans need to be made to measure the impact of the synergy-driven integration, including profitability enhancement achieved.

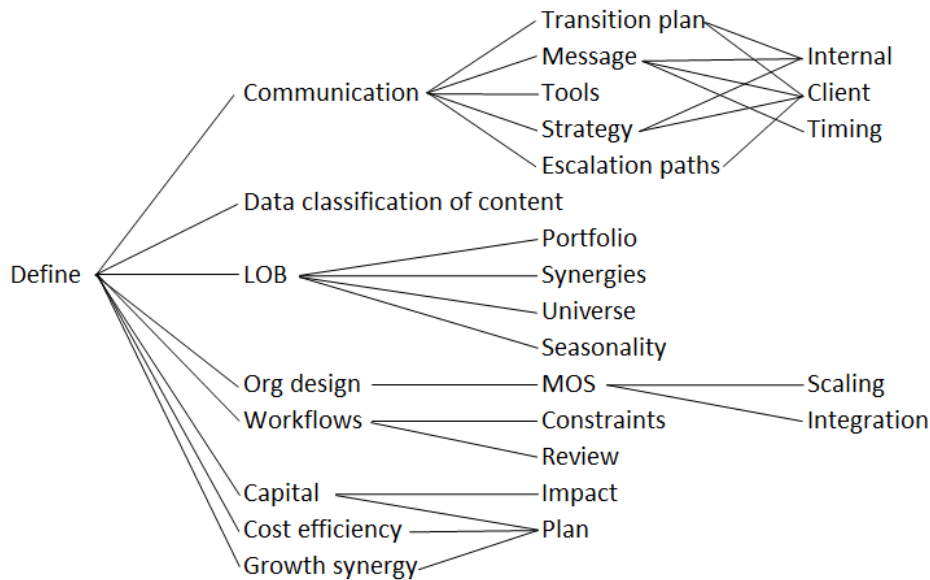


Figure 73. Defining MOS scaling map diagram. This figure maps defining MOS scaling as a theme category into descriptive sub-groupings.

MOS leaders, based on successful change management experience, recommended that an assessment of the scaling opportunity be accomplished as illustrated in Figure 74. They suggested then that the plan be determined. Finally, the execution of the plan was the objective to realize the growth synergy opportunity. A number of activities emerged from the data that would be a part of the scaling execution. These activities are not in any order, as this would be situational.

One of the activities that MOS leaders recommended was related to mapping. While there are many mapping opportunities, they suggested two in particular. One of them was mapping the new organization to be integrated or built into the MOS dimensions. This would include breaking the new organization into elemental units and understanding each one. Once this is

accomplished it would be mapped to the MOS that is acquiring the organization. Capacity considerations would be used to understand how much of the new organization would transfer. The other mapping activity is related to the orientation of the facility. While mapping the new organization in, whether it is an integration or an addition, it affords the existing facility that is accepting the new one the opportunity to reconfigure itself physically, such that efficiency gains are possible. This opportunity is highly synergistic and helps the MOS realize increased profitability.

MOS leaders indicated that there is a need to integrate various aspects of the new organization. This includes P&Ls. This is another mapping exercise. Organizations tend to exhibit unique behaviors in how they map their revenue and cost. Differences in the methods used between the organizations needs to be understood so that a single mapping can occur. The SLAs that exist with the new organization need to be understood as well.

“[We needed to] establishing SLAs for turnaround time [and] for service quality requirements.” (MS8, MS9)

Business continuity at the same level will be expected by existing clients. If this is not achieved then they will leave and free cash flow will be in jeopardy. SLAs may relate to reliability or order dwell-time metrics. Lastly, MOS leaders understand that it is necessary to know all the systems that are being used in the workflow that is currently servicing the clients of the new business being integrated. These systems may be linked to client systems and so need to be carefully re-mapped into MediaCorp systems, as an example.

“[We added] sales engineering support to be included in the operations... [to] work with sales to review, solve, and promote opportunities directly or indirectly to the horizontal focus.” (MS61)

A plan for the integration of the systems in use would need to be scheduled and executed. MOS leaders mentioned that to capture as many of the nuances of the new business as possible, brainstorming sessions should be held with all related parties in each company to discover opportunities and risks so that appropriate actions can be taken.

“[Have a] kick off meeting with all stake holders involved for initial brainstorming on [the] transition plan.” (MS1)

With the execution of the integration tasks, a communication plan needs to be created. This communication plan needs to include discussions with all vendors and clients. The teams from the new business and the existing business need to have frequent and appropriate discussions. These discussions relate to the integration plan formation and the forward-looking strategic plan. The team from the new business had already formulated forward-planning actions that should be shared, as they know best about the current climate in their businesses. Communication about financial aspirations and commitments need to be understood to guide actions and their timeliness. Ongoing monitoring of performance achievement can occur at periodic meetings between relevant parties.

“[We were] establishing periodic meetings after [the] integration to monitor the progress.” (MS34)

Several tasks need to be done with regard to products and services. This includes product reliability, product identification, and product portfolio mapping. Product reliability can be described through value-stream mapping techniques to determine the value each product or service has to the client. Reliability value includes metrics that relate to performance. This includes performance once the client has received them, reliability in on-time delivery, and reliability with regard to the specification being consistently achieved. In some cases MediaCorp

has to help the client understand their specification, especially with regard to compatibility issues with the workflows that create the products. The workflow routing to achieve the deliverable may need to be determined and optimized for reliability and cost. Product identification relates to the specification and the workflow being used to produce it. Once the specification is known, the workflow may be further optimized to achieve the same deliverable but more efficiently. This transition between workflows should not disturb the schedule of deliveries or reliability performance. Portfolio mapping is important as products may be similar. Existing workflows may be able to deliver the new products unchanged. In other cases, small changes may be possible to accommodate the new products. These planned actions can exploit synergies and help MediaCorp achieve improved profitability with the integration.

“[Regarding] ownership of equipment ... we would need to understand future CAPEX impact (e.g. equipment maintenance, etc.).” (MS67)

An integration activity is also a good time to upgrade existing systems as part of the project, allowing for a super-additive regarding profitability across infrastructure and human resources that is now better utilized.

A critical part of the execution phase is the scaling process itself. MOS leaders indicated that scaling can happen in at least four ways. One of the ways is for similar functions to consolidate and improve profitability outcomes through increased utilization. Another way is through abstract functional coupling. This involves searching widely, even outside of the division, to find synergistic activities that may relate to the way an order is executed, or another non-workflow related parameter. This might be viewed as *thinking outside of the box* as it relates to synergistic capacity opportunity. While these couplings may not seem logical at first they can easily be accomplished and have high benefits.

“[We needed to] review abstract opportunities to couple businesses/operations together.” (MS56)

“For example: Businesses that share similar life-cycle windows (amount of days from order to delivery) could have better success in project management resource pooling.” (MS57)

The more obvious opportunities could come from adding a business line where there already are lines or consolidating lines increasing utilization. This approach leverages existing knowledge, talent, resource, and systems.

MOS leaders need to acquire several critical items to successfully complete an integration. They need to acquire the knowledge from the business that is being introduced. This knowledge about workflows, products, services, and specifications must be assimilated with existing knowledge with gaps reconciled. An example would be a list of clients.

“[In addition to] assessing client relationships, [we need] understanding [regarding] how demanding the client is” (MS71) [and we need to] “acquire [the] client contact list, [the] client org chart, and [the] escalation path.” (MS72)

In some cases the clients may already be known, including critical contacts as both businesses may have competed for the work previously. The KPIs from the new business needs to be understood. This could point to client issues that need to be remedied or best practices that need to be assimilated into the combined enterprise. Prior to an integration a buffer capacity should be acquired. With any integration that includes scaling, the transition period introduces inefficiencies. These inefficiencies occur as methods change, infrastructure is optimized, and human resources adjust to the new routine. Once equilibrium has been established, a review of capacity can be done. The business, in this case MediaCorp, must continue to explore growth

opportunities and momentum cannot be disrupted. Growth strategies need to be integrated into plans to ensure that this does not happen. Knowledge of the production schedule of capacity that is being introduced must be understood. This includes average capacity as well as short- and long-term variation in volume. A simple average calculation cannot be used to scale capacity. Capacity must accommodate variation. This includes the ability to flex to minimize carrying costs during valleys and the ability to stretch cost effectively during peaks. Typically the rate at which the volume fluctuations happen are not understood or deemed relevant to reliability or cost. Ramp-up rates cannot easily be exceeded without compromising reliability or cost per deliverable. Long-term variation may be interpreted as seasonal variation. This must be understood so that appropriate capacity planning can occur. During an integration, head count may be exchanged intentionally or because of need. For example, it could be a part of the deal. In other cases, an exchange is needed for business continuity due to talent that has tacit knowledge critical to revenue. The plan execution must be divided into phases including milestones. These milestones need to be project managed to completion.

Execution must be aligned with the goals of the MUF. These are endogenous and exogenous. An endogenous example that emerged from the data includes horizontalization. This is pushing best practices across locations. A horizontal focus allows for the exploiting of existing synergies. Exogenous execution would relate to meeting the expectations of clients. Clients should, to a significant extent, guide the MOS with regard to opportunities that actually have value.

MOS leaders indicated that gains made need to be sustained. Drifting, or organizational entropy, should be considered and monitored. Profitability gains must not be cancelled by drift

that occurs due to a lack of focus. With transitions, focus and the ability to monitor performance are challenged.

“Drift mitigation during integration [may include] establishing a ‘plan b’ if a drift happens in servicing.” (MS74)

Organizational entropy cannot affect the transition which typically includes work shifting. Work shifting is a capacity management within the production network. When work is moved to available capacity in a cost-optimal way, profitability is also optimized. Opportunities for capacity utilization at locations that optimize profitability need to be known. This transparency is made available through the ERP’s scheduling capability. Work cost should easily be calculated to ensure that the best choices have been made. Pooling is a technique that enables capacity optimization. Pooling enables the business unit work volume variation to be averaged as it is cumulative. In other words, the variation from one client when layered on another, and another, reduces the variation experienced by the pooled resource. An example of pooling that emerged in the data was administrative work. Additionally, sales engineering support can be pooled. Another opportunity that is a pooling opportunity not based on function is the pooling of work that has similar dwell times. This is the kind of thinking needed to optimize human resources through synergies that may not be obvious.

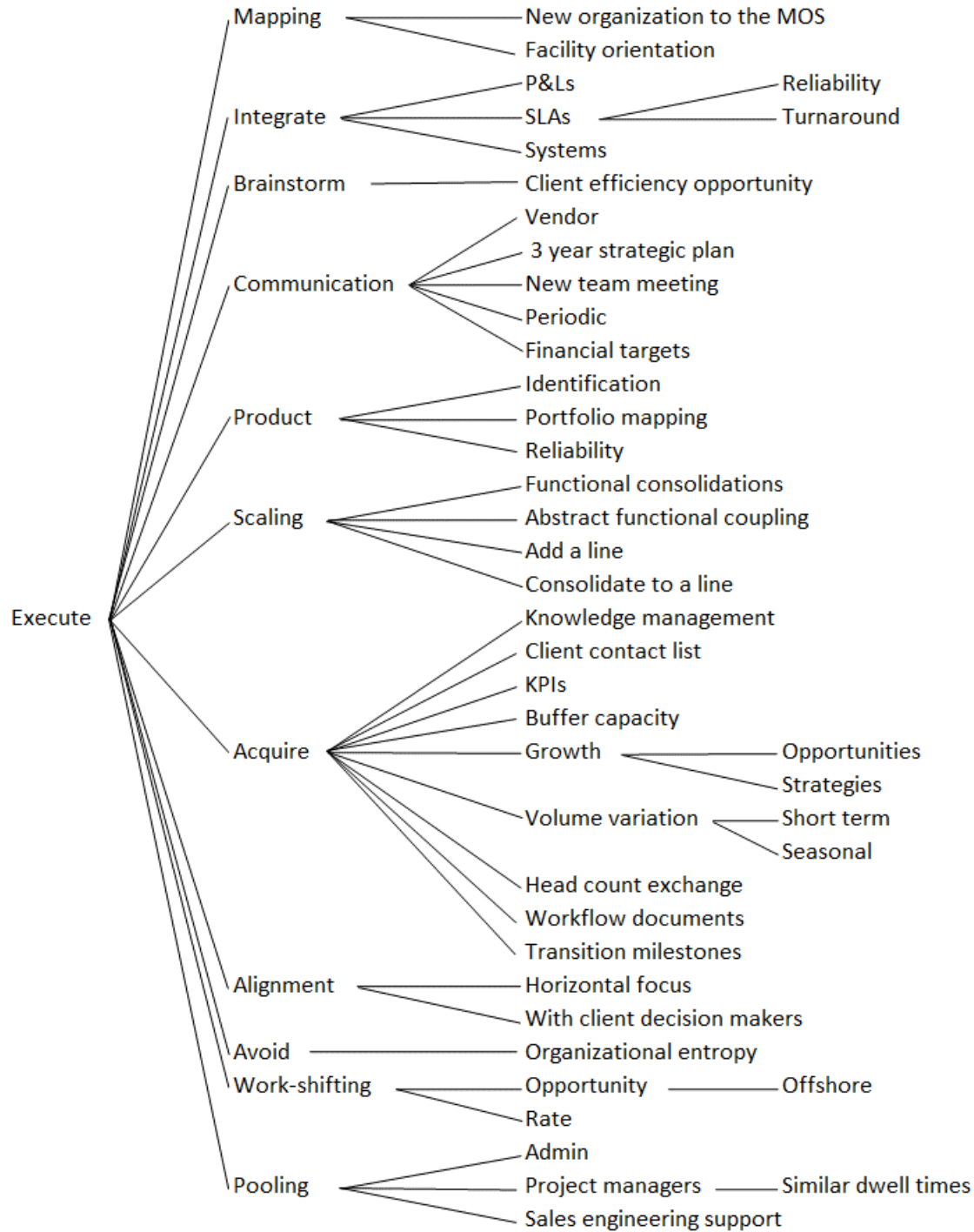


Figure 74. Executing MOS scaling map diagram. This figure maps executing MOS scaling as a theme category into descriptive sub-groupings.

In summary, the data suggests that MOS scaling is dependent on assessing the environmental aspects around the integration or scaling scenario. This is followed by defining



the path forward in all respects necessary. The last pattern that emerged from the data was the ability to execute on the plans that were made. The MOS is ideal for scaling, as its structure leverages inherent ability to scale. Additionally, a MOS carries with it alignment and a suitable culture that is propagated during scaling. The following propositions summarize the key findings of this section:

- Proposition 168 (one-ness scaling): A MOS intrinsically embraces the idea of one-ness and so is an ideal structure to scale and preserve a single supply chain view to clients.
- Proposition 169 (cultural alignment): A structure that is scalable in all dimensions can propagate alignment and a suitable culture to improve profitability.
- Proposition 170 (environmental assessment): An environmental assessment can be used as a first step for scaling planning.
- Proposition 171 (mission definition): Defining the mission of the MOS, and making it known strategically, will engage and focus stakeholders in the sequence of activities needed to realize growth synergies.
- Proposition 172 (existing information): Valuable information regarding existing trends and strategic roadmaps, which are best known by leaders embedded in the organization to be integrated, need to be embraced by MOS leaders that need to scale to accommodate their capacity to demands.
- Proposition 173 (capacity retention): Capacity needs to be preserved through talent and infrastructure retention such that a positive buffer can be created prior to scaling execution.

- Proposition 174 (elemental attributes): Workflow synergies are best understood when they are broken into elemental function-based units and then coupled with functions that have similar attributes.
- Proposition 175 (capacity methods): Capacity management includes work shifting and pooling to optimize cost structures as seen in cost per similar deliverable measurements.

**Growth.** While these use-cases demonstrate some of the ways that a MOS can scale, there are many ways that a MOS can grow resulting in enhanced synergistic profitability. New opportunities can be quickly exploited, as skills and trained resources are made available to achieve the revenue. Very little effort would be associated with building a solution, as it already exists. As product life-cycles come and go in a dynamic market, a profitable company needs to have a flexible strategy and be agile enough to realize the positive impact of the appropriate actions. Nimbleness is an organizational attribute of the MOS because it can respond quickly to an opportunity. Clients have indicated that:

MediaCorp is a leader and far ahead of the curve... [in] attention to detail, customer service and [meeting] client needs is unmatched. We look forward to a growth business and always look for opportunities to accelerate the work. Thanks for all the efforts.

(CS48)

**Client wheel.** The focused effort at MediaCorp was to determine addressable markets within sectors where growth was possible. A tool called The Wheel was used to determine this and is illustrated in the Figure 75. The wheel was used in three different ways. In one context it related to a client, the second context was with regard to a LOB, and the third was related to market sectors.

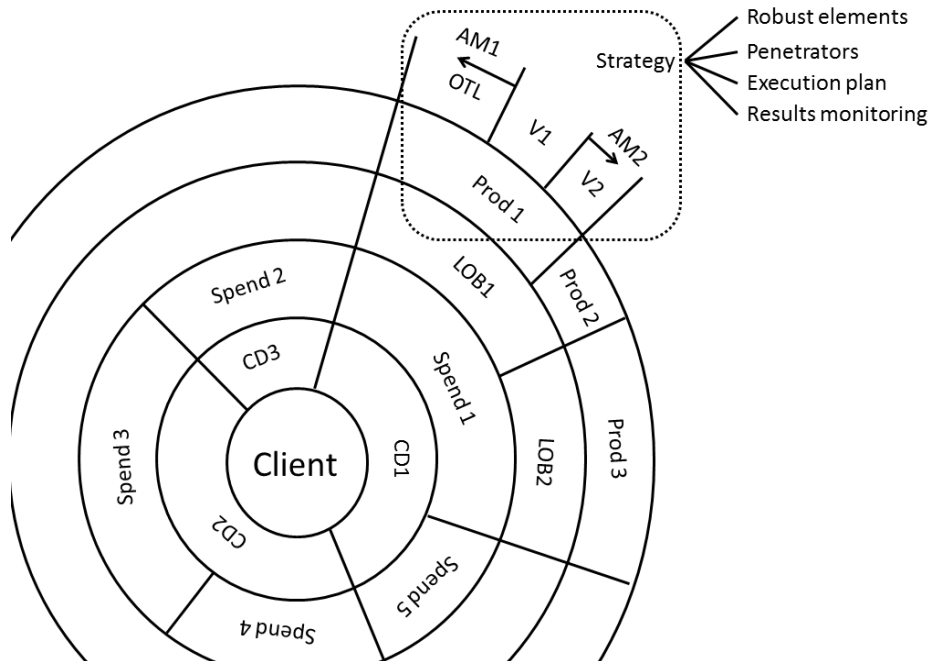
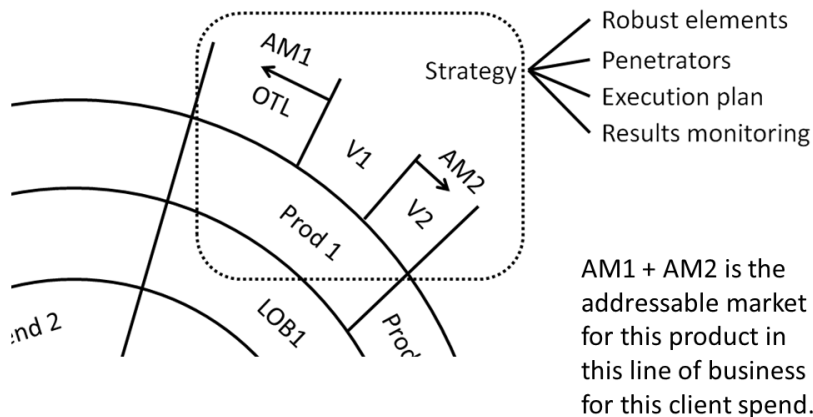


Figure 75. Client wheel. This figure maps client spend as a theme category into descriptive sub-groupings in a wheel structure. Note. AM1 and AM2 refer to the addressable markets in this figure.

The design of the wheel focuses attention on the client and is useful for analysis. Each client has a *wheel*. Each client has a breakdown of divisions with synergistic products and services for MediaCorp or MediaEnterprises, from a supply chain perspective. Each client division has a budgeted spend that they will use for the products that they deliver to clients through vendors. In some cases the spend is combined across divisions, as illustrated above in Figure 75. Within the spend there are a number of products and services that are included. A LOB may have multiple products in it. Each of these products is awarded to vendors. Typically each product is awarded to multiple vendors even if it is contracted. The addressable market is, therefore, the spend that MediaCorp (V1) can take from other vendors. In some cases one of the *other vendors* includes *in-house*, or *on-the-lot* (OTL) awarded volumes. Figure 76 illustrates the elements of strategy needed to acquire the synergistic client spend that when realized contributes optimally to MediaCorp profits.



*Figure 76.* Addressable market expansion. This figure illustrates how the outer portion the wheel diagram identifies the addressable market as a strategic opportunity. *Note.* AM1 and AM2 refer to the addressable markets in this figure.

**Addressable market.** In order to realize synergistic growth at MediaCorp, a strategy for acquiring the addressable market had to be formed. The strategic plan included (a) robust elements that were of a high quality and were reliable, (b) penetrators to break through the wall that excluded MediaCorp from accessing the neighboring spend, (c) an execution plan that includes existing market preservation and strategic-sequenced tasks to capture the addressable market, and (d) the ability to monitor the results of strategic actions taken. The summation of the opportunities, or the expansion of the size of the V1 area in Figure 76 above, is the addressable market. Each expansion represents revenue growth. As this growth is within existing LOBs, the synergy component is high, as existing methods, infrastructure, and talent can be leveraged.

**LOB wheel.** A similar wheel design can be used to look at each LOB as illustrated in Figure 77. In a similar way, the LOB is tracked back through the clients that use this particular line of business. Each client division has a spend that includes a number of products. The product spend is allocated to vendors. Here, then, the addressable market can be determined and a strategy formed to acquire the addressable market. These opportunities can be listed in a CRM

and be applied to the typical sales funnel, or sales pipe-line, for closure via the acquisition strategy.

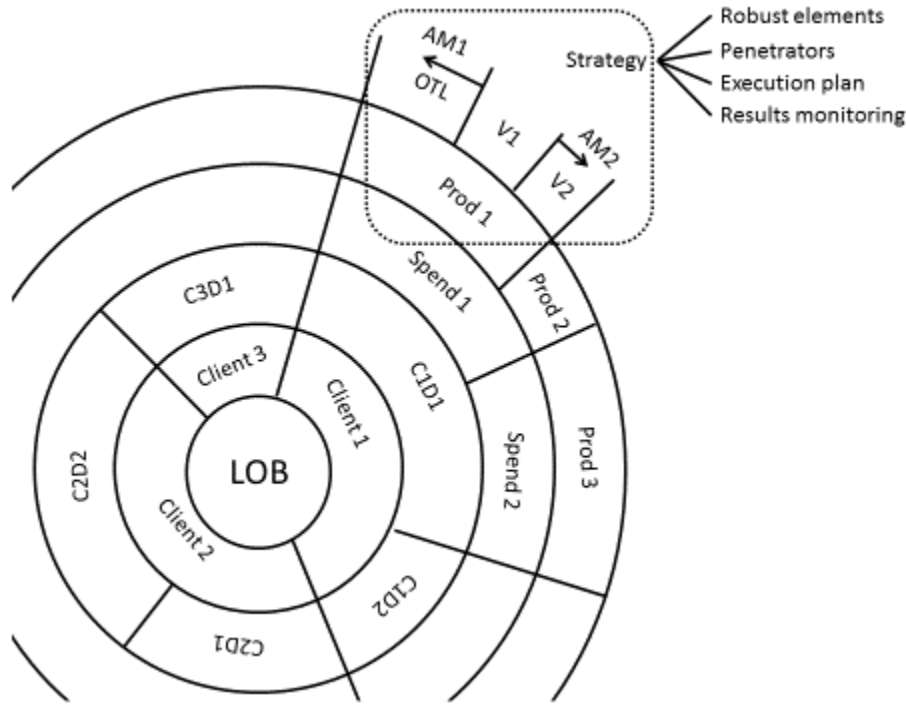


Figure 77. LOB wheel. This figure maps LOB as a theme category into descriptive sub-groupings in a wheel diagram. Note. AM1 and AM2 refer to the addressable markets in this figure and C#D# refers to a client number and division number.

**Sector wheel.** Further expansion into neighboring sectors presents opportunities for synergistic revenue realization. A similar tool can be used to assess the addressable market in neighboring sectors as illustrated in Figure 78. In that case the sector analysis backtracks to the addressable market synergistic opportunity as an elemental unit of the addressable market. These opportunities then assigned a strategic plan and applied to the sales *pipe-line* for closure.

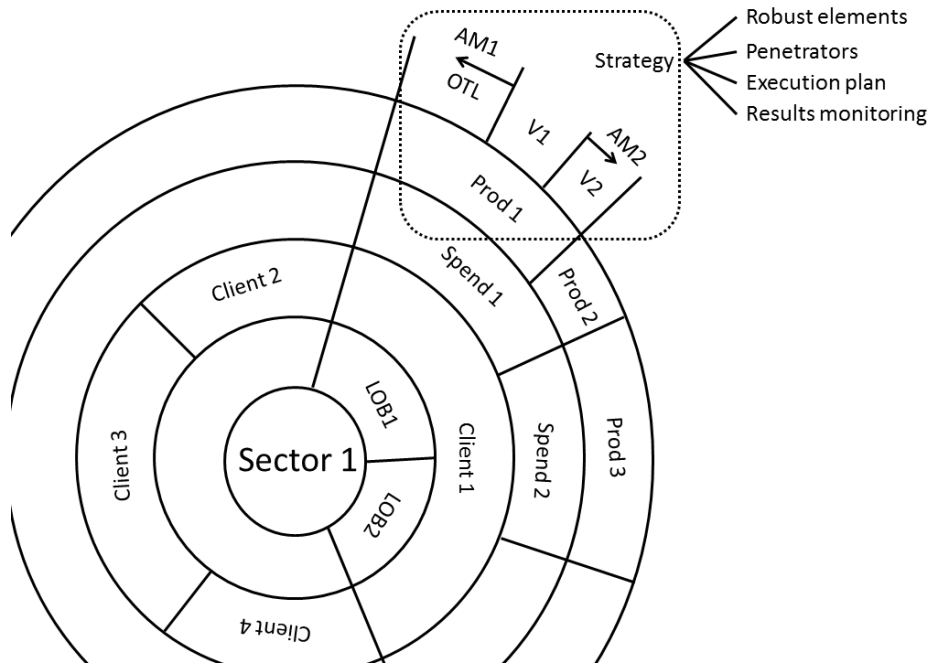


Figure 78. Sector wheel. This figure maps sectors as a theme category into descriptive sub-groupings through the use of a wheel diagram.

**Client interaction.** The data indicated from the CRM that during the last 310 events where MediaCorp met with clients over approximately 10 months in 2014, that there were 316 meeting types, as per Table 29. In some cases meetings were combined. The meeting types included a significant number of demonstrations of new products, presentations, and tours of facilities to demonstrate capability.

Table 29  
*Meeting Types*

Theme	Count
Meeting	121
Lunch	93
Dinner	22
Meeting/Demo	19
Conference call	14
Tour	9
Breakfast	7
Call	6
Demo	6
Meeting/Tour	6
Tour/lunch	4
Drinks	2
Tour/Demo	2
On-site meeting	1
Presentation	1
Presentation/Tour	1
Awards	1
WebEx	1
Total	316

Meetings may be combined to optimize the opportunity to impress a client or convey information that might lead to a profit-enhancing engagement. Often meetings were accompanied by a tour of a facility or a demonstration of a service, a tool, or a workflow. When clients physically or virtually see a product, service, or the workflow that produces it, they are more encouraged by the reality of it. Occasionally *forward selling* is used to convince a client of something that does not yet exist. Clients have then been *strung out* waiting for it to be real. Seeing it in reality inspires confidence. Additionally, calls can be of a higher value with demonstrations online. The social aspects were not neglected as relationships are still important

in this market. The ability to get together creates value as it gives the vendor an opportunity to receive feedback and listen for opportunities. This data is further illustrated in Figure 79.

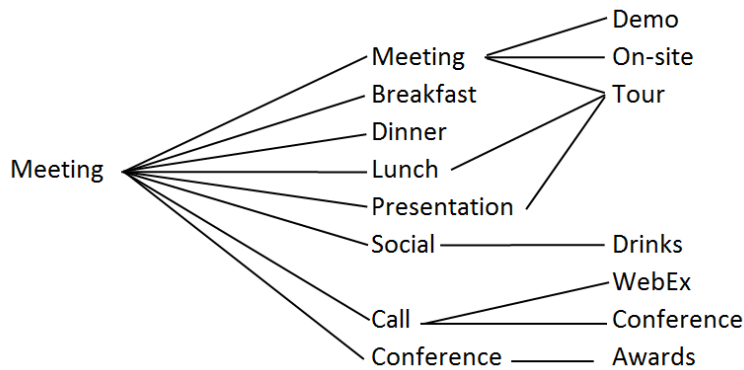


Figure 79. Meeting type theme map. This figure maps *meeting* as a theme category into descriptive sub-groupings.

The meetings could be described as follows:

“Touch base and discuss new opportunities.” (V6)

“MediaCorp’s new office in [region].” (V29)

“Catch up and discuss upcoming potential [work].” (V86)

“Building tour, discuss future work.” (V167)

“General discussion about possible synergies between companies.” (V239)

“New opportunities with [company] purchase of [company].” (V283)

“[Name’s] birthday.” (V72)

Furthermore, the data showed that there were 330 main topics of discussion in the meetings as represented by Table 30. These topics indicated that approximately one third of the meetings were oriented around seeking new business opportunities. An additional 79 were oriented around making sure that the client was up to date on MediaCorp new service offerings. A further 75 were meant to make sure that the client was updated on the status of projects and capabilities. Additional themes that emerged from the data included introducing critical people, conducting



demos of products and services, relationship building, finalizing proposals, and lastly discussing workflows.

Table 30  
*Meeting Topics*

Theme	Count
Exploratory	116
New services	79
Updates	75
Introduction	24
Demo	18
Social	9
Proposal	7
Workflow	2
Total	330

In summary, the data suggests that growth can be approached in a number of ways. Ultimately, the result of client-company interaction is a better understanding of the addressable market and how to approach it. Once the details are known, a robust strategy is needed to exploit the opportunities. Typically, the spend of a client is allocated to multiple vendors so that the client is assured that *all of their eggs are not in one basket*. This, in and of itself, makes it difficult to exploit a spend that is going to an in-house facility or a competitor; however, given a compelling argument and the right tactics, it could be possible to absorb a larger market share within an LOB. The following propositions summarize the key findings of this section:

- Proposition 176 (profitable nimbleness): The nimbleness of a MOS enhances the ability of a MUF to exploit an optimal proportion of the product or service life-cycle.

- Proposition 177 (exploiting spends): Proactively, a MUF can map out the addressable market and construct a multi-pronged tactical strategy to exploit potential unrealized client spends.
- Proposition 178 (expansion strategy): The elements of a successful expansion strategy include a track record of reliability, the ability to penetrate barriers to entry, an effective execution plan, and the ability to monitor results.

**Market penetration.** A critical element to the growth opportunities in existing markets and new markets in neighboring sectors was penetration strategies. An entrepreneurial business that is interested in leveraging synergies to grow profitability must understand the dynamic nature of the market so that a suitable strategic posture can be taken. This strategy could be driven by tactical and deliberate action, or another exogenous force. This section discusses these forces. Penetrators are illustrated in Figure 80. For example, new products may be introduced as a result of technical innovation that can be applied to them. These products may be products in the client portfolio that, heretofore, have not been in the vendor's portfolio to service. The introduction of technology enables growth through synergy. Another example of a penetrator could be the bundling of services that include a series of products that are already in the client's portfolio. The bundle deal leverages the vendor's supply chain, speeds up order dwell time, and presents an opportunity for increased volume and profitability for the vendor, MediaEnterprises.

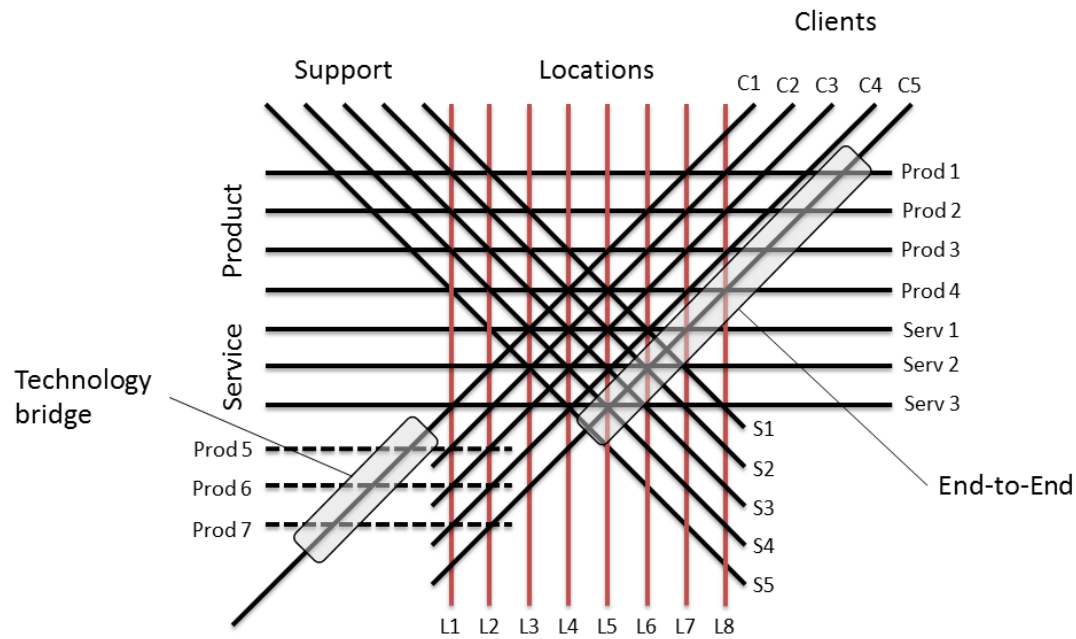


Figure 80. Market silo penetration in the MOS. This figure illustrates how penetrators can map over the MOS structure.

The MOS leaders were able to collect a number of strategies to penetrate these markets. From the data, six patterns emerged as follows: (a) capability, (b) cost, (c) infrastructure, (d) products, (e) system, and (f) technical. Within these categories, 83 rich data descriptions emerged from the data. The researcher will discuss each one individually.

**Capability.** The first penetrator to stimulate growth through the exploitation of addressable market opportunities is capability as illustrated in Figure 81. Capability was broken into seven categories, including (a) dwell, (b) process, (c) security, (d) strategy, (e) system, (f) technical, and (h) training. The dwell pattern related to how quickly MediaCorp is able to turn around orders. Order dwell time is a competitive advantage that can be sold. As other competitors cannot achieve this and as this is important to clients on a timeline, it is an opportunity to pursue the spend that is being consumed by other vendors. In addition, a suite of products can be delivered simultaneously rather than in a staggered fashion. The capacity needed to deliver a series of products simultaneously is significantly different than linear delivery

schedules. The dwell time does not only relate to product, but also relates to invoicing. Another capability-based penetrator is process. A reliable process can be sold. In the event that a competitor is having reliability problems, this is a good opportunity to take the spend going to someone else. The reliability needs to be present in the network-based production system. An assignment could go to any location in the network and it is assumed that performance parity has been achieved. Furthermore, clients expect consistent performance without entropy. A process is competitive if it has installed controls to sustain excellent performance. Next, security is becoming more important and is a market penetrator. This capability includes integrity in the marketplace for MediaCorp's security. The security management system is guided by a standard that is robust. This standard must be consistently deployed and maintained in all locations and workflows. Another capability-based penetrator is strategy. Clients want to have strategic discussions about the future of the market. They desire to engage MediaCorp in developing projects that relate to new formats and tools. These endeavors need to have a development roadmap, a schedule, and deployment. Additionally, the ERP system itself creates capability and is a market penetrator. Clients are given access to the system to track their orders. This is desirable and the user interface (UI) is influenced through client input and enhancement. Technical capabilities are also a market penetrator. The ability to solve client problems is appreciated.

“Technical and supply chain resources [are] available enabl[ing] problem solving.”

(MP93)

There is also the expectation that MediaCorp is a thought leader in the business generally. One way to provide technical capability as a penetrator is to make technology available to clients. MediaCorp attracted technical vendors on-site by providing office and workspace within existing

facilities. When clients toured facilities, they were able to make the visits more valuable by exposing them to multiple vendors. MediaCorp also deployed a university that enabled clients and employees to leverage the facility. When a large client saw MediaCorp University, the MOS leader said:

I demo-ed MU for him and he could also see all of our trainings in the system, as well as process training when we pair [the university] with the [knowledge base]... [the client] said specifically, this is a leader of all the vendors by far and is a differentiator when it comes to making decisions about which vendor to go to for any services. (MP44)

Clients also commented on the need to train employees at MediaCorp in client surveys.

“Please continue to support growth with staffing and training as you are trend setting for the future.” (CS58)

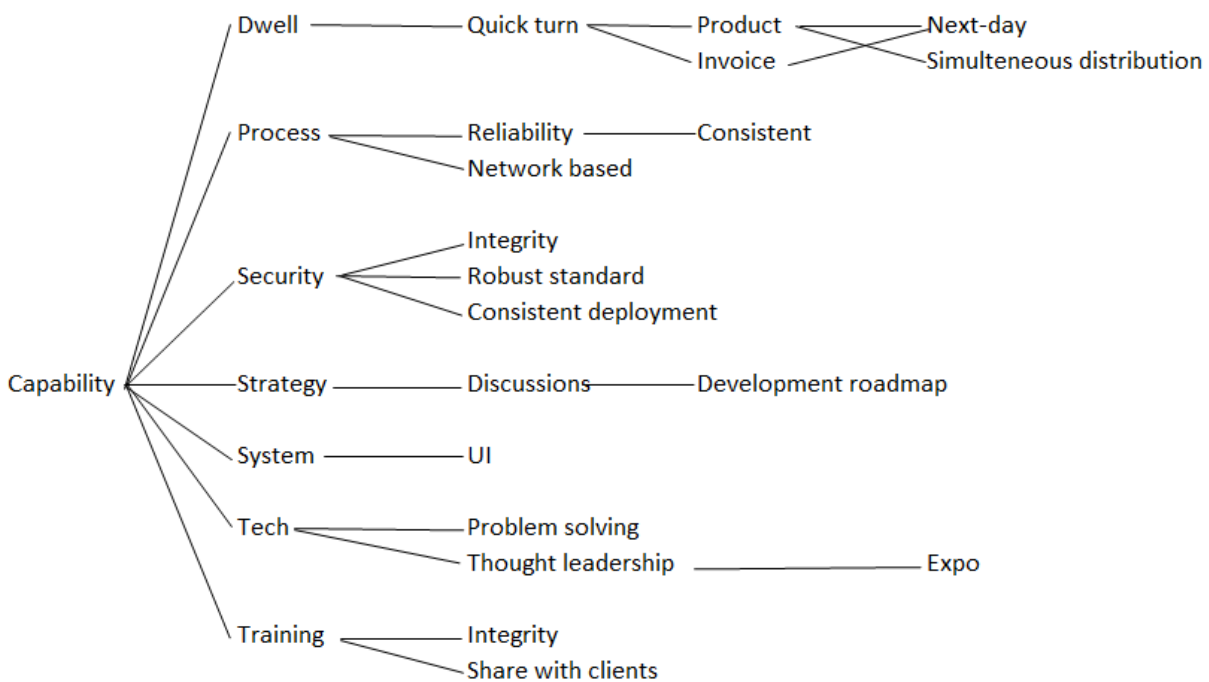


Figure 81. Market penetrator: Capability. This figure maps capability as a theme category into descriptive sub-groupings.

**Cost.** The second penetrator theme that emerged in the data was cost. Three areas were identified as candidates for cost reduction. One of these was quality control (QC). The ability to

carry out QC tasks with consistent reliability contributed to process robustness and strengthened MediaCorp's brand. When an issue was missed, there was significant opportunity for liability from downstream processes that would incur rework. In addition, an error would result in a time delay that could compromise the overall schedule. A time delay may result in the need for expedited fees from downstream vendors to recover the lost time in the schedule. A second capability was through the offshore capacity that was available. This capacity allowed for significant expansion and contraction of capacity at a much lower cost. The third penetrator was through the implant population at the client's location. These implants were helpful in directing work to MediaCorp. They are typically placed as part of an offer. This not only enabled the deal, but also redirected additional work to MediaEnterprises that would have otherwise been given to competitors.

***Infrastructure.*** The third penetrator was infrastructure. The capacity and capability afforded by the infrastructure allowed for significant expansion and process reliability. Three theme categories emerged in the data: security, process, and system. The security capability related to the ability for clients to feel assured that their work was protected and available when they wanted it for any reason, even after delivery. Disaster recovery plans (DRP) are robust and business continuity is critical to client schedules.

Cyber-attack contingency plan – Strategizing using [Disaster Recovery site] for client DR  
– Having a well-planned comprehensive contingency plan with clients in case of cyber-attacks could take our partnership with clients to the next level and can make them want to work with MediaCorp in order to lower their risk. Also, we can make a case that small vendors are vulnerable to cyber-attacks and DR. This can be used as a penetrator and the timing is good now because of [the threat] situation. (MP26)

The ability to recover within a suitable amount of time is documented in the DRPs. The ability to continue to ship was documented in the business continuity plans (BCP). Process capacity is a penetrator that infrastructure enables. The availability of storage capacity at any location and the ability to share capacity, or reallocate it, created a flexibility that can only be obtained from a pooled capacity. The network-based production scheme included the transfer of work to locations where storage was available. Assets, whether physical or digital, must be received and stored. Without the availability of the components, the work cannot be executed. Lastly, the infrastructure includes tools. These tools allow for the control of crowdsource management and the automated verification that deliverables conform to specifications. In some cases these tools are proprietary to MediaCorp and so make it possible for a competitive posture.

**Products.** The fourth penetrator was products. MOS leaders were able to name 5 products, 13 services, and 4 new sectors that should be pursued. Products, as penetrators, are illustrated in Figure 82. These products leveraged existing capabilities, including workflows and infrastructure. They were pursued and enabled synergistic growth. The data on products revealed a pattern related to strategy. The context here was that a strategy could be used with clients to gain more market share. Each of these strategies was within MediaCorp's existing expertise. The first was to leverage the existing implant population at the clients' site by offering an increased amount of administration work for the client with the awarding of more work.

Offshore implant position – In short, the idea was to utilize [offshore location] for clients to take over some of the admin work on their side for the orders they send to us (so it will be cheaper on their side). We can identify the repetitive work that can be off-loaded to [offshore location] and help clients to cut cost without big cost addition on our side. We can review what our implants are doing for [client 1] and [client 2] and see what portion

can go to [offshore location] and then create a strategy plan based on this... after a while it will be hard for [clients] to switch to another vendor. (MP23)

This increased revenues allowed for the exploitation of the existing population in MediaEnterprises' offshore location. Consequently, the incremental cost was minimal against the additional tasks that were taken on. This also allowed for a change with the implant model such that the existing count could either remain the same or be reduced with the augmentation of the offshore staff. Each task that was being done currently or being requested in return for work was analyzed such that any work that could be offshored was pursued in this way. The second strategy that emerged was the sale of bundles. This was a combination of services for one price. The revenue and profits were divided between the units that incurred cost to execute the relevant tasks. The third strategy was to offer products that enhance the security of products.

MediaCorp is the leader in ... security. Our track record is unimpeachable and work is pulled from competitors because of this. It gets more significant every year. With our standard, ERP, culture, and training, we are the new standard in the industry and should sell this hard. (MP43)

As the products contained elements that were the property of the client, there was interest to protect them. This enhanced the value of the product and enabled pricing stabilization or incremental line items on invoices. The last strategy was related to ongoing access to content. This could be physical or digital. A service was offered that allowed access ongoing for a fee. Clients had previously assumed that this content would be available; however, with price erosion this could no longer be offered as a service for free.



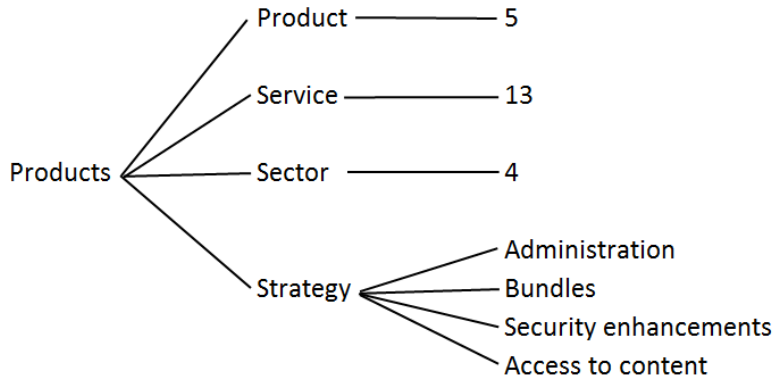


Figure 82. Market penetrators: Products. This figure maps products as a theme category into descriptive sub-groupings.

*System.* The fifth penetrator category that emerged from the data was the ERP system. This is illustrated in a theme map as Figure 83. The system was a competitive advantage due to its maturity, feature set, and applicability to the relevant workflows. The system included enhancements that corrected errors that have previously occurred, and so it promoted reliability. The data produced five themes: integration, intelligence, performance, process, and transaction. The intelligence aspect of the ERP system included integrating client divisions into the system from a tracking perspective. It also included additional systems that can be used internally, to collect all quality information as an example. In this situation, if MediaCorp has the best reliability performance, the quality database makes this visible.

For those customers that understand this service, we have a huge advantage in terms of quality and capability... we have MediaCorp innovative workflows to make clean, high quality [LOB] to invigorate the value in [client material] previously written off as too difficult to deal ... only with a facility like [location] with its specific services under one roof can any of this be achieved cost effectively and in a reasonable time frame. (MP40)

Additionally, the full range of services can be offered to distributors. They can also track the status of their orders. This transparency also reduces cost as the number of emails and phone

calls are significantly reduced. The second penetration aspect of the ERP system that emerged in the data is related to data and business intelligence (BI).

“[We are] using business intelligence from information in the ERP to help clients with decision making – something similar to what we have in [our] recommendation engine but leveraging large data in the ERP.” (MP17)

With a high volume of data being collected on the work being done, analytical capabilities will emerge. This information can then be used internally and externally for decision making. Clients can be offered information about the work that is being done for them to help them make decisions.

“As we are doing work with the [client], we are being relied on by the customer to help them make the best decisions about how to execute on their program production to ensure quality and efficient throughput for distribution.” (MP470)

Internally, data from all clients can be used to provide information about trends, etc. This information can help with internal decision making. A fundamental aspect of this is the data. Making sure that the data is fulsome and acquired in an architecture that is meaningful is a primary function of the database. The energy needed to go back and fill in fields on historical data that are now desired is very wasteful. Entering the order and asset data in at the beginning is therefore, fundamental just as it is having a field architecture that is accommodating and fulsome. Having a system that is able to capture and track asset and configuration issues is needed to ensure that deliverables meet specifications. Exception management must be invoked to alter the disposition of configurations or assets that are quarantined once issues have been identified. The issues may require additional information. The ability to add notes is then helpful so that if someone goes back in the system to move the order they see the note. With the trackers

embedded in the system, calls and e-mails are eliminated and data is available for reports. These reports are helpful for synchronizing quality performance perceptions with clients and for monitoring trends. Process-related aspects of the system provide an opportunity to penetrate markets. The system provides opportunities for automation. In the case where pricing pressures mean that market entry is not possible, automation pricing can be used. If assets are not fit for use, overage opportunities exist and can enhance profitability, assuming that the activities associated with them have a margin. The system provides tracking information internally and externally. Internally, this reduces cost due to the reduced need for altering the status of an asset or a configuration via e-mail or phone. Operators can see their cue and work it down. Externally, clients can see if there are issues with their assets and remedy the situation without having additional communication. Additionally, automatic updates and delivery notifications are sent to distribution lists. This creates value for a client that needs transparency. The system can also be used to retrieve assets as all assets are visible depending on permissions for the view. This ability is a market-leading feature, valuable to clients who want to see their properties. The last value-producing penetrator that was brought up was the efficiencies that the ERP provides relative to transactions. With the high volume, customization of each delivery, uniqueness of the assets, and specification requirements, the complexity is very high.

The product is so complex / complicated now, we need to be involved literally at the beginning ... complexity is huge now and ever growing in our future. It will kill the little guys and show where MediaCorp really excels. (MP49)

The transactions can be purchase orders, invoices, sales transactions or deals, and asset receipt or the delivery of a final configuration.

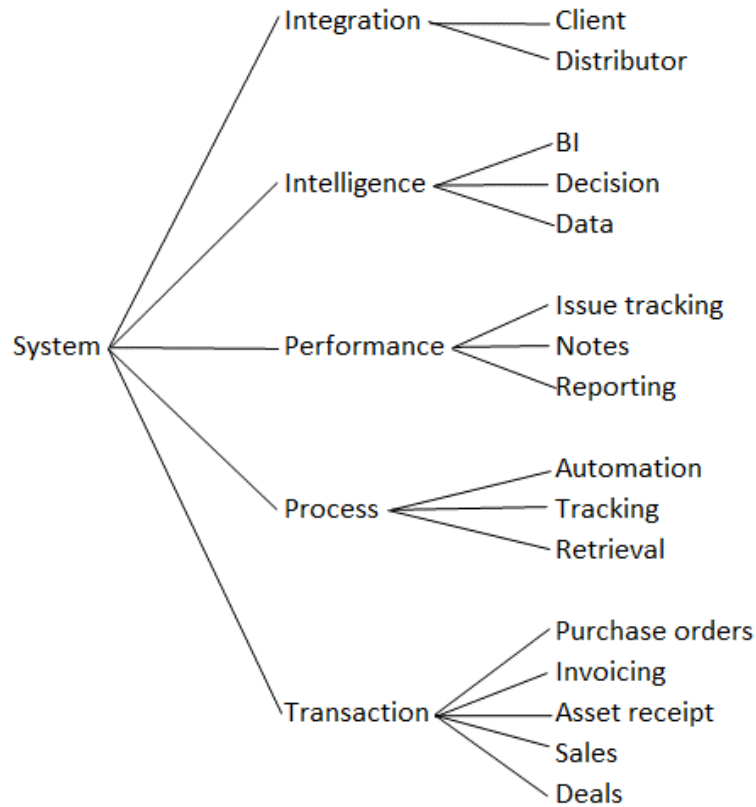


Figure 83. Market penetrator: System. This figure maps systems as a penetrator theme category into descriptive sub-groupings.

**Technical.** The last penetrator category that emerged from the data was the technical penetrator. This included six themes. The first was related to technical projects with distributors. Often distributors were not sure about what they wanted or how to check that it was within specification when received. MediaCorp was capable of setting up a distributor with regard to understanding the specification that they would need, as well as providing confidence that what was received was correct through the use of automated verification tools. In the event that the distributor was using automated tools, MediaCorp was able to synchronize its tools to the distributors following consensus on the specification line items.

“We can push the technical envelope.” (MP94)

MOS leaders also suggested that these verification tools provided a competitive advantage for MediaCorp and provided confidence in delivery capabilities. In some cases, workflows at the

distributor needed to be influenced. MediaCorp was able to provide value by providing advice on production workflows. In addition to verification tools, MediaCorp was able to create packaging tools. These tools made sure that a package had everything in it, and that each item was in compliance with the relevant specification before it was delivered. This saved cost for rework and redelivery while creating confidence with clients. MediaCorp was also able to provide additional security-related features in the workflows that were of value to clients.

MOS leaders indicated that there were opportunities in other sectors that should be pursued. These opportunities could leverage penetrators to achieve increased market share using synergistic growth strategies. Figure 84 illustrates the strategy for sector penetration. The target sector may be existing or new. The market opportunity within the sector may be incremental, cross-sector, or discontinuous. An incremental opportunity is an opportunity for more revenue within an existing sector (exploitative space) or in a new sector (explorative space). In the existing sector, this revenue could include increased market share that has not previously been penetrated. In the new sector it could be more revenue in a new sector leveraging the experience in an existing sector. The existing sector could be a reference used to get the work in the new sector. This cross-business strategy could leverage the penetrators mentioned above. For example, a bundling strategy may be used to bridge the existing and new sectors.

The combining of contiguous supply-chain services is compelling to customers. We can create a package that efficiently leverages our account management and operations, removing redundant order entry and communication with the customer and allow us to coordinate and consolidate processes maximizing profits. (MP33)

Penetrators may also be used to plunge into explorative space even though no references may exist to lend credibility to the service to be offered. This would be a *cold call*. Penetrators may

also be used in explorative space within a sector by pushing upstream within a client’s portfolio. In some cases this may be unfamiliar territory. Integrative cross-business market penetration strategy can occur when an existing product or service is leveraged to push upstream in the client’s supply chain to pursue market opportunities in a discontinuous sector. This strategy may also be used to penetrate related new sectors while leveraging a track record in an existing sector.

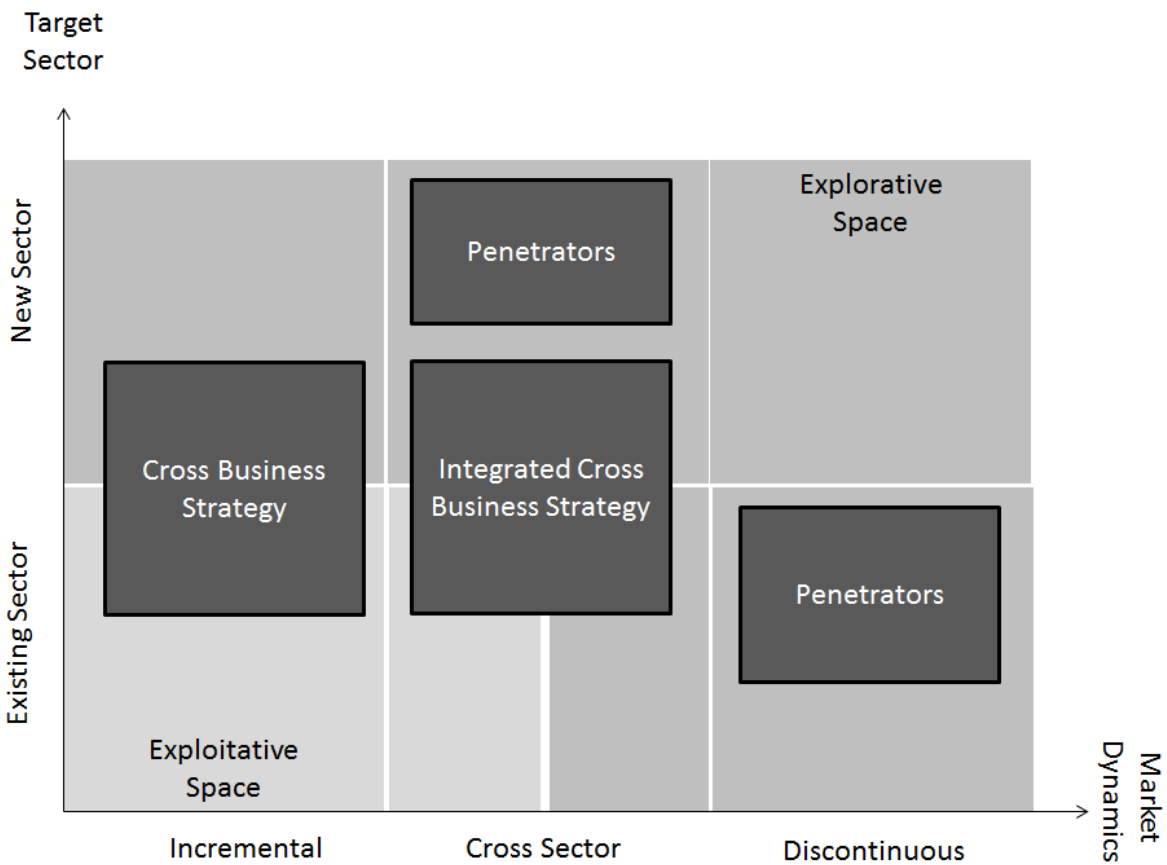


Figure 84. Sector strategies. This figure illustrates how penetration strategies can be mapped in a dynamic market.

A sector mapping exercise enables the mapping of client needs to the LOB and location where the work could be done most efficiently as illustrated in Figure 85. When a sector is targeted and an opportunity within the addressable market there is achieved, a better understanding of the customers’ need can be documented in the form of a specification, service level agreement, volume commitment, and delivery schedule. With this in mind, the need can be

mapped to an operational solution in the form of a workflow that takes input assets and transformational elements that manipulate these assets into the correct configurations. Each of these workflow steps is a billable line item in the invoice. These are then mapped to the functional area that is best suited to perform the task. By making this assignment existing systems can be leveraged in a synergistic way, optimizing profits.

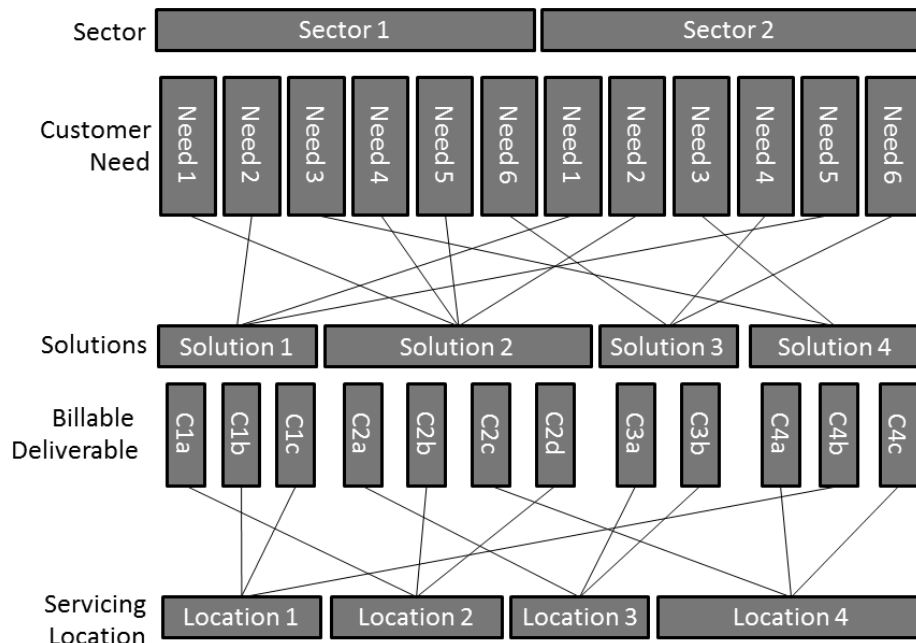


Figure 85. Sector growth synergy mapping and execution. This figure illustrates how sector client needs can be mapped to synergistic opportunity at existing locations.

Another way to look at this is in Figure 86. Each LOB that is sold is used in a number of business units as reflected by BU#. These need to be identified. These business units use workflows that are likely similar as reflected by WF#. For example, there could be a number of workflows for quality control that are used to check products in a LOB that is present in a number of business units. These QC workflows can then be consolidated and reassigned to optimize performance and cost through the exploiting of best practices, expertise, cost, and synergy. A consolidated approach can increase the focus on excellence while simultaneously

achieving parity for the function in all business units. This can be accomplished assuming that synergies can be discovered and then consolidated.

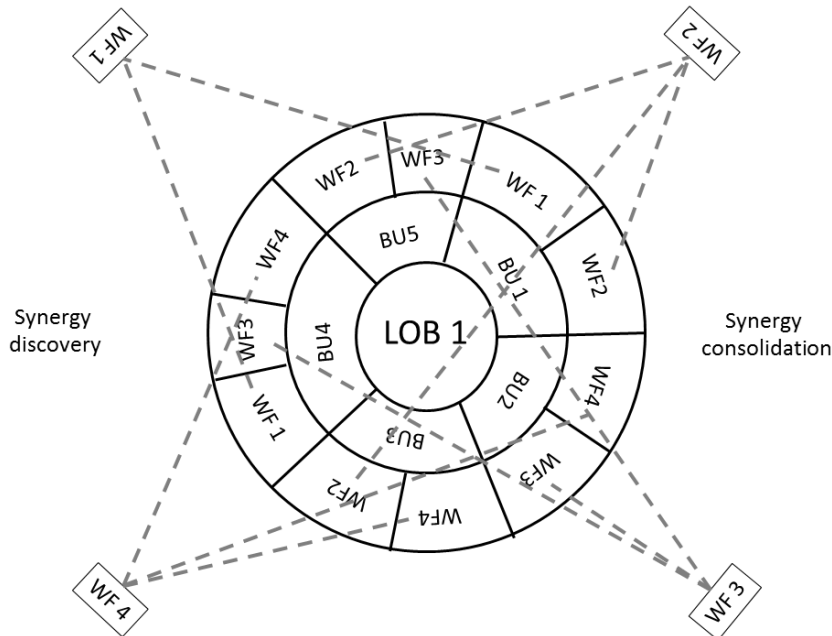


Figure 86. Synergy optimization. This figure illustrates how synergy discovery can lead to synergistic consolidation using an LOB wheel structure.

In summary, the data suggests that achieving the profitability of addressable markets often requires market penetrators and timely strategy execution. MOS leaders identified penetrators that could be used situationally to capture new and increased market share. The researcher discussed types of penetrators used to realize profitability. These were synergistically exploited as they were already available or could be simply customized or applied situationally. Penetrators applied to the MOS design can leverage existing capabilities, infrastructure, products, systems, and technical expertise at competitive prices. Capability enabled a competitive stance. A cost advantage further made possible the penetration of markets by making *bundle deals* available with shared discounts to business units involved. An effective infrastructure can be leveraged for volume deals that competitors cannot accommodate. Products must also have consistent integrity against requirements and delivery expectations. Clients desire



that their vendor has the technical ability to solve their problems. Vendors must therefore be able to create new products and services. Strategic capabilities allow the entrepreneur to be liberated and motivated. Synergistic penetrators are less costly to create and deploy and thus, enhance margin potential. Penetrators help MOS leaders realize synergistic growth. The following propositions summarize the key findings of this section:

- Proposition 179 (situational tactics): Strategic tactics must be viewed as situational to exploit penetration opportunities in a dynamic market.
- Proposition 180 (MOS scaling): The MOS creates a competitive advantage that can scale through the addition of LOBs and locations while preserving talent, process, knowledge, and a penchant for excellence.
- Proposition 181 (infrastructure reliability): Infrastructure reliability is a penetrator in an increasingly insecure and liability-oriented commercial environment.
- Proposition 182 (enhanced value): The creative and timely application of enhanced value may enable new profit-producing opportunities to be exploited.
- Proposition 183 (tailored UI): Customizing the ERP UI to clients' wishes makes it difficult for clients to divorce themselves from the familiar system interface and the valuable business intelligence that has accumulated.
- Proposition 184 (technical prowess): Technical ability is a penetrator because it inspires confidence in MediaCorp's ability to solve problems the client does not understand or cannot solve.

**Summary of exogenous data.** External influences to the MOS include the other organizational design elements, LIMs, and the designed relationship with the corporate center. The latter have external linkages through their connectedness with each other, industry groups,

clients, and other divisions, as examples. The external, dynamic environment undulates and moves constantly. The MOS thrives in this environment when compared to the A-form or the M-form or organizational structure. The MOS also has external influence within MediaEnterprises through alignment propagation during growth. The MOS creates a larger concentration of oneness as it scales. Finally, the MOS design is ideal for growth as it employs penetrators effectively in a known addressable market.

#### **Summary of Chapter 4**

The findings section presented a summary of the key themes observed from the data and their subsequent analysis. Using a framework for data collection as described in Chapter 3, the researcher was able to collect and refine the data obtained from interviews. This section presented the data and findings from key stakeholders employed at MediaEnterprises. This section also identified the themes from the 20 interviews and the detailed, textural descriptions of each participant. Finally, this section presented a composite description of endogenous and exogenous data regarding the MOS's ability to realize synergistic growth. Endogenous data included a discussion about the distinct requirements of dimensional roles in the MOS and how they influence profitability. Distinct theme patterns emerged in the data for the leadership role within each dimension. Some of the critical horizontal themes included the consistent use of the ERP system, capacity management, cost mitigation management, standardization as a platform for growth, communication strategy, revenue growth, the performance of operations, and leadership in the horizontal dimension. The vertical dimension was then reviewed. Leaders in this area push for alignment, performance excellence, collaboration, environmental awareness, and leadership that is proactive and that can execute. The diagonal support function was reviewed next, with an emphasis on infrastructure, systems, and development. The client

diagonal was covered with a discussion on maintaining clients, growing clients, and new clients. Data regarding products and services was then discussed along with workflow assignments within functions. Each product and service was included in a sector categorization as well. Change management success with synergistic changes also emerged from the data. There were positive change experiences following planning, communication, behavior, and effective execution. Specifically, execution included data themes such as inspiration, relationships, capability, cohesion, and workflow. Where change did not go as well as it could have, there was a lack of planning, unchecked poor behavior, poor communication, a lack of environmental awareness, and a leadership void. Self-interest is a driver in the MOS that should not be overlooked. It is reflected in autonomy and the location culture. It is influenced by policy constraints and administrative burden. When focused, it is a driver for desirable outcomes. Collaboration is a MOS attribute. Financial observations may also influence performance as they encourage performance transparency and clarity. Collaboration influences the cost structure and the margin available within the work. Similarly, top line revenue must be margin laden. Performance ratios need to be standardized and understood to encourage learning wherever the LOBs occur. LIMs were discussed as helpers for business entities that take many forms. They help to make the MOS agile and nimble for future challenges. LIMs are formal work structures that are dynamic. Examples can include cultural mechanisms or a financial report. A part of the dynamics is internal. There was a separate section of the data that discussed mitigations for organizational entropy. Action to counter this and move forward is the basis for executing directional strategy as long as MOS leaders are involved. Exogenous data includes environmental impacts on the product workflows. Regardless, in any business, there will be issues that the MOS will need to address. These issues are less frequent with an aligned and

focused effort. Alignment is augmented by the 1MC initiative in a number of ways as described. Furthermore, an aligned and focused MOS can scale efficiently. Profitable growth in the addressable market is the objective. Effective penetrators gain entry to previously unavailable spends. The next section, Chapter 5, provides a discussion of the research findings and conclusions by using the findings to answer the research questions. It also provides further recommendations for research.

## Chapter 5. Conclusions

### Overview

The purpose of this qualitative phenomenological research study was to explore a single case study of a multi-unit firm by examining how a multidimensional organizational design augmented by lateral integrative mechanisms and a designed relationship with the corporate center contributes to the realization of growth synergies in a moderately dynamic market. For example, recent studies have begun to suggest that products and services are experiencing shorter life-cycles (D'Aveni et al., 2010). For the purpose of this study, the phenomenon, or object of the analysis, was the precipitating event that led to permanent cross-business collaboration within the MUF. The unit of analysis on which the phenomenon was studied is the strategy and the organizational design that leads to sustainable desired outcomes. These outcomes are described as sustained corporate advantage.

The objective of MediaCorp's strategy was officially to achieve budgeted performance in terms of cash flow, returns on capital, and profitable growth. Unofficially, it was to outperform competitors with regard to reliability, on-time client servicing, and problem-solving capability. Collectively, the strategy was to realize growth synergies. In the newly implemented MOS this could be achieved by focusing on organizational efficacy and functional optimization within each dimension. The vertically-oriented bands in the structure represent locations. These were to be optimized through operational excellence and strategic positioning in local markets. Location managers attempted to position their businesses in markets where there was sustainable growth, low volatility, profit potential, and high earnings potential; however, these markets are by nature dynamic and the clients are fickle. Further opportunities were obtained through global operational excellence, market leading technology, innovation leadership, and workflow

management that is transparent to the client. Additionally, local business aimed at optimizing costs by taking on off-load during capacity cycles to reduce carrying costs and by leveraging the global supply chains' world-class processes.

A phenomenological case study is a means to the experiential reaction and sense-making of participants as they transform their own role and behavior to adapt to a new paradigm of leadership while achieving desirable outcomes. Much of the profitability optimization literature focuses on diversification and operative synergies, like cost optimization, rather than growth synergies as a phenomenon (Li & Greenwood, 2004). This perspective overlooks the profitability enhancements that can be experienced through the unique combination of capabilities and strategy. By examining growth synergies at MediaCorp through a phenomenological single case study, the researcher was able to explore, discover, and capture findings that have previously been ignored. The data supporting these findings has a number of strengths including that the participants were stakeholders, that the participants were knowledgeable, that the timing of the study allowed for a holistic and reflective view, that the situation was real, that the observations were based in reality, that the researcher was a participant and stakeholder, that the researcher was knowledgeable in the subject matter, that the data was triangulated, that an iterative approach was used to established data clarity and fulsomeness, that the participants were willing to participate and contribute, and that the participants were able to speak freely to inform the data collected. The key findings were centered on endogenous and exogenous factors as well as opportunities for wider influence within MediaEnterprises through an organizational structure that is scalable. These findings change the way we conceptualize the model of a MOS and how it can contribute to growth synergy. The researcher will use the findings to create, or extend, mid-range theory regarding sustainable growth synergy realization in multi-unit firms for the practical

purpose of improving corporate performance. Many of the participants reported that the structure was effective in reality and their excitement to participate in the transition was a source of motivation. This chapter presents the researcher's conclusions and implications for theory, research, and practice.

The conclusions that follow were developed while reflecting on the study's findings, or propositions, as they connected with the research questions. The link between the propositions and the research questions is illustrated in Table 31. This linkage was established by the researcher who reviewed each proposition and mapped the strength of the linkage to each of the five research questions. Table 31 is a snapshot from the working table used to determine the strength of the linkage. As illustrated in the table, the strength of the connection related to the color in the cell. This table is a window into a larger spreadsheet that tracked the linking activity. The mapping occurred based on the overall knowledge of the researcher. The shade of each cell was determined in sequence from the first to the last proposition. To create reasonable accuracy, the researcher went over the shading of each cell at least three times. Each proposition was listed in order as indicated by the column labeled *Number*. Each proposition was listed on the right in the *Description* column beyond the view of the window. Each research question was used as column labels. The overall research question (ORQ) is labelled as *Growth*. Research question one (RQ1) is labelled as *Synergy*, as this is the theme of the question. For purposes of clarity, this research question was broken into four discrete sub-themes, including: profitability synergy (PR), pricing power synergy (PP), strength related synergy (LS), and scalability synergy (SC; Damodaran, 2005). Research question two (RQ2) is labeled as *How*, as it relates to how a MOS can achieve growth synergies. Research question three (RQ3) is labelled as *Corp* as it relates to the relationship between the MOS and the corporate center. Research question four (RQ4) is

labelled as *LIMs* as it relates to growth synergies as it relates to LIMs. Research question five (RQ5) is labelled as *One* as it relates to MediaCorp’s effort to achieve one-ness, or a single experiential view from the client’s perspective.

Table 31  
*Proposition - Research Question Mapping*

Proposition		Synergy									
		ORQ	RQ1				RQ2	RQ3	RQ4	RQ5	
Number	Theme	Growth	PR	PP	LS	SC	How	Corp	LIMs	One	
1	system usage	2	2	0	2	2	2	1	2	2	
2	deployment rate	2	0	0	2	1	2	1	0	2	
3	system consolidation	1	2	0	2	1	2	1	2	2	
4	allocated capacity	2	2	2	2	2	2	1	2	1	
5	local markets	2	1	1	2	2	2	0	1	2	
6	cost measurement	1	2	0	0	0	2	1	1	1	
7	workflow design	2	2	0	2	0	2	0	1	2	
8	chaos reduction	1	2	0	1	2	2	0	1	2	
9	best practice	1	2	0	1	0	2	1	2	2	
10	structured communication	1	0	0	0	0	2	0	2	1	
11	communication strategy	1	0	0	0	0	2	1	2	1	
12	adjacent revenue	2	2	0	2	2	2	0	1	2	
13	structured pricing	1	2	2	0	0	2	0	2	1	
14	liability prevention	1	0	0	1	1	2	0	2	1	
15	resolution transparency	1	1	1	1	0	2	1	1	1	
16	process grading	1	0	0	1	0	2	0	2	1	
17	propagation capacity	2	0	0	1	1	2	0	2	2	
18	strategy momentum	1	0	0	2	2	2	1	2	2	

To establish the strength of the relationship, each shade was assigned a value and then mapped to the table of contents. The elements of the table of contents of the dissertation are theme categories as illustrated in Table 32. As the research questions are answered in this chapter, a pattern that follows these theme categories will be followed. The research will relate the propositions to the research questions individually. Conditional formatting was used on the table to determine the shading of the cells. These were evenly distributed across the range from zero to two, as per the legend in Table 31. The overall strengths of the relationships can be seen at the top of Table 32. This is merely the average of the strength scores in the table. For example,



the average strength of the linking between the propositions and RQ3 is 0.47. As there is no weighting and this is not a quantitative analysis, these results should not be considered to be accurate but may be relative between the research questions. It stands to reason that the ORQ would have a strong strength while the specific discussion about corporate's involvement in realizing growth synergies is weaker in a decentralized collaborative structure. With the mechanics of the relationship mapping explained, the researcher will now discuss the significance of the study.

Table 32  
Strength Mapping to Theme Category

	1.52	1.25	0.66	1.69	1.20	2.00	0.47	1.32	1.08	
	1.20									
	ORQ	RQ1			RQ2	RQ3	RQ4	RQ5	RQ1 Average	
Roles in a MOS	1.55	1.08	0.47	1.28	0.91	2.00	0.28	1.20	1.33	0.93
Products and Services	2.00	1.00	1.00	2.00	2.00	2.00	0.50	1.00	1.00	1.33
Collaboration in a MOS	2.00	1.33	0.00	2.00	2.00	2.00	0.33	1.33	1.33	1.33
Synergistic experiences	1.11	0.86	0.00	1.89	0.96	2.00	0.50	1.11	0.39	0.93
Self-interest	1.75	1.50	1.50	1.75	1.50	2.00	1.00	1.50	1.00	1.56
Financial alignment	1.50	1.60	0.80	1.70	0.70	2.00	0.60	2.00	0.70	1.20
Drift mitigation	1.00	1.00	0.00	2.00	0.67	2.00	0.33	2.00	0.33	0.92
LIM's	1.67	1.00	1.33	2.00	2.00	2.00	0.50	2.00	1.33	1.58
Focused action	1.70	1.60	0.80	2.00	1.70	2.00	0.60	1.40	1.20	1.53
Focused action	1.70	1.60	0.80	2.00	1.70	2.00	0.60	1.40	1.20	1.53
Megatrends	1.50	1.50	2.00	2.00	2.00	2.00	0.00	2.00	1.50	1.88
Growth strategy	2.00	2.00	2.00	2.00	2.00	2.00	0.00	2.00	0.00	2.00
Corporate center	1.75	1.88	1.00	2.00	1.38	2.00	1.88	1.13	0.63	1.56
Market penetration	2.00	2.00	2.00	2.00	1.00	2.00	0.00	1.00	0.17	1.75
Influence	1.33	2.00	2.00	2.00	1.00	2.00	1.00	1.33	1.33	1.75
1MC	1.45	1.26	0.61	2.00	1.65	2.00	0.52	1.45	1.85	1.38
Scaling	2.00	2.00	2.00	2.00	2.00	2.00	0.00	0.00	2.00	2.00

This study was significant because it provided a complex description of the influence of organizational design on growth synergies in a MUF. It attempted to answer the overall question of how a multi-unit firm could realize cross-unit growth synergies. This study was also significant because it provided in situ insight into participants' unrefined and immediate interpretation of their experiences around a precipitating event. This event recalibrated and transformed the thoughts, mindsets, and sense-making capabilities of leaders, as captured in the

data and subsequently, in the propositions. It also reset the design of the organization through the introduction of a MOS augmented by LIMs and a constructive relationship with the corporate center. The mapping referred to in Table 31 above allows the researcher to discuss each research question individually by referring to the propositions that relate to it. This is the definitive link, therefore, between the data and the research questions. The conclusions from each research question will be discussed below.

## **Conclusions**

The objective of the empirical part of this dissertation was to analyze how a MUF could continuously realize growth synergies in a dynamic market. The focus in this case is not on individual strategies per se, but rather on the co-evolutionary design of the MUF's organizations with changing market circumstances to realize growth synergies (Koza & Lewin, 1998; Lewin & Volberda, 1999; Martin, 2002; McKelvey, 1997). In contrast, MUFs today sometimes see the path to success through cost efficiencies alone rather than reconfiguring operative resources to match market opportunities, such as increasing market share (Eisenhardt & Galunic, 2000; Eisenhardt & Martin, Helfat & Eisenhardt, 2004; 2000; Martin, 2002; Penrose, 1959; Schumpeter, 1934; 1942). These actions may influence the destruction of value more than the creation of it (Goold & Campbell, 1998). Based on the data obtained from the case study, the researcher was able to infer constructs and propositions that provide a mid-range theory of continuous growth synergies in a MUF. These constructs and propositions identify critical elements in strategy and organizational design that contribute to desirable outcomes. Consequently, they conceptualize critical success factors that emerged from the data.

## **Propositions and Findings**

The results, discussed below, suggest that a strategic concept that establishes a selective focus on a few strategic areas of synergistic growth in a structured sequence is a critical success factor for the realization of continuous growth synergy. When these strategic components are applied in a suitable organizational structure, they have a continuous effect on growth synergy realization. This study suggests that a stable-flexible organizational design is most suitable for the achievement of sustained corporate advantage through synergistic growth. The purpose of this design is to achieve this growth in a moderately dynamic market. Other designs may be referred to as stable-mechanistic or flexible-dynamic. A stable-mechanistic design may have static resource sharing, as the market dynamism has not been assessed or considered. The market may be static. This design may be heavily centralized and contain weak financial controls (Hitt, et al., 1992). On the other side of the spectrum, the flexible-dynamic organizational design may be characterized by dynamic resource combinations in a very dynamic transient market. Resources may be acquired and divested quickly to capture profits (Martin, 2002). These findings emphasize the importance of strategy and collaboration such that organizational elements can identify, select, and implement successful growth synergy initiatives, and execute them effectively in a moderately dynamic market. Strategy in the literature supports the findings, as corporate goals that reflect the preferred future position of the firm influence the quality of selected initiatives (Lovas & Ghoshal, 2000). These initiatives are also closely linked to the endogenous and exogenous opportunity space of the organization (Simmonds, 1990). In today's saturated, low-growth markets, the pursuit of growth synergies is becoming increasingly important to MUFs. Consequently, selective focus on specific strategic actions linked to opportunity is needed to concentrate energy, effort, and the attention of entrepreneurial decision

makers. The research questions collectively cover aspects of the focused growth effort. These propositions emerged from the data. In the following section, each research question will be discussed in terms of the propositions that relate to it. The research questions, again, were as follows:

- RQ1: What types of growth synergies, if any, can a multi-unit business, multidimensional organizational structure realize?
- RQ2: How do multi-unit firms with a multidimensional organizational structure continuously realize the benefits of growth synergies, if at all?
- RQ3: What is the role, if any, of the corporate center in the context of this case study?
- RQ4: How can lateral integrative mechanisms influence, if at all, growth synergies in a MOS?
- RQ5: To what extent, if any, does a one-ness strategy align a MUF to influence growth synergy?
- ORQ: How can a multi-unit firm realize cross-unit growth synergies?

In the discussion that follows, each research question will be linked to the associated propositions that contain content that informs the answer to the question. The propositions emerged from the data collected and are sequenced to reveal the mid-range theory that attempts to answer the research questions within the context of the case study. While some of the theory revealed may be situational, the researcher believes that it is also to some extent generalizable and applicable in other contexts. Ultimately, the researcher believes that the theory presented through the proposition discussion and the summaries within the framework of the research questions are valid and present a thematic focus. While these findings are limited to the case study used in the research, the causal patterns that emerged can inform higher order constructs

that link to the literature when it is available. This experience in the field has theoretical relevance, as the researcher was open to contributions from stakeholders, which led to the building of explanations and causal relationships around the precipitating event. Exogenous reliability is further validated by the researcher's approach (Yin, 1994). While case study empirical findings may be difficult to generalize (Denzin, 1989; Yin, 1994), this case study provides some validation of existing thinking paradigms while promoting new ideas. These ideas emerged from the novel organizational applications. The researcher intends that these new ideas reshape or recalibrate existing theories by exposing gaps in them. Generalizability is ultimately determined through the comparison of case studies and the replicability of findings. This research and its findings through the proposition detail and summaries below, are formed by the context in which they occurred and the time during which the study was conducted. Typically, the propositions were rich in value, such that some of them informed answers to multiple research questions. As such, they are referred to in all applicable sections. Regardless, the researcher understands that the reader will draw their own conclusions following an examination of the study. Each proposition was mapped to each research question in accordance with the strength of its linkage. Strong linkages were involved in the discussion above weaker ones. The propositions were summarized to present a perspective within the context of the research question, as indicated in the discussion below. Each of the critical elements in the discussion is covered as it relates to each question. For example, the first research question is answered by the propositions as they relate to the primary elements of the study: the MOS, the LIMs, the designed relationship with corporate, along with alignment, growth synergies, and leadership.

**RQ1.** The first research question refers to types of growth synergies that can be realized by a MUF organized in a MOS. The synergies that are included in this response were broken into

four categories, or types, that included (a) profitability, (b) pricing power, (c) leveraging strengths, and (c) scalability. These operating synergies allow firms to increase their operating income from existing assets, increased growth, or both. They are discussed in more detail below with reference to the proposition numbers (P#) that emerged based on the researcher's interpretation of the data.

***Profitability synergy.*** The effective combination of valued capabilities enhances free cash flow. The propositions that emerged from the data suggested that a MUF with a MOS and a designed relationship with the corporate center and which is augmented by LIMs, can achieve sustained corporate advantage. The horizontal role in the MOS was made capable through the consistent usage of the ERP system (P1). The ERP was a valued capability, enabling accountability for performance and transparency that enabled synergistic growth. Furthermore, the consolidation of systems enabled visibility to information that was otherwise trapped in a system silo (P3). Disparate systems required capital to improve and sustain, even though capabilities were redundant with other systems. The result was a needless, negative impact on free cash flow in an environment of capital rationing. The opportunity for profitability was driven by the clients' perception of technical and volume capability. Once work was awarded, MediaCorp needed to have the ability to meet specifications and achieve throughput volumes within client time frames at a cost that resulted in a margin (P4). The installation of network-based production created this confidence and capability. The network promoted synergistic alignment within workflows and allowed for capacity pooling of similar functions. This capability helped MediaCorp accommodate variability in demand while improving utilization of resources (P7). With a market shift towards fragmented formats and deliverable variability, an emphasis on standardization countered the opposing increase in complexity. Standardization

enabled adaptive transformation through scalability, capability, predictability, updatability, and transportability of resources in a chaotic environment (P8). When related best practices were horizontally standardized across locations, a common language emerged that allowed for better profitability measurement. This standardization functioned as a platform for the efficient evolution of the organization (P9). Furthermore, existing workflows and infrastructure could be used for adjacent market opportunities enhancing profitability through the increased utilization of synergistic capabilities (P12). Profitability is also linked to pricing structures during product or service life-cycles. At various stages of the life-cycle, pricing strategies may need to change to achieve optimal profitability. For example, billable line items that were offered previously for free at the beginning of the life-cycle may need to be revisited after the *jump-off-point* (P13).

The vertical, or location role, realized that multi-location alignment on a directional strategy that exploits related capabilities of diverse but synergistic workflows and which is based on best practice, enhances the possibility for sustained advantage (P21). It is this corporate advantage based on multi-unit synergies that leads to growth when achievement is optimally balanced with cost performance (P23). Consistent performance excellence from the perspective of the client may lead to increased market share and the opportunity for increased free cash flow (P24). Vertical leaders are close to their local markets and know the profitability enablers that, when effectively deployed, will achieve desired outcomes (P25). An example of an enabler is performance excellence as a supply chain cultural element. This must apply at the location and within the production network. This ensures capability parity regardless of the facility used (P27). In these cases, work can be assigned to capable capacity-enhancing profitability through relatedness. These costs are understood and profitability is enhanced through interdependency when supply chain leaders aggressively share their resources (P32). An aggressive stance also

needs to be taken with regard to continuous improvement. This must occur at a rate that exceeds the expectations of the market and which competitors improve to seal price points and gain revenues enhancing conglomerate surplus (P37). Once achieved, proactive maintenance is required to ensure that best practices sustain the gap created between the competitive landscape and competitors. This advanced position achieved ahead-of-potential revenue opportunities that allowed the organization to exploit market synergy, thereby occupying a position of market dominance and agility (P41). Vertical leaders know that sharing or redeploying capacity can enable the execution of large overcapacity orders that competitors are unable to execute. These would otherwise be referred to another vendor or split between vendors (P42). Pricing negotiations are critical for profitability. Leadership in this area includes an awareness of cost reduction opportunity, regardless of current margin, and a revenue enhancement strategy (P43). Multidimensional firms choose leaders for their potential to contribute towards the goal. A leader with the overall goal of firm performance possesses additional skill sets, especially in the area of *soft skills*. Profitable opportunities, when relentlessly pursued through searching and strategy execution, may then be exploited through nimble action (P51). The desire to control resources in isolation is supplanted by the desire to help the firm achieve its goals. Leaders embrace information systems that disrupt the monopoly on tacit knowledge which creates exclusivity and subordinate control. While location autonomy is encouraged in an entrepreneurial culture, alignment with the directional strategy of the organization and an alignment with market trends garner support for meaningful synergistic growth (P53).

***Diagonal support.*** The MOS role of the diagonal support leader assists with infrastructure while creating volume and velocity capabilities. This role cannot be isolated, but rather needs to be supportive and engaged. The availability of performance data in real-time



allows for quick decisions to be made in response to market demands. Many of these decisions may relate to system or workflow capability enhancements that improve the cost performance of the business unit (P55). Systems, like MediaCorp's ERP, can provide each dimension of the MOS in a MUF with transaction-based data. This includes transfer pricing between units and the elimination of information asymmetries, while concurrently increasing the value of the global enterprise system with appropriate data structures. An information vacuum prompted managers to create requirements for the in-house development team in the diagonal support dimension to fulfill their need. Account managers should not be tied up in local databases. Additionally, transfer pricing cannot undermine the profitability of a project for a location. The data consolidation and segmentation capability of the system allows for analytics that managers can exploit for the realization of growth synergies. When there are workflow transitions, integrations, patching, modifications, and enhancements, they should not be noticeable to client production schedules (P58). The infrastructure and workflow management systems are co-dependent. Their optimization and alignment allow for the best results because together they are super-additives (P59).

***Diagonal client.*** Role definitions in a MOS are required to ensure accountability; however, synergistic tasks are shared optimally and selectively by all outward facing employees to maintain the profitability of existing revenue streams (P60). All outward facing employees that interact with clients to produce revenue are considered to be in this diagonal client role. These employees can enhance the revenue from a client through additional income streams that are synergistic. This is a profitability super-additive (P62). In the case of MediaCorp, markets became quickly saturated with product and profitable growth had to be achieved. Vertical growth opportunities were limited by product offerings from the client and so MediaCorp decided to

pursue spot work and expand its client base in other sectors. This was, however, unfamiliar territory and it was hard to win new work without endangering profitability. The relationship between operations and sales is critical. This relationship achieves mutually beneficial profitability goals when both parties collaborate around their strengths, filling the company's pipeline with sustained corporate advantage (P63). Acquiring new business revenue requires complementary diversification starting with sales lead ideation and ending with the achievement of billable volume ramping at optimized margins (P64). An analysis of market needs against MediaCorp capabilities revealed a number of opportunities. Gaining entry into these markets resulted in pricing concessions that consumed capacity while producing minimal margins. Sector nuances with regard to compliance and culture, added complication, created conflict, and stretched resources. Furthermore, an analysis was done of untapped market segments within the control of existing clients. These were vigorously pursued as the ability to network using existing contacts was potentially fruitful. Unfortunately, with penetration comes pricing concessions in order to gain entry (Porter, 1985). While this increased revenues, it put stress on profitability and the organization struggled to meet the demands of the undulating life-cycle landscape. Even so, entrepreneurial and co-evolutionary leadership that owns a product workflow can be incentivized to pursue cross-sector opportunities (P65). As a result, the portfolio assignments enhanced accountability for profitability results and focused growth synergies that were constructive (P66).

Self-interest is a critical driver for profitability. If self-interest is ignored, then synergy-driven profitability is at risk. Furthermore, the impact of dis-synergies may be exaggerated. On the other hand, if a collaborative relationship exists between corporate and the MOS, a guided and balanced self-interest may positively relate to autonomous growth synergy realization in local addressable markets (P95, P96). A guided autonomy, driven by self-interest and augmented

by resource complementarity in a network-based production environment, accelerates the process of achieving profitable growth (P98). There are several ways that the corporate center can assist with local growth. The corporate center could be seen as a service center that contributes to continuous growth by temporarily incubating growth opportunities, by sharing related resources between businesses, and by helping business units select initiatives based on the long-term strategic plan for the firm (P97). These discovered opportunities and initiatives are oriented into an appropriate task list. Its execution sequence is directly related to the timing of desirable outcome realization (P98). An effective self-interest policy is a mechanism that encourages a collaborative, cross-business, social environment that is necessary for profitable growth realization (P101). An aspect of the self-interest policy relates to how revenue is recognized by the business units. In this case, an effective revenue-recognition algorithm will accommodate critical concerns from stakeholders and drive behaviors that lead to profitable growth (P102). Collaboration is necessary between members in the production network. For this to work, fluid resource sharing without boundaries attracts the right resources quickly to issues whose resolution contributes to profitability potential (P105).

Financial monitoring is necessary to ensure that allocations and cost accuracy are present. It is also important to track profitability against targets. Therefore, a standardized and appropriate cost allocation methodology creates predictable financial performance and allows for profit-producing trend monitoring (P106). With effective monitoring, quick course-corrections are possible. For example, the effort needed to establish profitable pricing may not have been expended in cases where free line items exist at near break-even levels (P111) due to a lack of visibility. Pricing strategies may result in margin erosion that may be more than accommodated for by profits obtained from volume (P112). Another situation may occur when the cost to

produce the revenue is not assigned to it. When revenue is reported together with cost, LOB analysis is possible, leading to prioritized profitability enhancements (P113). Otherwise, the analysis is erroneous. Data that can be used for profitability analysis was important to MOS leaders. MOS leaders needed to know and monitor margins by location, type, and client so that product life-cycles are predictable and so that appropriate pricing strategies can be applied (P114). Additionally, it was necessary to know cost differences between locations so that work could be assigned optimally. For this to be possible, an optimal level of granularity and transparency was needed with business unit data, such that functional performance comparisons between locations can be meaningful and leveraged (P115).

Focused action within an optimized scope is a driver for profitability. The MOS is a nimble organizational construct that can effectively exploit focused action to realize synergistic profitability (P125). This may include a sequence of tasks, quickly discovered and effectively executed, that can lead to mutual benefit between business units that collaborate by leveraging existing synergistic capabilities (P126). The MOS as a structure can effectively drive selective and focused action that, when exploited, can realize scaling that includes expansion, consolidation, and the integration of business units (P129). To further enhance productivity, a MOS can be leveraged to support cost mitigation through a continuously evolving organizational effectiveness that is superior to competitors (P130). By exploiting boundary-spanning personnel, LIMs augment the MOS's ability to realize synergistic growth. One of the ways that LIMs do this is by focusing action execution through collaborative task monitoring mechanisms (P132). One of these LIMs is the ERP system. The ERP system is a significantly influential LIM, or a super-additive, as it enables scalable organizational efficacy by promoting cost effectiveness, transparency, and workflow control (P133). The MOS can also scale. This provides an

opportunity for profitability, as capacity is available through a flexible production network. Scaling capacity dynamically in a global production network allows for the successful completion of bulk work over a short duration as a competitive advantage (P136).

The corporate center influences profitability through support of the MOS and alignment of the business units around growth synergy. Entrepreneurial MOS leaders indicated that they could achieve synergistic profitability faster when the relationship with corporate is streamlined and supportive (P138). The rate at which the realization of profitable growth is achieved is influenced by the quality of the relationship with corporate, specifically with regard to trust between interacting parties (P139). Corporate synergies can be used to strengthen the competitive position of the elements of the MOS. For example, the corporate center can be a valuable source of information. MOS leaders benefit from performance information because they use it to recalibrate, course-correct, adapt plans, and monitor progress for the achievement of desirable outcomes (P140). They can also explain the strategic method of the MUF. This method may be used by corporate to help business units connect with other business units that have achieved synergistic capabilities that could be exploited (P143). They can also assist business units in retaining and mentoring talent so that they can be leveraged to achieve growth synergies (P144). These, and other strategic elements, can influence the selected focus of the MOS. The 1MC strategy fits into the strategic plans at MediaEnterprises. One-ness is a complexity-mitigation technique, embraced by corporate and business units alike, that accelerates profitable growth because it is a suitable platform on which growth can more easily take place (P142). An exogenous alignment includes the MUF introducing disruptive change to align it with market dynamics; however, product development must progress at a suitable rate to replace negative profitability impacts (P147).

*IMC.* The 1MC initiative introduced and embedded a culture of one-ness. Over the majority of 2014, the 1MC team drove the designed strategic concept that resulted in the continuous realization of growth synergies. This new perspective was shared with clients, enhancing the ability of MediaCorp to sell their supply chain. The organizational design blueprint had become significantly successful in the facilitation of assessing the situation, defining a path forward, and executing a roadmap to achieve desired outcomes. After the alignment to the new structure, sales growth increased significantly even as regional growth was stagnating. Profitable corporate growth also increased through cross-business sales, integrations, and capacity utilization improvements. In addition, favorable customer comments were received in large quantities, suggesting that client utility was being created for MediaCorp clients that differentiated it from its competitors. In fact, client satisfaction rates soared to 93% based on customer surveys. The end-to-end supply chain was a distinct competitive advantage on which the profitability of the company was dependent. Aspects of the 1MC initiative were particularly influential in creating profitability. It was important, for example, that organizations, such as MediaCorp, which seek one-ness recalibrate their perspective on organizational design to enable or sustain profitable growth in an evolving market that embraces, or already has embraced, the benefits of one-ness (P161). Endogenously, an end-to-end value chain must be aligned in purpose and destiny in order to realize synergistic growth that enhances profitability (P166). In fact, the majority of interviewed managers confirmed that the initiative was meeting its objective: the successful realignment of the firm for the continuous realization of growth synergies. This was further validated through a 93% rating on customer surveys during 2014.

Profitability occurs when the MOS scales with a margin. Scaling is an intrinsic capability of the MOS because it inherently embraces the idea of one-ness by design and so is an ideal

structure to scale. It also preserves a single supply chain view to clients (P168). A structure, like the MOS, that is scalable in all dimensions can propagate alignment as it grows, maintaining focus on the mission. The mission is executed by a culture whose bias-for-action is focused on improving profitability (P169). Consequently, opportunities in the addressable market can be realized when the MOS scales.

Profitability is influenced by the growth potential of the MOS. The realization of growth synergies is partially dependent on the addressable market and the agility of the organization in a dynamic market. Proactively, a MUF can map out the addressable market and construct a multi-pronged tactical strategy to exploit potential unrealized client spends (P177). However, the nimbleness of a MOS enhances the ability of a MUF to exploit an optimal proportion of the product or service life-cycle (P176). MediaCorp found that in their markets the elements of a successful expansion strategy had to include a track record of reliability, the ability to penetrate barriers to entry, an effective execution plan, and the ability to monitor results (P178).

Market penetration was mandatory for MediaCorp to realize new growth opportunities. Conglomerate power can leverage relatedness to gain a competitive position. Sector penetration included the establishment of relationships where penetration opportunities could most easily be realized. Sector clusters were prioritized and clients within clusters were contacted. Sector strategies drove activities around roadmaps for the creation of a cross-business portfolio, solutions, and penetration strategies. The first step in the strategy included screening the overall market to identify sectors and to identify white spaces within the current market definition. Secondly, MediaCorp analyzed the relevant sectors to identify which ones had growth synergy potential. Sectors that were closest to the existing environment were prioritized for lead-sharing, bundling, and integration. Strategic tactics had to be viewed situationally to exploit penetration

opportunities in the dynamic market (P179). For example, tailoring the ERP UI to the client's wishes made it difficult for clients to divorce themselves from the familiar system interface and valuable business intelligence that had accumulated (P183). This is an example of how the creative and timely application of enhanced value may enable new profit-producing opportunities to be exploited (P182). Once growth opportunities are realized, the MOS has a competitive advantage because it can scale through the addition of LOBs and locations while preserving talent, process, knowledge, and a penchant for excellence (P180). Furthermore, infrastructure reliability is a penetrator in an increasingly insecure and liability-oriented commercial environment (P181). Similarly, technical ability is a penetrator because it inspires confidence in MediaCorp's ability to solve problems the client does not understand (P178). MediaCorp managers developed strategic concepts for the continuous realization of growth synergies that were based on norm strategies. This focused attention on selected profitable sectors and designated key accounts. These concepts provided the strategic grounding for deriving economic value from the synergy realization that contributes to profitable growth. The focus on profitable growth sectors and the selection of key clients to approach, initially, supported profitable growth. Lead-sharing improved business market shares of each business. By offering new products in untapped sectors and by eliminating *white spots* in the existing portfolio, MediaCorp increased market coverage. Innovative products that address customer needs beyond the current view expanded the overall market.

In summary, profitability is influenced by profitability synergies that include profitability synergy, pricing power synergy, synergy from leveraging strengths, and scalability synergy. Profitability synergy comes from the effective combination of valued capabilities that enhance free cash flow. This synergy increases income from existing assets, or from increased growth, or



from both. Profitability synergies are enabled by the novel organizational design deployed by MediaCorp. The horizontal-dimension leader role in the MOS exploits consolidated systems that create transparency and opportunity awareness within the global production network. This network promotes alignment regarding best practices and effort directed at achieving desired outcomes. Horizontal leaders are responsible for the profitability of their LOB. They influence this by pushing existing and created capabilities across the network so that it can exploit adjacent markets. Vertical dimension leaders ensure consistent operational excellence and pursue local markets. They share available resources while exploiting the production network to fulfill orders in a cost optimal way. Diagonal support leaders ensure that infrastructure and systems are performing ahead of market demands. Diagonal client leaders pursue synergistic revenue streams, ensuring profitable growth through the repurposing and improved utilization of existing capabilities. A designed relationship with corporate enables the deployment of a guided and balanced self-interest policy helping to ensure mutual benefit to all dimensions of the MOS. They provide, through various LIMs, performance transparency, and measurement against desirable outcomes. Focused action drives a nimble organization that is aligned through a culture of one-ness to profitability realization. The MOS can scale with a margin when it exploits the addressable market by executing situational penetration strategies.

The second synergy category that addresses RQ1 is pricing power synergy. This operating synergy allows firms to increase their operating income from existing assets, increased growth, or both, putting the firm in a competitive position in the market. A reduction in the competition or their capacity allows for higher market share and higher pricing. These result in higher margins and operating income.

Pricing power synergy is dependent on the effective execution of roles in a MOS. Specifically, horizontal roles interface with clients to be awarded work within their LOB. Clients will allocate volume work at higher price points to the vendors perceived to have both the technical ability to meet their specifications and the availability of more than sufficient capacity to process the volume (P4). It is less likely that pricing negotiations will occur if a vendor can help a client when they have a large or special need. MediaCorp's corporate leaders emphasized that lead-sharing, bundling, and integration are complementary norms. Businesses can engage in lead-sharing while offering the client meaningful solutions. Offerings can be bundled and business units can be integrated depending on the market situation. The extent to which this is done depends on market attributes and the competitor landscape. When bundled and integrated solutions are sold over several clients, the development costs can spread over a large base and profitability is increased. Strategic relationships with key customers can help with the monetization of replicable and innovated market penetrating solutions. These solutions can then become general when they have matured. Every product or service has a life cycle. An optimal service and product life-cycle strategy enables maximal contribution to margins when dynamic pricing plans are executed (P50). Pricing structures applied after the jump-off point in the life-cycle of products or services may need to be reviewed to include line items that previously were discounted or free (P13). Pricing power synergy is enacted through the complementarity of norms deployed to pursue addressable markets.

Vertical leaders ensure local performance, enhancing pricing power. When a client is dependent on vendor performance levels, this workflow performance excellence can lead to increased market share when execution results are consistent with customer expectations (P24). When this consistent performance, relative to changing client expectations, continually evolves,

the vendor stays ahead of the competition and increases market share (P26). Specifically, continuous improvement must occur at a rate that exceeds the rate of the market and competitors in order to seal price points and gain revenues (P37). Proactive leadership will make sure that once gains are made, they are sustained. The proactive maintenance of achieved best practices then enables a gap between the current competitive landscape and an advanced position ahead of potential revenue opportunities (P41). Internally, work can be profitably assigned when available and capable capacity costs are understood and when supply chain leaders aggressively share their resources (P32). Sharing or redeploying capacity can enable the execution of large overcapacity orders that competitors are unable to execute and which would otherwise be referred to another vendor or split between vendors (P42). This capability creates value in the clients' view, as they would rather not have to manage multiple vendors. A broadened margin gives the business unit pricing strategy flexibility. Pricing negotiation leadership includes an awareness of cost reduction opportunity, regardless of the current margin, leading to a revenue enhancement strategy (P43).

Diagonal support functions assist with pricing power synergies. Slight enhancements to workflows may enable the consolidation of workflows improving their utilization and cost per deliverable (P57). Diagonal client functions must collaborate with LOB, support, and location leaders to exploit pricing power synergies. For example, operations and sales achieve mutually beneficial profitability goals when they collaborate around their strengths, filling the company's pipeline with sustained corporate advantage (P63). Similarly for support functions, acquiring new business revenue requires collaborative action starting with sales lead ideation and ending with the achievement of billable volume ramping at optimized margins (P64).

The self-interest of stakeholders influences pricing power synergy. Some of this relates to cultural attributes present in a MOS environment and how this relates to capacity management. For example, a guided autonomy driven by self-interest and augmented by resource complementarity in a network-based production environment accelerates the process of achieving profitable growth (P98). An effective self-interest policy is a LIM that encourages a collaborative, social environment necessary for profitable growth realization (P101). The utilization and capability of the production environment informs cost and pricing. The relationship that the MOS has with the corporate center also influences pricing power. Regarding self-interest, a collaborative corporate relationship with a MOS encourages guided and balanced self-interest that is positively related to growth synergy realization (P95). Regarding local markets, the selective involvement of the corporate center can promote autonomous growth in locally addressable markets (P96). The corporate center may also assist with new products to keep the vendor ahead of the competition. For example, the corporate center is a service center that can contribute to continuous growth by temporarily incubating growth opportunities, by sharing related resources between businesses, and by helping business units to select initiatives based on the long-term strategic plan for the firm (P97). To encourage the sharing, an effective revenue recognition algorithm once deployed will accommodate critical concerns from stakeholders and drive behaviors that lead to profitable growth (P102).

Financial observations showed that when there is clarity and understanding regarding financial data, pricing power synergy is enhanced. When revenue is reported together with cost, LOB analysis is possible, leading to prioritized profitability enhancements (P113). Financial synergies leverage financial resources to help business units achieve competitive positions in their marketplace. When there is transparency regarding financial data, MOS leaders can know

and monitor margins by location, type, and client so that product life-cycle profits are predictable, can be forecasted, and so that appropriate pricing strategies can be applied (P114). The effort needed to establish profitable pricing may not have been expended in cases where free line items exist if price levels are near break-even (P111). In these cases line items should be added to rate structures to recover losses. Additionally, pricing strategies may intentionally reflect margin erosion; however, this may be more than accommodated for by profits from increased volume in the event that consolidation in the industry occurs (P112).

LIMs, like financial reports, are transient organizational constructs between dimensions. They contribute to pricing power synergy. Structures, like these, are required for the coordination and enhancement of cross-business collaboration in an evolving synergistic growth environment (P117). Strong integrative mechanisms applied appropriately and with the right frequency are positively related to continuous growth synergy realization (P121). MOS leaders benefit from access to meaningful and relevant tacit knowledge, domain experience, and performance data that can be used to accelerate growth-oriented decision making (P119). While financial data may be centralized, it is decentralized collaboration that enables business unit autonomy to select and implement growth initiatives that are directly related to growth synergy realization and pricing power (P120).

Focused action enhances the ability of a MUF to achieve pricing power in a dynamic market. This focused action must be aligned with a growth synergy strategy that enables a competitive advantage. A MOS is intrinsically aligned, as the structure is connected and tasks are shared by relevant functions commissioned to achieve growth synergies (P128). For example, a MOS can be leveraged to support cost mitigation through a continuously evolving organizational effectiveness that is superior to competitors (P130). Furthermore, LIMs augment the MOS's

ability to create related profitability. A MOS realizes synergistic growth by focusing action execution through collaborative task monitoring mechanisms (P132). In this case the ERP system, a significantly influential LIM, is a super-additive as it enables scalable organizational efficacy by promoting cost effectiveness, transparency, and workflow control during synergistic growth (P133).

The way the MUF responds to megatrends enables pricing power in a dynamic market. A nimble organization that can redeploy resources and satisfy clients through innovative sales initiatives is able to *ride* life-cycles longer than unprepared competitors (P135). Dynamically scaling capacity by leveraging under-utilized, cross-unit capacity in a global production network allows for the successful completion of bulk work over a short duration. This creates a competitive advantage (P136). This competitive advantage enhances pricing power synergies.

The corporate center's capabilities can be used to influence pricing power synergy by strengthening the business unit's competitive position. The rate at which the realization of profitable growth is achieved is influenced by the quality of the relationship with corporate, specifically with regard to trust between interacting parties (P139). This trust is a cornerstone in the 1MC initiative. One-ness is embraced by corporate and business units alike. It accelerates profitable growth because it is a suitable platform on which growth can more easily take place (P142). Corporate can help business units connect with other business units to achieve synergistic capabilities that can be exploited (P143). Capabilities are enacted through valuable human talent that interfaces with system-driven and effective infrastructure. Corporate can assist business units in retaining and mentoring talent so that they can be leveraged to achieve sustained corporate advantage (P144).

MOS leaders indicated that the MOS structure can be influential regarding pricing power synergy. The effort needed to realize growth in market share in an entrepreneurial endeavor is less of a burden in this collaborative environment than it would be otherwise. For example, the effort needed to achieve revenue realization from a client that requires one-ness is significantly more difficult if internal businesses do not embrace the alignment vision (P145). Furthermore, a fragmented MUF cannot easily solve client issues that relate to one-ness as they do not understand the root causes of problems that originate in other parts of the supply chain (P146). This is needlessly complex due to destructive self-interest and dis-synergies within silos. Another example could be that new products need to be introduced to penetrate markets. For example, a MUF may introduce disruptive change to align it with market dynamics; however, in these cases product development must progress at a suitable rate to replace negative profitability impacts (P147). Pricing power can be achieved with a MOS that manipulates collaborative links to exploit operative and growth synergies among related business units.

The 1MC initiative enables pricing power synergy at MediaEnterprises by providing a way to position the company against its competitors as an end-to-end supply chain. An end-to-end value chain must be directionally aligned in purpose and destiny in order to realize synergistic growth (P166). Organizations seeking one-ness must recalibrate their perspective on organizational design to enable or sustain profitable growth in an evolving market that embraces, or already has embraced, the benefits of one-ness (P161). In short, clients are already embracing this concept and see the advantages of it; therefore, competitive enterprises are compelled to strategically position themselves in alignment with the *one* megatrend in order to maintain and enhance market share in a dynamic environment (P159). With the 1MC initiative in place, MOS leaders were able to benefit from timely, concise, and complete financial performance reviews

that are linked to both cost mitigations and the revenue resulting from opportunity exploitation (P167). A MOS intrinsically embraces the idea of one-ness and so is an ideal structure to propagate the norms established in the IMC initiative (P168). Guided by this critical social and operational capability, growth strategies can be realized through synergistic growth into addressable markets.

The capability of a MOS to grow by increasing market share contributes to pricing power synergy. Proactively, a MUF can map out the addressable market and construct a multi-pronged tactical strategy to exploit potential unrealized client spends (P183). Exploiting the addressable market is another matter and is dependent on several critical factors. For example, the nimbleness of a MOS enhances the ability of a MUF to exploit an optimal proportion of the product or service life-cycle (P176). Furthermore, the elements of a successful expansion strategy include a track record of reliability, the ability to penetrate barriers to entry, an effective execution plan, and the ability to monitor results (P178). These capabilities fit well into the MOS as it is an organizational structure with the inherent ability to scale by leveraging complementary resources.

Growth strategies are significantly influenced by the ability to gain access to the addressable markets identified. This is aided by market or silo penetrators. An example could be infrastructure reliability in an increasingly insecure and liability-oriented commercial environment (P181). Another would be through tailoring the ERP UI to the client's wishes making it attractive for use relative to a competitive offering. Additionally, once the silo is penetrated, it would be difficult for clients to divorce themselves from the familiar system interface and the valuable business intelligence that has accumulated (P183). Technical ability is also a penetrator because it inspires confidence in MediaCorp's ability to solve problems the



client does not understand (P178). Ultimately, the strategic concept that was established by MediaCorp's managers was centered on the realization of growth synergies to increase corporate profits by bringing the MUF's unique portfolio and capabilities to customers across business units, thereby solving their problems. This objective was specified through norming strategies and a focus on profitable cross-unit focus areas with an optimized scope. The norm strategy resulted in a shift from a vertically focused firm to a multidimensional focused firm, with an emphasis on client profitability. The norm strategies became apparent in three ways: lead-sharing, cross-product bundling, and cross-unit integration. The value proposition of these three norms led to sustained corporate advantage. Strategic tactics must be viewed as situational to exploit penetration opportunities in a dynamic market (P179). The creative and timely application of enhanced value may enable the exploitation of new profit-producing opportunities (P182). The MOS creates a competitive advantage that can scale through the addition of LOBs and locations while preserving talent, process, knowledge, and a penchant for excellence (P180).

In summary, profitability is influenced by pricing power synergies. These synergies occur when a firm increases its operating income from existing assets, from growth, or both by putting the firm in a competitive position in the marketplaces in which it chooses to operate. Higher market share allows for more profitable and stable pricing. Horizontal roles are LOB oriented across all locations. Horizontal leaders impress upon clients the capability of the MOS in comparison to competitors. This capability may be technical or it may be capacity based. Supply chain strategies may also be used to create a dominant position in the marketplace. The LOB leader optimizes the pricing strategy during each product or service life-cycle to optimize profitability. Clients become dependent on vertical leaders to perform with excellence. Consistent reliability must be ensured throughout the production network. Diagonal support

leaders optimize workflows placing the MUF in a preferable market position. An effective self-interest policy encourages collaboration between the roles creating another competitive advantage. Awareness of financial performance helps MOS leaders to improve their cost structures when required to enable pricing strategies that result in the awarding of profitable work. LIMs allow the MOS to adapt to the local market by providing collaborative structures or tools. Focused action helps the MOS achieve cost mitigations or capabilities placing it in a competitive position. Pricing strategies relate to megatrends that influence market shifting and product or service life-cycles. Another advantage, which is a super-additive, is alignment in the MOS. This is provided through the one-ness initiative.

The ability to leverage strengths is a synergy. The horizontal role in the MOS is primarily charged with promoting LOBs across locations. The MOS includes a horizontal reach across locations that relates to products and services. This responsibility focuses on improving the overall potential for each product and service through the leveraging and developing of multi-unit synergies. The leaders for each of these LOBs are seasoned and previously had multi-location experience. MediaCorp's leader constantly aligned the organization to realize efficiency synergies and growth synergies through this team of horizontal leaders. This included initiatives that relate to performance, technology-driven portfolio expansion, operational excellence, people excellence, best-in-class governance, sustainability, and citizenship. In the combination of physical entities, strengths of one entity can complement the weaknesses another other entity. Strengths can be transferred across businesses to improve profitability. One example is the ERP system. The consistent, accurate use of an ERP is an aligning platform that enables accountability for performance and synergistic growth through transparency (P1). Centralizing on one system exploits a significant synergy opportunity. For example, the transparency of

relevant data is aided by the consolidation of disparate systems that hold related data otherwise not easily made available (P3). Once consolidated, the ability to enhance a singular system is accelerated and recommendations from users can be quickly developed and deployed. The rate at which enhancements, called out by these stakeholders, are developed and deployed, broadly influences the growth rate of an enterprise in a moderately dynamic marketplace (P2). Another synergistic strength is capacity. Clients will allocate volume work to vendors perceived to have both the technical ability to meet their specifications and the availability of more than sufficient capacity to process the volume (P4). Furthermore, as local markets originate orders, local facilities are able to leverage known, available network capacity to meet client expectations, regardless of the order size or complexity (P5). Where there is demand variability, workflow synergistic alignment, capacity pooling, and complementary diversification utilization is improved resulting in increased profitability (P7). Furthermore, when existing workflows and infrastructure can be used to deliver new products and services to an adjacent, new, or similar market in a different geography, there may be an opportunity for additional synergistic profitability (P12). The capacity within the network is made available to clients if an ERP system is in place. This workflow management system can manage the global production network and provide needed status information of work in progress. Strategy creation and execution are also strengths. For example, a strategy for global deployment must include momentum management and enable the organization's capability to effectively deploy (P18).

The vertical MOS role is also challenged to leverage strengths that realize growth synergies. High-performing workers and leaders within the various locations in the production network want to achieve success in an operation that is measured, monitored, and knowledge rich (P28). While this is location specific, they also understand that network-based production is

dependent on collaboration, internal and external to the MOS (P29). Isolation hinders growth as collaborative co-evolution leverages standardization as a platform for deploying workflow enhancements (P30). The multi-directional nature of collaboration includes sharing complementary resources with the network. This support is enabled by awareness and active listening (P31). Work assignment within the production network must be accomplished optimally to maximize profitability. Work can be profitably assigned when available and capable capacity costs are understood and when supply chain leaders aggressively share their available capacity (P32). Sharing or redeploying capacity can enable the execution of large orders that a location alone and competitors are unable to execute. These orders would otherwise be referred to another vendor or split between vendors (P42). It is myopic for a location leader to assume that problems will not arise either locally or within the network. Problem resolution as a strength is accelerated by operational performance transparency and a clear awareness of expectations (P33). This is augmented by the timely availability of data used similarly across all locations. This data should be offered up transparently to accelerate strategic decision making and issue resolution (P34). While the location culture may be unique to some extent, the constitution of the location culture must be appropriate and aligned with other locations to optimize capacity utilization in a network-based production schema (P35). Therefore, vertical leaders need to proactively select and mentor leaders that match the culture of the future (P38). Ultimately, proactive leaders must make their leadership teams capable to achieve what is about to happen in the marketplace (P39).

Diagonal support leaders exploit synergy by leveraging strengths within the MOS. For example, slight enhancements to workflows may be a super-additive, as they enable the consolidation of workflows thereby improving their utilization and cost per deliverable (P57). As

infrastructure and workflow management systems are co-dependent, they must also be optimized as a system for best results (P59). The system must optimize the cost structure of the operation, but also needs to support business continuity. Specifically, diagonal support leaders optimize the realization of sustained corporate advantage in the marketplace when workflow transitions, integrations, modifications, and enhancements are not noticeable to client production schedules (P58).

Client facing diagonal leaders exploit MOS strengths in a synergistic way. Synergistic tasks are shared optimally and selectively by all outward facing employees to maintain the profitability of existing revenue streams (P60) just as synergistic tasks are shared by functions critical to the execution of these tasks and their associated rewards (P61). Operations and sales achieve mutually beneficial profitability goals when they collaborate around their strengths, filling the company's pipeline with sustained corporate advantage (P63). Acquiring new business revenue requires collaborative action starting with sales lead ideation and ending with the achievement of billable volume growing at optimized margins (P64). Further to this, enhancing the revenue from a client through additional income streams that are synergistic is a profitability super-additive (P62). This requires entrepreneurial leadership that owns a product workflow. This leadership must also be incentivized to pursue cross-sector opportunities (P65). These opportunities contribute to an evolving and expanding product and service portfolio. This portfolio leverages the synergistic strengths, or complementary diversifiers, of the business units in the MUF. Assigning the portfolio, or portions of it, to MOS leaders enhances accountability for profitability results and focuses growth synergies that are constructive (P66).

During change management, complementary diversifiers can be exploited. MOS leaders determined that there were several key principles regarding synergistic change processes that

contributed to the achievement of desirable outcomes. When these change events were successful, a holistic vision of the detailed organizational design encouraged a focused transition (P69). Stakeholders are motivated to engage in change that is driven by respect, participation, and interest in the intended outcome (P79). Furthermore, transition execution performance is significantly dependent on stakeholder's belief and participation in change vision ideation (P74). The relationship that stakeholders have with change leaders is critical. MOS leaders indicated that achieving capability requirements is as much about understanding requirement details as it is about the relationship that stakeholders have with change leaders (P75). The ability to execute change activities is driven by the degree of support given to change agents by stakeholders to complete change activities. These activities are typically a burden beyond their existing work (P78). The effectiveness of this relationship is significantly influenced by communication between change leaders and other stakeholders. The integrity of the communication strategy, including the nature of the content and the timing, can reduce change inertia (P70). Change leaders and MOS stakeholders must understand that communication is situational in design depending on the change phase, on the timeline, and on the relevant audience (P71). Effective communication produces a sense of unity. This unity as seen in consensus, consistency, and continuity is partly achieved through diversity of talent, tools, and processes (P76). Unity is also achieved when behaviors are appropriate to the situation. For example, an immediate awareness of constructive behaviors gives a change leader the opportunity to reinforce positive attributes as they occur (P72). On the other hand, an acute awareness of inertia-producing behaviors gives a change leader the immediate opportunity to mitigate an otherwise excessive effort requirement (P73). Waste in the execution of the rollout process can produce change fatigue and reduce customer confidence. As a result, a phased workflow rollout needs to be structured around a

validated *right-the-first-time* ideology that accelerates maturity and achievement within the deployment timeline (P77).

When synergistic change did not go as well as expected, the issues were centered on the inability to execute existing synergistic strengths. In some cases an overly conservative plan may produce resource and coordination deficiencies that compromise existing resource utilization (P80). The total cost of deployment is then higher. This could have been predicted. Additionally, it is important that there be client involvement in transition planning, as it augments growth potential by designing present and future requirements into plan elements (P81). Furthermore, the importance of the change may not be valued if the appropriate levels of management are not involved in the plan design. Without input from all relevant entities, the resulting process may require unnecessary effort to perform acceptable work (P82). A change leader must also be aware of the attributes of inertia-producing behavior, such that timely mitigation tactics can be immediately applied to the situation (P83). If not, energy is diverted and consumed by non-valuable activities while the behavior mitigating response is delayed (P84). Additionally, scope focus may be compromised by an excessive range of activities and collaborative disunity (P85).

Communication and awareness failure hamper successful strength synergy exploitation. One of the first tasks in an activity roadmap is to explain the reason behind the plan. This needs to be communicated from a stakeholder's perspective. This communication must help stakeholders achieving a new vision that is influenced by an understanding of the logic behind the plan, agreeing with the logic, and knowing why it has to be achieved now (P86). Further to this, and often overlooked, the tasks in a plan are as important to participants as who is involved and if they agree with the values of those who assume new roles (P87). The transfer of plan knowledge drives buy-in, which would be further enhanced if stakeholders were involved in the

decisions regarding the plan (P88). Communication creates awareness which influences buy-in. Stakeholders who are personally invested in the business unit's success may be discouraged with their employment prospects if they are not allowed to participate in change activities (P90). A MOS leader must, therefore, effectively manage change by collating critical information about the changing internal and external environment (P89). If a suitable level of awareness prior to execution does not occur, additional cost from the resulting confusion should be expected. For example, the cost of change activities is elevated when stakeholders do not have the opportunity to streamline change activities before they occur (P91). Social aspects also influence change related cost. For example, leadership, through relationship performance, is linked to transformational change through attributes such as connectedness, adaptability, protection, and the depth of the relationship (P92). It follows then that performance outcomes are influenced by the approach used, the timeliness of behavior controls, and the achievement of an appropriate level of oversight (P93). Ultimately, the degree to which the change leader and stakeholders are in alignment in purpose will correlate to the effort needed to execute the change roadmap and realize the strength synergy for profitability realization (P94).

A collaborative corporate relationship with a MOS encourages guided and balanced self-interest that is positively related to growth synergy realization (P95). Specifically, the selective involvement of the corporate center leveraging its strengths can promote autonomous growth in locally addressable markets (P96). Furthermore, the corporate center is a service center that can contribute to continuous growth by temporarily incubating growth opportunities, by sharing related resources between businesses, and by helping business units to select initiatives based on the long-term strategic plan for the firm (P97). These contributions can be the genesis for new strengths needed in a dynamic market; however, the combination of these strengths is super-



additive. This is because a guided autonomy driven by self-interest and augmented by resource complementarity in a network-based production environment accelerates the process of achieving profitable growth (P98). Strengths may also be strategically exploited at the right time, in the right place, and in the right sequence. The appropriate task list and its execution sequence are directly related to the timing of desirable outcome realization (P99). Importantly, a business unit self-interest policy is negatively influenced and may be compromised by the administrative burden needed to manage it (P100). Achieving a guided and balanced self-interest is the motivation to execute a task list that is directly connected to the realization of desired outcomes.

Collaboration in a MOS is needed to leverage strength-oriented synergies. Conversely, and by way of example, isolated actions do not benefit from super-additives gained from exploiting matured initiatives through duplication or other means (P103). MediaCorp was transforming from a physical production model to a knowledge exploitation model. Products became increasingly technical while the organization was expected to be a *problem solver* for the client. Clients became increasingly dependent on MediaCorp, not because of relationships, but because of their problem-solving capabilities. Strength-based collaboration is enabled when existing knowledge is consolidated and made generally available. This knowledge can then be used as an advanced starting point, or platform, for new discoveries and issue resolution (P104). Multidimensional firms understand that their profitability comes from their ability to create value for clients. The sources of this profitability has moved from tangible physical assets and codified knowledge to the meaningful exploitation of tacit personal knowledge of creative workers who create customer value. As a result, strategies within MUFs tend to be aimed at knowledge exploitation and organizational leadership rather than physical production. Leadership needs to be able to foster a climate of teamwork and collaboration to create this customer value at the

right time. Additionally, a mental transition has to occur that includes a transformation from portfolio management to running an integrated firm. This is why the use of resources and the pursuit of market opportunities are organized on separate dimensions. It increases the dependencies between managers, mandating the need for collaborative problem solving and opportunity exploitation. All managers have the common goal of creating value for customers that is enabled by scarce knowledge resources that are used across the firm. New strengths are discovered when resource sharing is fluid and without boundaries, as this attracts the right resources quickly to issues whose resolution contributes to profitability potential (P105). Problem resolution strengthens controls and capabilities subject synergistic sharing.

Financial functions are a strength that can be shared and exploited widely. For example, a standardized and appropriate cost allocation methodology creates predictable financial performance and allows for profit-producing trend monitoring (P106). Additionally, financial report usefulness depends significantly on the timeliness and accuracy of cost allocations (P107). Without accuracy and timely reporting, comparative cost ratio trend analysis is difficult to leverage, as cost line items are not made transparent to P&L owners (P108). Furthermore, line item mapping is critical for financial information to be relevant. Cost is fundamentally activity dependent, where the labor associated with a task must be mapped to the value producing activity, regardless of where it came from (P109). When arbitrary cost allocations are used to bolster reporting optics, or delay negative results, the resulting reporting activity obfuscates true performance and the ability to trend deployed cost mitigations (P110). Consequently, to ensure business unit data usability, an optimal level of granularity and transparency is needed. This data also enables functional performance comparisons between locations, making them meaningful as they inform selected action (P115). With accurate financial information, profitability opportunity

is potentially exploitable. For example, the effort needed to establish profitable pricing may not have otherwise been expended in cases where unknown free line items exist or when price levels are near break-even (P111).

LIMs are strengths that may be situationally exploited within a time frame that is meaningful for the purpose of the LIM. Strong integrative mechanisms applied appropriately and with the right frequency are positively related to continuous growth synergy realization (P121). Additionally, the influence of the LIM may contribute to an adaptable structure that ensures a meaningful impact. LIMs are synergistic as they connect MOS dimensions in meaningful ways, through common interests (P116). It is clear to MOS leaders that integrative structures are required for the coordination and enhancement of cross-business collaboration in an evolving synergistic growth environment (P117). This also relates to cultural alignment, which is another strength. For example, cultural activities help MOS dimensions establish and mature a collaborative mindset in a complex environment (P118). A significant number of LIM types exist and will be discussed in future sections. A significant LIM, for example, is a knowledge management system. MOS leaders benefit from access to meaningful and relevant tacit knowledge and domain experience that can be used to accelerate growth-oriented decision making (P119). Management structures needed to guide and support self-interest are LIMs. These LIMs are ideal for decentralized collaboration as they include business unit autonomy when selecting and implementing growth initiatives; both of which are directly related to growth synergy realization (P120).

Strengths also come in the form of drift mitigation capabilities that preserve existing profitability so that growth can be pursued. These capabilities are synergistic and can be replicated across locations through LIMs and the efforts of the horizontal dimension. Drift

mitigation is dependent on leadership activity. The ability to timely mitigate an undesirable drift is enabled by relationships based on trust and accountability (P124). Communication is a LIM that helps to prevent drift. The design and strategy of communication can influence entropy rates; however, an existing reference for movement must be used to measure set expectations against defined variables to expose the drift rate (P122). The reference, or baseline measurements, may include published data that includes tolerances that trigger alarms and proactive mitigation when they are exceeded. A reactive approach may include performance reports as snapshots-in-time that are a delayed rather than a real-time means by which a reaction can ensue (P123).

Focused and selected actions leverage strengths to exploit synergy. It is fortuitous that the MOS is a nimble organizational construct that can effectively exploit focused action to realize synergistic profitability (P125). The MOS is able to execute a sequence of tasks, quickly discovered, and effectively execute for mutual benefit between business units (P126). The design of the MOS expedites change by minimizing inertia. Energy consumption, aligned to realize a local synergistic opportunity, is minimized in a MOS augmented by LIMs and supported by the corporate center (P127). This is because the MOS is intrinsically aligned. The structure is connected, or linked, and tasks are shared by relevant functions needed to achieve growth synergies (P128). A MOS can drive synergistic focused action that, when exploited, can enable scaling that may include the expansion, consolidation, or integration of business units (P129). A MOS can also be leveraged to support cost mitigation action, resulting in a continuously evolving organizational effectiveness that is superior to competitors (P130). Focused action in a MOS is augmented through the influence of other organizational structures. For example, finance, is a supporting function that augments the self-interest in a MOS by promoting

inspirational reward systems through performance transparency (P131). LIMs augment the MOS's ability to realize synergistic growth by focusing action execution through collaborative task-monitoring mechanisms (P132). For example, the corporate center and the ERP system provide relevant information needed to exploit resources effectively in fulfillment of MUF strategic objectives (P134, P133).

In an environment where external megatrends can impact profitability outcomes, the MOS can adapt and transform to optimize sustained corporate advantage. For example, a nimble organization that can redeploy resources and satisfy clients through innovative sales initiatives is able to ride life-cycles longer than unprepared competitors (P135). Another strength synergy is the ability of the MOS to dynamically scale capacity in a global production network as needed. This allows for the successful completion of bulk work over a short duration as a competitive advantage (P136). The MOS must adapt to ever changing megatrends by exploiting complementary diversification. This strength enables the MOS to co-evolve and achieve synergistic growth.

A designed relationship with the corporate center can be a strength that is synergistic. Its influence can be leveraged across all locations and LOBs. Entrepreneurial MOS leaders can achieve profitability from multi-unit synergies faster when the relationship with corporate is streamlined and supportive (P138). Furthermore, the rate at which the realization of profitable growth is achieved is influenced by the quality of the relationship with corporate, specifically with regard to trust between interacting parties (P139). When corporate oversimplifies a complex situation, they create inertia and deplete trust, as decisions are not sufficiently robust. This results in residual work or unacceptable and unanticipated collateral damage (P137). The overall impact reduces the business unit's absorptive capacity for change. As a mitigating factor, for corporate

to be supportive they need to have a minimal understanding of the business unit's function, capability, culture, systems, and its relationship with other business units or divisions (P141). Corporate can help business units connect with other business units that have achieved synergistic capabilities that could be exploited (P143). Corporate can also create synergistic strength by assisting business units with the retention and mentoring of talent, so that they can be leveraged to achieve growth synergies (P144). Similarly, MOS leaders benefit from financial performance information because they use it to recalibrate, course-correct, adapt plans, and monitor progress for the achievement of desirable outcomes (P140). Alignment around a directional strategy is also a strength synergy. Unity between business units, in many ways, can only be promoted by the corporate center, which has influence over all entities in the MUF. This can be helpful to the MOS, as one-ness can function as a complexity-mitigation technique, that must be embraced by corporate and business units alike, in order to accelerate profitable growth (P142).

The ability of the MOS to influence other business units is a strength that is synergistic, as existing elements of the MOS are being shared. The resulting co-evolution includes the manipulation and alignment of capabilities to exploit synergies across business units. For example, the effort to achieve revenue realization from a client that requires one-ness is significantly more difficult if internal businesses do not embrace the alignment vision (P145). Furthermore, a fragmented MUF cannot easily solve client issues that relate to one-ness as they cannot see where the root causes of the problems originated (P146). Alignment is a strength that enables a MUF to take drastic measures, transforming to align with the market. For example, a MUF may introduce disruptive change to align itself with market dynamics. This is only possible if product development progresses at a suitable rate to replace resulting negative profitability

impacts (P147). Cross-business collaboration allows a MOS to align with markets for sustained profitability. Consequently, adaptive transformation is synergistic strength.

Following this theme, a strategy of unity is a significant synergistic strength that is exploitable. It is clear that an end-to-end value chain must be aligned in purpose and destiny in order to realize synergistic growth (P166). For example, a deployed set of values and norms creates the perception of a single mindset among MOS leaders (P156). Additionally, a common vision-mission will be embedded in strategic planning and discovery documents when the parts of a MUF are aligned (P153). Competitive enterprises are compelled to strategically position themselves in alignment with the one megatrend in order to maintain and enhance market share in a dynamic environment (P159). Organizations seeking one-ness must recalibrate their perspective on organizational design to enable or sustain profitable growth in an evolving market that embraces, or already has embraced, the benefits of one-ness (P161). It is clear that clients' perception of the organization is a source of sustained corporate advantage. Consistent excellence across all locations is foundational to a one initiative, as it validates the single vertical supply chain perspective of the client (P160). This excellence is subject to the MUF's ability to perform and improve where needed. In fact, the client's impression of the MUF is influenced by how the MOS allows itself to be transformed and monitored externally (P155). Clients expect a singular, high-reliability, performance experience in the value chain that is subject to a mature remediation process, when infrequent non-conformities occur (P163). This applies everywhere in the supply chain, as a mature quality system that promotes a performance standard should have equal influence on all locations, encouraging performance parity and improvement (P149). Clients count on the reliability of the vendors' supply chain workflows, which are dependent on the continuously available capability of each linked functional element (P165). This applies to

specific capabilities. For example, clients expect that their assets are available, locatable, and treated in a similarly excellent way, regardless of where they are in the end-to-end vendor supply chain (P164). To ensure this practice, unification on excellence assumes that asset locations are always known and are being cared for, returned, or purged timely (P150). This information is hosted by a databased that includes a log of movement transactions and who made them. The performance of the MOS is dependent on the unified approach to data management, requiring that an effective data management capability consolidate knowledge by exploiting a globally accessible framework (P148). Not only does knowledge include workflow status, but knowledge management also engages entrepreneurialism, producing new knowledge while unifying task knowledge through centralization, utilization, and influence (P162). The capability of participants is influenced by knowledge acquisition. Specifically, a mechanism should be used to verify that training is effectively deployed on a single platform by measuring to what extent users depend on it for knowledge acquisition (P157). This also applies to infrastructure, as the standardization of infrastructure components allows for knowledge of hardware disposition and capability for redeployment to accommodate local capacity requirements (P151). This overall unification of functional capability is synergy that drives performance capability perceptions internal and external to the MOS. The internal unification of systems to streamline operations also influences external perceptions, as API integrations and client data views are variably complete (P152). Lastly, the organization's design of the MOS supports alignment. Unity is easily found in a MUF's organizational design when the layout of the positions is clear and service failures are rare (P154). This applies to cultural attributes that are necessary for synergistic growth. For example, security awareness and the integrity of infrastructure at each site indicate the level of concern and control over the threat environment (P158). Ultimately, the



organization exists to be collectively profitable. To monitor this synergistic profitability MOS leaders benefit from timely, concise, and complete financial performance reviews that are linked to cost mitigations and the result of opportunity exploitation (P167).

An additional strength of the MOS is its ability to exploit synergies to realize growth synergy. For example, the MOS intrinsically embraces the idea of one-ness and so is an ideal structure to scale. Furthermore, the MOS, through its ERP system, is exogenously able to preserve a single supply chain view to clients (P168). The MOS can prepare to exploit synergies and scale by performing an environmental assessment (P170). It can define its mission, making it known strategically to focus stakeholders on the sequence of activities needed to realize growth synergies (P171). The MOS holds valuable tacit information needed for scaling. Existing trends and strategic roadmaps are best known by leaders embedded in the organizations to be integrated (P172). The MOS holds talent and hardware that must be preserved. To do so, a positive capacity buffer should be created prior to scaling execution (P173). To exploit workflow synergies within the MOS dimensions, workflow steps need to be understood by breaking them into elemental function-based units and then coupling them with functions that have similar attributes (P174). This capability aids the MOS by creating scaling efficiencies through redundant resource utilization. Furthermore, a MOS may manage capacity through work shifting and pooling. These sample techniques optimize cost structures as seen in cost-per-similar-deliverable measurements (P175). These are some of the specific strengths that exist in the MOS structure that are core to its mission to scale and therefore grow.

The MOS leverages strengths to grow. The MUF must have an appealing reputation, as the elements of a successful expansion strategy include a track record of reliability, the ability to penetrate barriers to entry, an effective execution plan, and the ability to monitor results (P178).

Knowledge of the opportunity allows the MUF to assign and leverage synergistic strengths as it approaches the market. Proactively a MUF can map out the addressable market and construct a multi-pronged tactical strategy to exploit potential unrealized client spends (P183). To realize the benefit of synergistic strengths, the MOS must be able to respond in a timely manner to opportunity. The nimbleness of a MOS enhances the ability of a MUF to exploit an optimal proportion of the product or service life-cycle (P176).

To access the addressable market the MUF must leverage synergistic strengths. Strategic tactics must be viewed as situational to exploit penetration opportunities in a dynamic market (P179). The creative and timely application of enhanced value may enable new profit-producing opportunities to be exploited (P182). The MOS creates a competitive advantage that can scale through the addition of LOBs and locations while preserving talent, process, knowledge, and a penchant for excellence (P180). This capability is augmented by synergistic strengths that are barrier penetrators. For example, infrastructure reliability is a penetrator in an increasingly insecure and liability-oriented commercial environment (P181). Technical ability is a penetrator because it inspires confidence in MediaCorp's ability to solve problems the client does not understand (P178). Additionally, tailoring the ERP UI to the client's wishes makes it difficult for clients to divorce themselves from the familiar system interface and valuable business intelligence that has accumulated (P183). This strength can be leveraged by all LOBs and used to acquire and keep profitable work volume.

In summary, profitability is influenced through the leveraging of strength synergies. These synergies are best-in-class capabilities that are highly valued by clients and can be shared in the global production network. These strengths are critical for the realization of synergistic growth. Strengths are complementary resources that may exist as culture, technology, a global

network, systems, strategy, and organizational design. The MOS makes strengths available across business units and allows them to be transferred to any point of use when needed. The capability of a geographic location in the MOS is enhanced significantly when it is made capable to meet the needs of the addressable market through synergistic strengths. While horizontal roles push strengths across the network, vertical leaders are challenged to acquire them and exploit them to achieve a dominant position in local markets. An example of a strength would be the ability to design and optimize workflows with minimal effort. Diagonal support leaders are also able to proactively transform existing systems and workflows to keep the MOS ahead of its markets. Diagonal client leaders collaborate with operations for market revenue realization. This relationship is a super-additive, as it enables the on-boarding of new revenue streams, including those from adjacent sectors. Mitigating organizational entropy is a synergistic strength. Cumulative strength allows the MUF to be in a dominant market position, ensuring sustained corporate advantage. Effective communication enables unity, a strength that is also a super-additive value to the MOS. Decentralized collaboration in the MOS, as an inherent characteristic, allows strengths to be moved around within the production network. Financial measurements quantify the impact of the strengths that have been optimally shared. Financial reporting and other LIMs bolster the organization's ability to be adaptable in a dynamic market influenced by megatrends. Focused and selected actions leverage strengths and exploit synergies. If the relationship with corporate is designed, it is a strength as opposed to having the MOS conform to the corporate structure. With the MOS being close to the client, corporate can support the creation and exploitation of strengths, such as talent capability for example. A strategy of unity promotes the creation and sharing of strengths for sustained corporate advantage.

Scalability synergy is when entities combine and as a result become more cost efficient and profitable. Growth may occur vertically with markets or horizontally across sectors. For example, one business unit may leverage the other's capability, reputation, distribution network, etc. to increase the sales of its products and services. The horizontal role fulfillment in a MOS structure is significantly influential for creating synergy that enables scalability. For example, the horizontal MOS leader is adept with the ERP system, as it provides global visibility. The consistent accurate use of an ERP is an aligning platform that enables accountability for performance and synergistic growth through transparency (P1). Scaling into capable and available capacity is a horizontal MOS leader's core competency. Clients will allocate volume work to vendors perceived to have both the technical ability to meet their specifications and the availability of more than sufficient capacity to process the volume (P4). Working with local markets that originate orders to local facilities, the MOS leader leverages known available capacity in the production network to meet client expectations (P5). In a dynamic market, a strategy for global deployment of change initiatives must include the management of momentum, as well as the organization's capability to effectively deploy (P18). Not to be overlooked, existing workflows and infrastructure can be used to deliver new products and services to an adjacent, new, or similar market in a different geography where there may be an opportunity for synergistic profitability (P12). Scalable synergy is based on an achieved platform of excellence that must be sustained for growth opportunity realization. This standardization on excellence is a complexity-reduction technique that enhances scalability, capability, predictability, updatability, and transportability in a chaotic environment (P8).

Location, or vertical, leaders are critical participants in the scalability of the MOS, as they are the locations in the production network. Network-based production is dependent on

collaboration internal and external to the MOS (P29). Location leaders promote collaborative evolution by leveraging standardization as a platform for enhancement (P30). The multi-directional nature of collaboration in the network includes offering assistance and the receipt of feedback and support, all of which are enabled by awareness and active listening rather than isolationism (P31). Sharing or redeploying capacity can enable the execution of large overcapacity orders that competitors are unable to execute. These would otherwise be referred to another vendor or split between vendors (P42). The ability to scale inspires confidence in clients. It also contributes to utilization and profitability as work can be profitably assigned when available and capable capacity costs are understood. Resource redeployment is enabled by vertical supply chain leaders who aggressively share their resources (P32). Decisions to share capacity are augmented by the ERP, a synergistic LIM that augments scalability synergy. The timely availability of data used similarly across all locations can accelerate strategic decision making and issue resolution (P34). Bottlenecks, for example, need to be mitigated expeditiously to create capacity. Location capacity, as it relates to existing and pending work requirements, is something that a proactive vertical leader must be keenly aware of, so that constraints like this can be mitigated or circumvented (P36). This information is matched with a culture that is aligned in a MOS. The constitution of the location culture must be appropriate and aligned with other locations to optimize capacity utilization in a network-based production schema (P35). Vertical leaders need to proactively select and mentor leaders that match the culture of the future as defined by strategic direction (P38). With data and a suitable culture, the other component that emerged in the study was the need for a history of reliability. If performance capability is not present, work cannot be moved and scaling synergy is halted. Conversely, workflow performance excellence can lead to increased market share when execution results are consistent

with customer expectations (P24). Ultimately, high performance location workers want to achieve success and scale in an operation that is measured, monitored, and knowledge rich (P28).

Diagonal support functions in the MOS contribute to scalability synergies through the application of their technical capabilities. This applies to the building of the infrastructure that supports both the ERP feature set and the workflow design. Synergies are exploited, expanding capacity when slight enhancements to workflows enable consolidation-improving utilization and cost per deliverable (P57). This consolidation augments scalability by exploiting synergy opportunity with minimal effort. Even so, any changes in capacity or capability must be seamless. Specifically, workflow transitions, integrations, modifications, and enhancements may not be noticeable to client production schedules, thereby avoiding any growth setbacks (P58).

Diagonal client leaders contribute significantly to scalability synergies. Within a MOS, synergistic tasks are shared by functions critical to the execution of tasks (P61). Acquiring new business revenue requires collaborative action starting with sales lead ideation and ending with the achievement of billable volume at optimized margins (P64). Enhancing the revenue from a client through additional growing income streams that are synergistic, is a profitability super-additive (P62). Based on a discovery activity by the client, it was discovered that there were sectors untapped by MediaCorp where clients were spending money. Additionally, there was a discovery of clients that were not present in the MediaCorp client-base, but who spent money on services that were at the core of MediaCorp's offerings. As these clients were in other sectors, they had not been given our attention. There were clients that MediaCorp was servicing that were not in their historical market sector. Exploiting opportunities to sell other services to them increased profitability. The incremental cost to deliver these services was minimized by exploiting synergies. An analysis of competitor vendors revealed that MediaCorp could take

advantage of servicing issues that clients had in order to improve its market share. In fact, entrepreneurial leadership that owns a product workflow can be incentivized to pursue cross-sector opportunities (P65). Scaling must also be enabled and controlled within the diagonal client function. Consequently, an assigned portfolio can be used to enhance accountability for profitability results. It can also be used to focus growth synergies that are constructive (P66).

MOS leaders found that synergistic scaling success was dependent on several critical attributes. A dominant pattern that emerged was in regard to planning for scaling. Rigor during the planning phase of a project, that includes exploiting existing capabilities and a sequenced rollout, will likely reduce the effort and time needed to execute the plan (P67). Furthermore, the provision of transitional capacity and cost allowance within a defined project scope can accelerate results achievement, preserve business continuity, and mitigate change fatigue (P68). MOS leaders also indicated that transition execution performance is significantly dependent on a stakeholder's belief and participation in change vision ideation (P74). When synergistic scaling execution failed to meet expectations, there was a lack of client involvement in planning. Client involvement in transition planning augments growth potential by designing future requirements into plan elements (P81).

Scalability is motivated by self-interest. Self-interest must be balanced within the MOS dimensions. In fact, a collaborative corporate relationship with a MOS that encourages a guided and balanced self-interest positively relates to growth synergy realization (P95). Furthermore, the selective involvement of the corporate center can promote autonomous growth in locally addressable markets (P96). A guided autonomy driven by self-interest and augmented by resource complementarity in a network-based production environment accelerates the process of achieving profitable growth (P98). Scalability synergies are subject to inertial forces. The

execution of tasks associated with creating scalability is subject to organizational inertia. For example, the inability to discover an appropriate task list or its execution sequence is directly related to the timing of desirable outcome realization (P99). Adding complexity, scalability may occur within new services or products. In this case the corporate center may function as a service center that can contribute to continuous growth by temporarily incubating growth opportunities, by sharing related resources between businesses, and by helping business units to select initiatives based on the long-term strategic plan for the firm (P97).

Collaboration is a core attribute of the MOS that enhances scalable synergy. The framework of the MOS demonstrates that isolated actions do not benefit from super-additives otherwise gained from exploiting matured initiatives through duplication (P103). This duplication can happen within the construct of the MOS framework by adding lines within the dimensions that apply. Fluid resource sharing without boundaries attracts the right resources quickly to issues whose resolution contributes to profitability potential (P105). This resource fluidity and scalability are augmented by knowledge availability. When existing knowledge is consolidated and made available, it can be used as an advanced starting point, or platform, for new discoveries (P104). Multi-unit synergy realization can, consequently, optimize related profitability.

Financial transparency guides scaling and synergistic opportunity exploitation. The performance results indicate to what extent the scaling was able to exploit scalability synergy. Fundamentally, however, a standardized and appropriate cost allocation methodology must be deemed by P&L owners as *fair* and be deployed. This policy can be used to create predictable financial performance allowing for profit-producing trend monitoring and forecasting that informs decision making (P106). Conversely, arbitrary cost allocations used to bolster reporting



optics, or delay negative results reporting, actually obfuscate true performance and the ability to evaluate deployed cost mitigations (P110). An optimal level of granularity and transparency is needed with business unit data, such that functional performance comparisons between locations are meaningful and can be leveraged (P115). With this information, P&L owners can make decisions needed to optimize scaling for growth synergy realization.

LIMs augment and enable scalability synergies as they connect MOS dimensions in meaningful ways through common interests (P116). It is clear that integrative structures are required for the coordination and enhancement of cross-business collaboration in an evolving synergistic growth environment (P117). Findings from the data indicated that strong integrative mechanisms, applied appropriately and with the right frequency, are positively related to continuous growth synergy realization (P121). For example, cultural activities help MOS dimensions establish and mature a collaborative mindset in a complex environment (P118). MOS leaders also benefit from access to meaningful and relevant tacit knowledge and domain experience that can be used to accelerate growth-oriented decision making (P119). The enablement of decentralized collaboration preserves business unit autonomy to select and implement growth initiatives, both of which are directly related to growth synergy realization (P120). LIMs occur in a plethora of forms that can be strategically and situationally applied to accelerate scaling in a MOS.

Focused action pushes scalability synergy opportunity forward to realization. Selected action, through a sequence of tasks, quickly discovered and effectively executed, can lead to mutual benefit between business units that collaborate (P126). More specifically, a MOS can drive synergistic focused action that, when exploited, can realize scaling that includes expansion, consolidation, and the integration of business units (P129). Additionally, a MOS is a nimble

organizational construct that can effectively exploit focused action to realize synergistic profitability (P125). LIMs, like strategic plans, project plans, resource plans, etc. augment the ability of a MOS to execute on focused and selected actions. In short, LIMs augment the MOS's ability to realize synergistic growth by focusing action execution through collaborative task monitoring mechanisms (P132). Financial LIMs include profitability performance reporting that influences the selection and prioritization of actions, thereby providing focus. A MOS can be leveraged to support cost mitigation through a continuously evolving organizational effectiveness superior to competitors (P130). Additionally, the corporate center participates by providing relevant information needed to exploit resources effectively in fulfillment of MUF strategic objectives (P134).

Scalable synergies are subject to the influence of megatrends. Aligning scalability efforts with megatrends influences profitability opportunity. Making scalability efforts synergistic is a super-additive. For example, a nimble organization that can redeploy resources and satisfy clients through innovative sales initiatives is able to ride life-cycle trajectories longer than unprepared competitors (P135). Product and service life-cycles are prolonged or shortened by megatrends. Fortunately, MediaCorp's global production network can dynamically scale capacity and engage in adaptive transformation allowing for the successful completion of atypical client demands over a short duration, creating a competitive advantage (P136). A dynamic market is significantly influenced by megatrends that may enhance the profitability of a MUF that is able to adapt to changing requirements.

The corporate center assists the MOS with scaling synergies. For example, one-ness is embraced by corporate and business unit's alike, thereby accelerating profitable growth because it is a suitable platform on which growth can more easily take place (P142). Additionally,

corporate can help business units connect with other business units that have achieved synergistic capabilities that can be exploited (P143). Furthermore, corporate can assist business units with the retention and mentoring of talent so that it can be leveraged to achieve growth synergies (P144). The corporate center is selectively and situationally supportive of a MOS's ability to scale synergistically while sustaining gains already achieved.

This one-ness, officially known at MediaCorp as 1MC, influences scalability by allowing synergies to be exploited. For example, a mature quality system that promotes a performance standard should have equal influence on all locations, encouraging performance parity and improvement (P149). When this is the case, the ability to use the production network is enabled, as excellent performance is predictable. Consistent performance across all locations is foundational to a one initiative as it validates the single supply chain perspective of the client (P160). Organizations seeking one-ness must recalibrate their perspective on organizational design to enable or sustain profitable growth in an evolving market that embraces, or already has embraced, the benefits of one-ness (P161). Clients count on the reliability of the vendor's supply chain workflows, which are dependent on the continuously available capability of each linked functional element (P165). More specifically, clients expect a singular, high-reliability performance experience in the value chain that is subject to a mature remediation process when infrequent non-conformities occur (P163). Therefore, an end-to-end value chain must be aligned in purpose and destiny in order to scale from synergistic growth (P166). Using assets as an example, practice unification on excellence assumes that asset locations are always known, and that assets are being cared for, returned, or purged timely (P150). In fact, clients expect that their assets are available, locatable, and treated in a similarly excellent way, regardless of where they are in the end-to-end vendor supply chain (P164). Regarding infrastructure, the standardization

of infrastructure components allows for knowledge of their disposition and their redeployment to accommodate local capacity requirements (P151). Regarding systems, the internal unification of systems to streamline operations also influences external perceptions when API integrations and client data views are variably complete (P152). Regarding training, a mechanism should be deployed to verify that training is effectively deployed on a single platform by measuring to what extent users depend on it for knowledge acquisition (P157). Regarding security, awareness and the integrity of infrastructure at each site indicates the level of concern and control over the threat environment (P158). Regarding tacit information, knowledge management engages entrepreneurialism, producing new knowledge while unifying task knowledge through centralization, utilization, and influence (P162). Regarding financial information, MOS leaders benefit from timely, concise, and complete financial performance reviews that are linked to cost mitigations and the result of opportunity exploitation (P167). Most importantly, a deployed set of values and norms creates the perception of a single mindset among MOS leaders (P156). All of these unification areas contribute significantly to synergistic scaling that ultimately results in the realization of profitability.

Scaling synergy enables the exploitation of addressable markets. A MOS is an ideal structure to scale and it preserves a single supply chain view to clients (P168). A structure that is scalable in all dimensions can propagate alignment and a suitable culture to improve profitability (P169). Planning should include an environmental assessment that includes trends in the dynamic market (P170). Once understood, risk of failure is partially mitigated by defining the mission of the MOS and making it known strategically. This will engage and focus stakeholders in the sequence of activities needed to realize growth synergies (P171). Scalability planning and success is enhanced through valuable information. This could include existing improvement

trends and strategic roadmaps in the organization to be integrated, if this is a scenario. This information is best known by leaders embedded in the organization to be integrated. This information needs to be embraced by MOS leaders so that they can efficiently scale to accommodate the capacity (P172). An aspect of the capacity is the talent and hardware that must be retained for business continuity. In fact, a positive capacity buffer should be created prior to scaling execution (P173). To support scaling synergies, workflow synergies should be understood. They can be determined by breaking workflows into elemental function-based units. These can then be more easily coupled with functions that have similar attributes (P174). Scaling may also include work shifting and pooling to optimize capacity and cost structures (P175).

Growth may require scaling or improved utilization of existing capacity. A growth strategy would proactively include the understanding of the addressable market and a tactical strategy to exploit potential unrealized client spends (P183). The effort needed to execute the strategy is minimized if complementary resources are exploited. The rate at which growth can happen is also influenced by the nimbleness of a MOS. This enhances the ability of a MUF to exploit existing related diversification or an optimal proportion of new product or service life-cycles (P176). Growth is also built on an excellent reputation for performance. In fact, the elements of a successful expansion strategy include a track record of reliability, the ability to penetrate barriers to entry, an effective execution plan, and the ability to monitor results (P178).

Synergistic penetrators facilitate profitable growth in the addressable market. These strategic tactics must be viewed as situational in order to effectively leverage penetration opportunities in a dynamic market (P179). For example, infrastructure reliability is a penetrator in an increasingly insecure and liability-oriented commercial environment (P181). Furthermore, the MOS creates a competitive advantage that can scale through the use of penetrators. Examples

of penetrators are present within LOBs and locations through various aspects of talent, process, knowledge, and a penchant for excellence (P180).

In summary, profitability is influenced by scalability synergies. Scalable synergy occurs when functional units are integrated with other units or their capacity is expanded, and they become more profitable as a result. Bi-directional growth within or across the supply chain is enabled by the MOS augmented by LIMs and a designed relationship with corporate. The horizontal role in the MOS scales capacity by leveraging existing capabilities across relevant locations. Expanding or enhancing existing capabilities requires less cost than creating capabilities that do not yet exist. The alignment inherent in the MOS channels and throttles efforts where there is a need for action. Furthermore, existing capabilities may be moderately changed to accommodate new products or services with marginal cost impact due to existing standardization that has already been deployed. Location leaders participate in scaling as they can leverage the capabilities of the global production network. Synergistic LIMs augment the MOS's ability to scale. Diagonal support functions scale infrastructure, potentially enabled by new technologies or automation. Diagonal client leaders coordinate information relative to specifications and ramp rates. MOS leaders must understand capacity and its constraints. Self-interest motivates MOS leaders to scale in order to achieve desired outcomes. While self-interest provides autonomy to execute, collaboration does this as well through resource fluidity. The execution of increased capacity is measured through financial performance results. LIMs like this support the MOS and provide guidance for focused action during the growth cycle. Success is subject to external megatrends, which may put additional demand on capacity. A culture of one-ness is significantly easier to scale, because it is an existing, directionally-aligned platform that minimizes the effort needed for forward motion. When disparate systems must be

accommodated, or when enhancements are required to accomplish objectives, complexity is increased and the timeline may be extended. The ability to scale into addressable markets is enhanced by propagating excellence and alignment. Growth is further enabled through the use of penetrators that are meaningful to clients.

**RQ2.** The second research question is concerned with how a MUF with a MOS can continuously realize the benefits of growth synergies. In this case the *how* has been exposed in most of the responses that emerged from the data. In other words, the data was rich with information regarding the answer to this question in the context of this single case study. To begin with, and to follow the preexisting pattern as per the table of contents, the *how* is answered through the execution of the roles in the MOS. Each role will be looked at individually starting with the horizontal, or LOB, role.

Horizontal leaders pointed to the need for a holistic system most frequently. They are able to influence profitability realization through the use of such an ERP system, as it enables accountability for performance and promotes synergistic growth through transparency (P1). The system provides a platform from which enhancements can be made and that broadly relates to the growth rate of an enterprise in a moderately dynamic marketplace (P2). The system also provides transparency of relevant data in a timely way (P3). Profitability realization is possible through capacity management that leverages multi-unit synergies, as clients will allocate volume work to vendors perceived to have both the technical ability to meet their specifications and the availability of more than sufficient capacity to process the volume (P4). Beyond these constructive interdependencies, as local markets originate orders local facilities need to leverage known available network capacity to meet client expectations (P5). Horizontal leaders make sure that capacity is available and exploited for their LOBs. They also make sure that cost controls are

in place and effective. Accurate cost measurement for each LOB creates awareness of workflow profitability variations that may lead to targeted cost mitigations (P6). They take action to optimize the cost side of the business by leveraging synergies within a directional strategy. For example, workflow synergistic alignment and capacity pooling are enacted when there is demand variability in order to optimize resource utilization (P7). Horizontal leaders are in the best position to standardize practices across locations within their LOBs. Standardization is a complexity-reduction technique that enhances scalability, capability, predictability, updatability, and transportability in a chaotic environment (P8). Standardizing on best practice includes deploying a common language needed for more accurate profitability measurement and creating a platform for efficient organizational co-evolution (P9). However, horizontal leaders can only manipulate collaborative links to exploit operative and growth synergies between business units if they own an effective communication strategy within a focused scope. Strategic communication must be situationally routed and structured to include escalation paths, optimal timing, and a focused scope (P10). This communication is also optimally frequent, transparent, and executed timely to reduce ambiguity (P11).

The efficiencies of the MOS as a collaborative structure afford horizontal leaders with the capacity to increase profit-laden revenues. When existing workflows and infrastructure can be used to deliver new products and services to an adjacent, new, or similar market in a different geography there may be an opportunity for synergistic profitability (P12). Furthermore, pricing structures applied after the jump-off point in the life-cycle of products or services may need to be reviewed to include line items that previously were discounted or free (P13). The relationships that horizontal leaders manage allow them to have these conversations with clients. Even so, horizontal leaders must ensure that operations are functioning with an optimal cost basis,



including the change management needed to improve it. Consequently, an appropriate methodology is needed to propagate best practices at the rate of each business unit's absorptive capacity (P17). This propagation methodology is based on transparency that leads to client and business problem resolution. It is multi-directional, speed-sensitive, and innovative (P15). To further ensure continuous corporate advantage, liability mitigation must be linked to selected and focused action. In other words, compliance with liability prevention controls must be at least as dynamic as the threat-scape (P14). The cost of these mitigations must be optimized for value and timeliness. In fact, all financial processes should be graded on their accuracy and speed (P16). Finally, leadership is at the core of how a horizontal leader in a MOS realizes growth synergies. Leadership efficacy is dependent on awareness augmented by a culture of purpose driven learning (P19). In addition, strategy efficacy is relevant to profitability. For example, a strategy for global deployment must include change management momentum and the organization's capability to effectively deploy (P18). Horizontal leaders are uniquely positioned in the MOS to achieve sustained corporate advantage through an established strategic method that is augmented by complementary resources.

Vertical leaders contribute to how a MUF with a MOS realizes the benefits of growth synergies. Vertical leaders represent a location in the production network within a local market. Cross-business collaboration affords the vertical leader influence over the capacity of the production network. For example, capacity is more easily shared when there is consensus on how the production network should function (P20). This includes measurable goals that need to be aligned with the firm's mission and vision (P22). The nuances of each location allow for the exploitation of geographically diverse but synergistic workflows, all of which are based on deployed best practices to ensure capability parity (P21).

Vertical leaders ensure financial performance in their location by capturing the addressable market that is available to them. Profitability leads to growth when operational achievement is optimally balanced with cost performance (P23). Customers demand service excellence that is reliable. Consequently, consistent workflow performance excellence can lead to increased market share in a dynamic market when execution results are consistent with customer expectations (P24, P26). Within the location, profitability enablers must be effectively executed to achieve these outcomes (P25). For example, profitability is enabled by network production capacity that is seamlessly guided by a propensity for excellence parity over all locations (P27). When this occurs, work from the local addressable market can be realized using capacity in a network that leverages high performance workers who want to achieve success in an operation that is measured, monitored, and knowledge rich (P28).

To avoid being isolated, vertical leaders must engage and collaborate. Network-based production is dependent on collaboration internal and external to the MOS (P29). Collaborative co-evolution leverages standardization as a platform for capability enhancement (P30). Also, the multi-directional nature of collaboration includes offering assistance to other locations while responding to the receipt of feedback and support. This collaboration is enabled by awareness and active listening between vertical and horizontal leaders in the MOS (P31).

Isolation reduces awareness of supply chain capabilities. Conversely, work can be profitably assigned when available and capable capacity costs are understood, and when supply chain leaders aggressively share their resources (P32). Workflow issues are imminent. Even so, problem resolution is accelerated by operational performance transparency and a clear awareness of expectations (P33). When another location in the network is performing better, the timely availability of data used similarly across all locations and which is offered up transparently, can

accelerate strategic decision making and issue resolution (P34). Furthermore, a culture of learning and collaboration can be expected to achieve performance parity with the best location. For this to occur, the constitution of the location culture must be appropriate and strategically aligned with other locations to optimize capacity utilization in a network-based production schema (P35).

The vertical leader must be proactive to sustain and then improve profitability. For example, the proactive maintenance of best practices enables a gap between the current competitive landscape and an advanced position ahead of potential revenue opportunities (P41). To avoid setbacks, the proactive leader must personally engage in critical tasks that would otherwise compromise future performance potential by mitigating entropy risk (P40). Furthermore and to evolve the organization, continuous improvement must occur at a rate that exceeds the rate of the market and competitors in order to seal price points and gain revenues (P37). To make this happen, vertical leaders need to proactively select and mentor leaders that match the culture of the future as defined by the strategic plan roadmap (P38). In fact, proactive leaders make their leadership teams capable to achieve what is about to happen in the marketplace while avoiding business unit obsolescence (P39). To be a viable entity in a dynamic market, vertical leaders must manage and acquire capacity as needed. This starts with awareness as location capacity relates to existing and pending work requirements. It is something that a proactive vertical leader must be keenly aware of so that constraints can be mitigated or circumvented (P36). Specifically, sharing or redeploying capacity can enable the execution of large overcapacity orders that competitors are unable to execute which would otherwise be referred to another vendor or split between vendors (P42).

The ability of a vertical leader to execute is critical to how a MOS can experience growth synergies. As described earlier, proactive execution enables growth potential. For example, effective leaders act such that their processes predict the dynamic changes in the marketplace (P44) and unanticipated influences are controlled by contingencies that increase or replace lost capacity (P45). These proactive actions are executed based on an executable roadmap influenced by performance data that is rapidly accomplished in coordination with engaged leaders (P46). In fact, local operational effectiveness is based on leadership engagement through focus, optimization, and deployment (P48). Vertical leaders support the production facility network through a supply chain mindset because it reduces carrying costs, enables the execution of high volume, and, therefore, mitigates capacity constraints (P47). Lastly, execution on pricing negotiation significantly influences the profitability outcome. This includes an awareness of cost reduction opportunity, regardless of current margin, and revenue enhancement strategy (P43).

Vertical leaders are charged with profitable growth. The addressable market can be exploited by an entrepreneurial culture armed with a leader's own aggressive growth strategy (P49). The profitability strategy is centered on the portfolio of product and services, each one of which has a life-cycle. A service and product life-cycle strategy provides maximal contribution to margins when dynamic pricing plans are executed (P50). These transient profitable opportunities when relentlessly pursued through searching and strategy execution may be exploited through nimble action (P51). This action is enhanced by effective communication. The location leader is seen by location workers as the center point of internal and external communication (P52). The location also obtains or creates organizational strategic direction. This direction is supported by location performance as far as it is aligned with market trends (P53). There must be a positive gap between market trends and location performance. For

example, continuous improvement is enhanced by complexity-reduction concepts such as redundancy reduction, tool deployment, and system deficiency resolution (P54). This improvement is also supported by performance data informed by real-time and strategic decisions that lead to robust process enhancements (P55). While vertical leaders are attached to their business location, they capitalize on the global production network which affords all the capability and capacity of the MUF.

Support leaders in the diagonal dimension of the MOS support the realization of growth synergies. These leaders make sure that as infrastructure and workflow management systems are co-dependent, they must also be optimized as a system that produces expected results (P59). Diagonal support leaders build workflows, create technologies, and embed existing technologies that create predictive capability against market trends (P56). They also make slight enhancements to workflows and complementary resources that enable the consolidation of workflows, thereby improving their utilization and the cost per deliverable (P57). It is imperative that when workflow transitions, integrations, modifications, and enhancements are made, they are not noticeable to client production schedules (P58).

The diagonal client dimension of the MOS includes outward facing leaders that can stimulate profitable revenue over achievable time frames. While role definitions in a MOS are required to ensure accountability, synergistic tasks are shared optimally and selectively by all outward facing employees to maintain the profitability of existing revenue streams (P60). Furthermore, enhancing the revenue from a client through additional income streams that are synergistic is a profitability super-additive (P62). Acquiring new business revenue requires collaborative action starting with sales lead ideation and ending with the achievement of billable volume ramping at optimized margins (P64). Operations and sales are both dimensions in the

MOS. They achieve mutually beneficial profitability goals when they collaborate around their strengths, filling the company's pipeline with sustained corporate advantage (P63). An assigned portfolio enhances accountability for profitability results and focuses growth synergies that are constructive (P66). Furthermore, entrepreneurial leadership that owns a product workflow can be incentivized to pursue cross-sector opportunities (P65).

A MOS can realize the benefits of growth synergies when the change management activities are sufficiently developed and robust. For example, rigor during the planning phase of a project that includes exploiting existing capabilities and an appropriately sequenced rollout, will likely reduce the effort and time needed to execute the plan (P67). Furthermore, the provision of transitional capacity and the related cost allowance within a defined project scope can accelerate results achievement and mitigate change fatigue (P68). Sometimes the big picture is not communicated to stakeholders; however, when a holistic vision of the detailed organizational design built for achieving customer requirements is communicated it encourages a focused transition (P69). Stakeholder support of the vision and project scope is subject to communication efficacy. The integrity of the communication strategy, including the nature of the content scope and the timing can reduce change inertia (P70). The change leader must also realize that communication is situational in design depending on the position, the timeline, and the relevant audience (P71). Behaviors, especially among the influential, must be monitored. For example, an immediate awareness of constructive behaviors gives a change leader the opportunity to reinforce positive attributes as they occur (P72). On the other hand, an acute awareness of inertia-producing behaviors gives a change leader the immediate opportunity to mitigate an excessive effort requirement (P73). The communication strategy, often incomplete or overlooked, is directly linked to the execution of directional strategies.

Positive change management results are possible through effective execution. Regardless of the type of the change, transition execution performance is significantly dependent on a stakeholder's belief and participation in change vision ideation (P74). This participation is limited and valuable, as the ability to execute is driven by the degree of support given to change agents to complete change activities. These activities are typically a burden beyond their existing work responsibilities (P78). Directional alignment will support and promote energy efficiency. This unity of purpose, as seen in consensus, consistency, and continuity is partly achieved through diversity of talent, tools, and processes (P76). Stakeholders are motivated by personal engagement in change driven by respect, participation, and interest in the intended outcome (P79). A phased workflow rollout needs to be structured around a validated right-the-first-time ideology that accelerates workflow maturity and achievement within the deployment scope (P77). This right-the-first-time capability is related to achieving capability requirements quickly. This achievement is as much about understanding the requirement details as it is about the relationship that stakeholders have with change leaders (P75). The consistent achievement of positive change management is itself a strategic element for the achievement of growth synergies.

When profitability was not realized, MOS leaders made several observations. Internally, if the appropriate levels of management are not involved in the plan design, the resulting process may require unnecessary effort to perform acceptable work (P82). Externally, when there is an unacceptable level of client involvement in transition planning, growth potential is hindered as requirements are not incorporated into plan elements (P81). Furthermore, an overly conservative plan may produce resource and coordination deficiencies that compromise existing resource utilization and result in plan failure (P80). Plan execution failure is also related to the lack of

behavior management. A change leader needs to be aware of the attributes of inertia-producing behavior such that timely mitigation tactics can be immediately applied to the situation (P83). When this mitigation does not happen timely, energy is diverted and consumed by non-valuable activities (P84). Additionally, scope focus may be compromised by an excessive range of activities and collaborative disunity (P85). A weak communication strategy may exacerbate behavioral issues. A stakeholder's perspective on achieving a new vision is influenced by an understanding of the logic behind the plan, agreeing with the logic, and knowing why it has to be achieved now (P86). If the plan is not known or understood, it follows that behavior issues will occur. If plan knowledge is not transferred to the stakeholder, buy-in is compromised. This would be mitigated if stakeholders were involved in the decisions regarding the plan (P88). The tasks in a plan are as important to participants as who is involved and if they agree with the values of those who assume new roles (P87). If stakeholders do not understand the selection or norms or role selections, they may withhold support, and if the norms and values change, then the plan will likely need to change. The data suggested that there are ways to compromise a strategic plan, or at least make it more difficult to execute.

Communication is directly related to awareness. A MOS leader must effectively manage change by collating critical information about the changing internal and external environment (P89). A keen awareness may lead to preemptive changes prior to plan execution. Furthermore, the cost of change activities is elevated when stakeholders do not have the opportunity to streamline change activities before they occur (P91). Awareness is driven by self-interest and interdependency. Stakeholders who are personally invested in the business unit's success may be discouraged with their employment prospects if they are not allowed to participate in change activities (P90). When participants achieve a state of awareness, leadership efficacy may then be



the difference between plan failure or success. Performance outcomes are influenced by awareness, which informs the approach used, the timeliness of behavior controls, and the achievement of an appropriate level of oversight (P93). Success is also associated with the quality of the connections and dependencies that leaders have with each other. Relationship performance is linked to transformational change through attributes such as connectedness, interdependency, adaptability, protection, and depth (P92). It also is related to alignment because the degree to which the change leader and stakeholders are in alignment in purpose will correlate to the effort needed to execute the change roadmap (P94). Awareness of the plan complexity, the change environment, the magnitude of change activities, and the self-interest of participants directly relate to change execution success.

The achievement of the realization of profitable growth is driven by self-interest from participants. This is human behavior and should be balanced and guided. An effective self-interest policy is a LIM that encourages a collaborative social environment necessary for profitable growth realization (P101). Specifically, an effective, revenue-recognition algorithm will accommodate critical concerns from stakeholders and drive behaviors that lead to profitable growth (P102). The corporate center may function as a third party to ensure balanced self-interest is achieved between business units that are positively related to growth synergy realization (P95). A guided autonomy driven by self-interest and augmented by resource complementarity in a network-based production environment accelerates the process of achieving profitable growth (P98). However, the administrative burden of the self-interest policy must be very low, as a business unit self-interest policy is negatively influenced and may be compromised by the administration needed to manage it (P100). An efficient self-interest that is

balanced and guided should be established prior to change to ensure that the right motivations are in play during the activity.

The MOS is a collaborative structure that can realize synergistic growth by making knowledge available quickly to all stakeholders. When existing knowledge is consolidated and made available, it can be used as an advanced starting point, or platform, for new discoveries (P104). Knowledge acquisition allows for fluid resource sharing without boundaries. Attracting the right resources quickly to issues reduces resolution time and contributes to profitability potential (P105). On the other hand, isolated actions do not benefit from super-additives gained from exploiting matured knowledge through duplication (P103). MOS leaders have suggested that knowledge-based collaboration flows through the framework of the MOS to achieve profitable growth synergies.

Financial aspects of a MOS's performance help the MUF understand when and to what extent the MOS has achieved the realization of growth. Several critical financial capabilities need to be in place so that MOS leaders can know and monitor margins by location, type, and client so that product life-cycles are predictable and so that appropriate pricing strategies can be applied (P114). Other critical controls include a standardized and appropriate cost allocation methodology that creates predictable financial performance that can be forecasted allowing for profit-producing trend monitoring (P106). Additionally, cost is fundamentally activity dependent, where the labor associated with a task must be mapped to the value producing activity, regardless of where it came from (P109). When revenue is reported together with cost, LOB analysis is possible, leading to prioritized profitability enhancements (P113). As MediaCorp moved into the MOS, each of the dimensions received a P&L. The traditional P&L by location encouraged location managers to utilize local resources effectively, to maximize the

opportunities in their markets, to be desirous of work that is being done at other locations, and to compete with other locations on cost and performance. The product managers had a P&L that related to their product. This P&L revealed the profitability of the product in the MUF. It included the ability to know the impact of profitability contributions from locations as well as from the pricing strategies with each client. The last P&L was for the support services. This P&L revealed the costs associated with the performance of the functions of the support services. They are cost centers and an optimal level of granularity and transparency is needed with support cost data, such that functional performance comparisons between locations were meaningful and can be leveraged (P115). The managers were charged with cost savings challenges while not diminishing the service to their internal and external clients. Financial report usefulness also depends significantly on the timeliness and accuracy of cost allocations (P107). For example, comparative cost ratio trend analysis is difficult to leverage if timely posting of accurately placed cost line items are not made transparent to P&L owners (P108). With timely and accurate financial information in hand, MOS leaders can know how to realize growth synergies.

LIMs assist the MOS as it realizes the benefits of growth synergies in the MUF. Integrative structures are required for the coordination and enhancement of cross-business collaboration in an ever evolving synergistic growth environment (P117). This collaboration is required to achieve volume variation and meet client schedules. Decentralized collaboration is helpful with this as it harnesses business unit autonomy. These business units select and implement meaningful growth initiatives, both of which are directly related to growth synergy realization (P120). Strong integrative mechanisms applied appropriately, and with the right frequency, are positively related to continuous growth synergy realization (P121). For example, MOS leaders benefit from access to meaningful and relevant tacit knowledge and domain

experience through LIMs that can be used to accelerate growth-oriented decision making (P119). LIMs enhance the ability of a MOS to realize growth synergies through potentially transient, collaborative, and integrative structures that exploit complementary diversification.

Once profitable growth synergy is achieved, drift mitigation actions are needed to sustain gains from which further growth can occur. The ability to timely mitigate an undesirable drift is enabled by relationships based on trust and accountability (P124). For example, the design and strategy of communication can influence entropy rates. To determine drift, an existing reference for movement must be used to measure set expectations against defined variables (P122). A baseline reference can also be used in a streamlined selection of reports. MOS leaders must realize that performance reports are snapshots in time that are a delayed rather than an instantaneous means by which a reaction can ensue (P123). Consequently, a proactive stance is beneficial for the preservation of gains made and the execution of synergistic opportunity.

Selected and focused action helps a MOS achieve synergistic growth. The MOS is a nimble organizational construct that can effectively exploit focused action to realize synergistic profitability (P125) and a sequence of tasks, quickly discovered and effectively executed, can lead to mutual benefit between business units that collaborate (P126). A MOS is intrinsically aligned as the structure is connected and tasks are shared by relevant functions needed to achieve growth synergies (P128). A MOS can drive synergistic focused action that, when exploited, can realize scaling, including expansion, consolidation, and the integration of business units (P129). A MOS can also be leveraged to support cost mitigating actions, promoting a continuously evolving organizational effectiveness that is superior to competitors (P130). Energy consumption, aligned to realize a local synergistic opportunity, is minimized in a MOS augmented by LIMs and supported by the corporate center (P127). LIMs augment the MOS's

ability to realize synergistic growth by focusing action execution through collaborative task-monitoring mechanisms (P132). For example, a nimble organization that can redeploy resources and satisfy clients through innovative sales initiatives is able to ride life-cycles longer than unprepared competitors (P135).

The corporate center can help the MOS achieve profitable growth synergies. Entrepreneurial MOS leaders can achieve synergistic profitability faster when the relationship with corporate is streamlined and supportive (P138). In addition, the rate at which the realization of profitable growth is achieved is influenced by the quality of the relationship with corporate, specifically with regard to trust between interacting parties (P139). However, for corporate to be supportive, they need to have a minimal understanding of the business unit's function, capability, culture, systems, and its relationship with other business units or divisions (P141) while avoiding oversimplification that contributes to poor decision making (P137). Corporate can help business units connect with other business units that have achieved synergistic capabilities that could be exploited (P143). Corporate can also assist business units with the retention and mentoring of talent so that they can be leveraged to achieve growth synergies (P144). Ultimately, the one-ness initiative, embraced by corporate and business units alike, accelerates profitable growth because it is a suitable platform on which growth can more easily take place (P142). Conversely, the effort needed to achieve revenue realization from a client that requires one-ness, is significantly more difficult if internal businesses do not embrace the alignment vision (P145).

The IMC initiative contributed to one-ness and, consequently, to the realization of growth synergies. Competitive enterprises are compelled to strategically position themselves in alignment with the emerging one megatrend in order to maintain and enhance market share in a dynamic environment (P159). Furthermore, organizations seeking one-ness must recalibrate their

perspective on organizational design to enable or sustain profitable growth in markets that embrace, or already have embraced, the benefits of one-ness (P161). With this as a desirable outcome, a common vision-mission will be found embedded in strategic planning and discovery documents when the parts of a supply chain are aligned (P153). This alignment is augmented by a single deployed set of values and norms that creates a single mindset among MOS leaders (P156). A norm example is consistent excellence across all locations. This is foundational to a one initiative as it validates the single vertical supply chain perspective of the client (P160). Clients count on the reliability of the vendor's supply chain workflows, which are dependent on the continuously available capability of each linked functional element (P165). Ultimately, an end-to-end value chain must be aligned in purpose and destiny in order to realize synergistic growth (P166).

Scaling the MOS in a MUF to achieve continuous growth synergies requires three steps that emerged from the data. These steps include an assessment of the environment, the definition of the mission, and the execution of the mission. Fortunately for MediaCorp, a MOS intrinsically embraces the idea of one-ness and so is an ideal structure to scale (P168). Furthermore, a structure that is scalable in all of its dimensions can propagate alignment and a suitable culture to improve profitability (P169). The MOS is in a position of advantage when it comes to scaling and so can be situationally exploited. Consequently, an environmental assessment can be used as a first step for scaling planning (P170). The assessment will reveal the dimensions to be scaled along with a roadmap to achieve the desired results.

The second pattern that emerged from the data regarding MOS scaling included defining the mission of the scaling activity. It is not only important to define the mission of the MOS, but is also important to make it known strategically. This rationale will engage and focus

stakeholders on the sequence of activities needed to realize growth synergies (P171). Valuable information regarding existing trends and strategic roadmaps are best known by leaders embedded in the organization to be integrated. The strategic roadmap, therefore, needs to be defined and embraced by MOS leaders that need to scale their organizations to accommodate increased capacity (P172). Existing pre-scaling capacity needs to be preserved through talent and hardware retention such that a positive buffer can be created prior to expansions (P173). Without the transition capacity buffer, the chances of a successful integration realization are further at risk. In addition, the existing organization may experience organizational entropy during the execution of the expansion roadmap.

The third pattern that emerged was the execution of this sequence of activities to achieve the scaled outcome. To create the sequence of activities, workflows need to be broken into elemental function-based units and then coupled with functions that have similar attributes (P174). This activity embeds workflow knowledge and the discovery of synergistic opportunity. This discovery could result in workflows that are optimized for capacity that have been influenced by work shifting and pooling. These and other methods are needed to optimize cost structures, as seen in cost per similar deliverable measurements (P175). It is easier for a MOS leader to scale an optimized workflow than duplicating waste in a workflow that has not been influenced.

Growth in profitability is realized through strategy, the availability of penetrators, and execution. Proactively, a MUF can map out the addressable market and construct a multi-pronged tactical strategy to exploit potential unrealized client spends (P183). The nimbleness of a MOS enhances the ability of a MUF to exploit these profitable opportunities during an optimal proportion of the product or service life-cycle (P176). The elements of a successful growth

strategy include a track record of reliability, the ability to penetrate barriers to entry, an effective execution plan, and the ability to monitor the results of plans (P178). Strategic tactics must be viewed as situational to exploit penetration opportunities in a dynamic market (P179). For example, infrastructure reliability is a penetrator in an increasingly insecure and liability-oriented commercial environment (P181). Additionally, technical ability is a penetrator because it inspires confidence in MediaCorp's ability to solve problems the client does not understand (P178). The creative and timely application of enhanced value may enable new profit-producing opportunities to be exploited (P182). Penetrators, when used strategically, provide the super-additive capability to gain access to the addressable market.

In summary, profitability realization is influenced by how a MUF with a MOS can realize the benefits of growth synergies. The data that emerged from the study was rich with detail regarding this research question. The roles of the MOS and the benefits of the design are a significant portion of the answer. Horizontal leaders influence continuous profitability through the use of LIMs and their relationship with corporate. They enable capacity in the network by ensuring that capabilities are present in the right locations when needed. They exploit existing standardization to ensure the transferability of capabilities. Vertical leaders execute with excellence and share their resources fluidly as needed. Issues are imminent; therefore, collaborative relationships in the MOS enable quick resolution of these potential bottlenecks. *Profitability through synergy* is the mantra in the MOS. Additionally, diagonal support leaders make sure that infrastructure and workflow management systems are optimally compatible. The diagonal client dimension stimulates profitable revenue by optimizing pricing against operational effort. MOS leaders effectively manage change while ensuring that evolutionary gains made are sustained. These leaders are motivated by a meaningful self-interest policy that aligns the



interests of all MOS dimensions. Autonomy is balanced against the need for collaboration, the impact of which is tracked in financial reporting. LIMs are a part of how a MOS continuously realizes the benefits of growth synergies. Decentralized collaborative structures require integrative mechanisms to be robust in action. The execution of selective and focused action helps a MOS exploit its nimbleness. The designed relationship with corporate is also an accelerator through the provision of needed support. The 1MC alignment strategy contributes to the alignment of all entities around a designated strategy for achieving growth synergies.

**RQ3.** The third research question seeks to understand the role of the corporate center in achieving growth synergies. Themes that emerged from the data suggested that the selective involvement of the corporate center can promote autonomous growth in locally addressable markets (P96). For example, a collaborative corporate relationship with a MOS encourages guided and balanced self-interest that is positively related to growth synergy realization (P95). Furthermore, the corporate center might also contribute to growth by functioning as a service center by temporarily incubating growth opportunities, by sharing related resources between businesses, and by helping business units to select initiatives based on the long-term strategic plan for the firm (P97). The corporate business model evolved to position MediaCorp as a solution provider. Bundling and integrative offerings across businesses and clients that solve customer-specific problems meant that MediaCorp was complementing the legacy product-centric vertical offerings of its business with horizontal solutions. These solutions reduced the commodity pricing pressures that MediaCorp was facing. The corporate center can assist with focused and selected action. As a result, energy consumption, aligned to realize a local synergistic opportunity, is minimized in a MOS that is augmented by LIMs and supported by the

corporate center (P127). The corporate center can contribute to growth if the relationship is strategically deployed as a super-additive.

Finance, as a corporate support function, augments the self-interest in a MOS by creating performance transparency and inspirational reward systems (P131). The logic of the M-form organization is typically hardwired into the accounting systems and performance measurement systems that reinforce the idea that business units are profit centers. This singular dimension is a poor proxy for the firm's position with customers and is a source of conflict with them (Galbraith 2005). The performance data at MediaCorp was ported over to all dimensions and to all managers in the organization as a necessary operating condition. The central accounting system was leveraged as a trusted source of financial data that could be parsed into dimension-oriented P&Ls. This eliminated information asymmetry and transfer service invoicing between units, which are essential for running a customer-centric firm. Transparency enhanced the ability to plan and control processes as managers focused on improving the development and exploitation of knowledge resources across the firm, optimizing the firm's position with customers. The multidimensional organizational structure enacts the need for teamwork and collaboration. Each stakeholder knows their role and their area of contribution. They are rewarded based on their contribution towards a common goal, customer profitability. To this end, the corporate center provides relevant information needed to exploit resources effectively in fulfillment of MUF strategic objectives (P134).

The relationship between the corporate center and the MOS is critical to how growth synergies can be achieved. For example, when the corporate center oversimplifies a complex situation, they create inertia, as decisions are not sufficiently robust. This results in residual work or unacceptable and unanticipated collateral damage (P137). Conversely, entrepreneurial MOS

leaders can achieve synergistic profitability faster when the relationship with corporate is streamlined and supportive (P138). The rate at which the realization of profitable growth is achieved is influenced by the quality of the relationship with corporate, specifically with regard to trust between interacting parties (P139). Oversimplification and trust are inversely related in this arrangement. Consequently, in order for corporate to be supportive they need to have a minimal understanding of the business unit's function, capability, culture, systems, and its relationship with other business units or divisions (P141). If the corporate center is considered capable, it can help business units connect with other business units that have achieved synergistic capabilities that could be exploited (P143). The strategic concept developed by MediaEnterprises' corporate manager's determined cross-unit opportunities for the continuous realization of growth synergies. Care was taken to make sure that locations did not lose their client relationships, that their products or services were not degraded below client expectations, and that any configurations developed or used were not exchanged, causing firmware or system compatibility issues. New solutions had to be seen as complementary offerings and not substitutes that could cannibalize sales revenue. Market nuances dictate that similar markets may have dissimilarities such as buying behaviors, relationship management, risk-liability management, delivery requirements, etc. Customers in various markets have dissimilar values with regard to order dwell time allowance, complexity, integration requirements, and response time to queries. This variability puts significant pressure on the need for talent. Corporate can help business units retain and mentor talent so that they can be leveraged to achieve growth synergies (P144). Furthermore, one-ness as embraced by corporate and business units alike, can accelerate profitable growth because it is a suitable platform on which growth can more easily

take place (P142). The relationship between the corporate center and the MOS can be designed to increase the ability of the MUF to achieve sustained conglomerate advantage.

In summary, according to the themes that emerged from the data, the corporate center can contribute to the realization of growth synergies; however, the relationship with the MOS should be designed and their involvement should be situational. The selective involvement ensures that business unit autonomy is maintained along with accountability for results. The relationship must, therefore, be collaborative and promote business unit self-interest in a guided and balanced way. Corporate can support growth opportunities including significant expansions, integrations, or incubators of new technologies. While engagement is selected, it is also focused. Corporate efforts should orient businesses to be competitive in their markets. Corporate can also function as a feedback mechanism regarding financial, risk, and legal performance. In order for corporate to be supportive, they need a minimal understanding of the business. With this they can contribute to growth synergies and sustained corporate advantage in a moderately dynamic market.

**RQ4.** The fourth research question addresses the role of LIMs in achieving growth synergies. LIMs are synergistic, as they connect MOS dimensions in meaningful ways through common interests (P116). Structures are required for the coordination and enhancement of cross-business collaboration in an evolving synergistic growth environment (P117). Strong integrative mechanisms, applied appropriately and with the right frequency and duration, are positively related to continuous growth synergy realization (P121). As examples, cultural activities help MOS dimensions establish and mature a collaborative mindset in a complex environment (P118). Additionally, MOS leaders benefit from access to meaningful and relevant tacit knowledge and domain experience that can be used to accelerate growth-oriented decision making (P119).

Horizontal MOS leaders leverage many other types of LIMs in order to integrate dimensions and organizational constructs, such that they can collaborate to realize synergistic growth.

A horizontal MOS leader needs stakeholders to be consistent and accurate in their use of the ERP system. This system is a LIM and an aligning platform that enables accountability for performance and synergistic growth through transparency (P1). Transparency is enhanced and simplified when relevant data is made available through the consolidation of disparate systems (P3). Additionally, technical ability attracts revenue awarded by clients. Clients will allocate volume work to vendors perceived to have the technical ability to meet their specifications (P4). Best practices are LIMs that enable the deployment of a common language needed for more accurate profitability measurement (P9). Best practice propagation methodologies are LIMs used to deploy critical information at the rate of absorptive capacity (P17). The global directional strategy includes the management change momentum, which is influenced by the organization's capability to effectively deploy (P18). Communication strategies are a LIM. They include meaningful information that is situationally routed and structured to include escalation paths, optimal timing, and a focused scope (P10). Communication should be optimally frequent, transparent, correctly routed, and executed timely to reduce ambiguity driven cost (P11). LIMs are linked to profitability through pricing strategies. Rate cards, or pricing structures, are LIMs that should be reviewed for optimal profitability during all phases of product and service life-cycles (P13). Sustained corporate advantage is at risk in the presence of liabilities. Liability prevention controls are LIMs that must be at least as dynamic as the threat-scape (P14). Profits are created by value-added activities on asset configurations. Asset management processes are a LIM that should be graded on accuracy and speed (P16). While being variably sized, placed, and

transient in nature, the collection of LIMs deployed at any given time must be collaborative horizontally across the MUF in order to influence the realization of synergistic growth.

Vertical leaders also exploit LIMs to achieve profitable growth. They are able to exploit geographically diverse but synergistic workflows based on common best practices (P21). The proactive maintenance and standardization of best practices enables a gap between the current competitive landscape and an advanced position ahead of potential revenue opportunities (P41). Consequently, work can be profitably assigned when available, capable capacity costs are understood and when supply chain leaders aggressively share their resources (P32).

Collaborative workflow evolution leverages standardization as a platform for enhancement deployment (P30). Secondary structures support businesses in their evolution and achievement of growth synergies. These structures create arenas for the continuous identification, selection, and implementation of growth synergy initiatives. For example, a sector organization can be used to drive new opportunities within a sector. The sector organization includes LIMs like cross-unit boards for decision making and permanent work teams for linking value chains in the businesses. This organization provides structure for internal functions, like R&D and business development, around portfolio activities. The cross-sector development board is a cross-business unit board for developing and penetrating specific sectors in addressable markets. Other alignment structures include strategic planning, corporate financial reporting, corporate incentive systems, information technology systems, and corporate sales and process tools.

Vertical leaders have measurable goals that are aligned with the firm's mission and vision (P22). These, and other, high performance workers want to achieve success in an operation that is measured, monitored, and knowledge rich (P28). This performance data informs in real-time and strategic decisions that lead to robust process enhancements (P55). In fact, the timely

availability of data used similarly across all locations, and which is offered up transparently, can accelerate strategic decision making and issue resolution (P34). Executable roadmaps are based on performance data and are rapidly accomplished in coordination with engaged leaders (P46). These leaders establish a location culture that is appropriate and aligned with other locations to optimize capacity utilization in a network-based production schema (P35). Proactively, vertical leaders select and mentor leaders that match the culture of the future as defined by the strategic direction (P38). This roadmap identifies an addressable market that can be exploited by an entrepreneurial culture armed by its own aggressive growth strategy (P49). This culture understands its products and services life-cycles. It enables maximal contribution to margins through dynamic pricing plans that optimize profitability (P50). The firm's mission is measurable through the strategic use of LIMs.

Diagonal support leaders exploit LIMs as they build workflows, create technologies, and embed existing technologies that create predictive capability against market trends (P56). Synergy oriented profitability is enhanced when slight enhancements to workflows enable the consolidation of complementary capabilities, thereby improving their utilization and the cost per deliverable (P57). These enhancements are scheduled so as to ensure the continuity of revenue streams. For example, in order for deployment plans to be successful, they require that workflow transitions, integrations, modifications, and enhancements are not noticeable to client production schedules (P58). Specifically, as infrastructure and workflow management systems are co-dependent they must also be optimized as a system for best results (P59). These systems are LIMs that help support leaders to support the MOS in achieving synergistic growth. Diagonal client facing leaders use LIMs to achieve profitability for the MOS. This includes sales tools,

sales performance metrics, and reports. These LIMs allow dimensions to work and achieve growth synergies together.

Synergistic change efforts utilize LIMs to achieve needed transformation. For example, transitional capacity and cost allowances are frequently overlooked during change activities. When they are included within a defined project scope, they can accelerate results achievement and mitigate change fatigue (P68). Furthermore, when a holistic vision of the detailed organizational design built for achieving financial requirements is made known, it encourages a focused transition (P69). The communication strategy is a LIM that includes the nature of the content conveyed and the timing scope (P70). Communication also relates to requirement details that, when understood, help stakeholders to achieve capabilities that are expected (P75). When the form of a business unit changes by combining, splitting, eliminating, reducing or expanding, otherwise known as patching, LIMs help make these synergy-based changes happen.

Transition execution performance is significantly dependent on a stakeholder's belief and participation in change vision ideation (P74). It depends as well on client involvement in planning activities. Transition planning augments growth potential by designing client requirements into plan elements (P81). This unity, as seen in consensus, consistency, and continuity is partly achieved through diversity of talent, tools, and processes (P76), all of which are LIM related. Alignment tools help change leaders and stakeholders to have unity in purpose. These correlate to the effort needed to execute the change roadmap (P94). Relationship performance is linked to transformational change through social attributes such as connectedness, adaptability, protection, and depth (P92). These LIMs are somewhat vague, or ethereal, however, in these cases performance outcomes are influenced by the approach used, the timeliness of behavior controls, and the achievement of an appropriate level of oversight (P93).



LIMs support a guided and balanced self-interest policy (P100). This policy is positively related to growth synergy realization (P95). An effective self-interest policy is a LIM that encourages a collaborative social environment necessary for profitable growth realization (P101). For example, an effective revenue-recognition algorithm will accommodate critical concerns from stakeholders and drive behaviors that lead to profitable growth (P102). LIMs assist with the sharing of related resources between businesses and also help business units to select initiatives based on the long-term strategic plan for the firm (P97). For example, the creation of an appropriate task list, including its execution sequence, is directly related to the timing of desirable outcome realization and self-interest as a motivator (P99). Furthermore, existing knowledge can be consolidated and made available as an advanced starting point, or platform, for new discoveries (P104). LIMs enable fluid resource sharing without boundaries, attracting the right resources quickly to issues whose resolution contributes to profitability potential (P105). Self-interest-oriented LIMs are super-additives as they help the MOS achieve sustained corporate advantage.

Financial LIMs provide an optimal level of granularity and transparency as needed with business unit data, such that functional performance comparisons between locations are meaningful and can be leveraged (P115). For example, a standardized and appropriate cost allocation methodology creates predictable financial performance and allows for profit-producing trend monitoring and forecasting (P106). Financial report usefulness depends significantly on the timeliness and accuracy of these cost allocations (P107). Furthermore, comparative cost ratio trend analysis is possible if timely posting of accurately placed cost line items are made transparent (P108). This analysis helps to determine pricing strategies (P112), another LIM, so that product life-cycles are predictable and so that profitability is optimized

across them (P114). Financial LIMs must be efficient and pointed, so as to bring focus on selected action needed to enhance profitability.

Drift mitigation is augmented by LIMs that prevent organizational entropy rates; however, an existing reference for movement must be used to measure set expectations against defined variables to expose the drift rate (P122). For example, performance reports, as snapshots in time, can be an instantaneous means by which a mitigating action can be triggered (P123). This mitigation could be in the form of a sequence of tasks, quickly discovered and effectively executed (P126). Timely drift mitigation minimizes energy consumption that would otherwise be required if entropy exceeds expectation tolerances (P127). LIMs, like performance dashboards, help MOS leaders know where they are, where they are going, and what they should focus on to prevent undesirable outcomes.

A MOS can drive synergistic focused and selected action that, when exploited, can realize scaling. Scaling, that emerged from the data, included expansion, consolidation, and the integration of business units (P129). LIMs augment the MOS's ability to realize this synergistic growth by focusing action execution through collaborative task monitoring mechanisms (P132). For example, the ERP system, a significantly influential LIM, is a super-additive as it enables scalable organizational efficacy. The system does this by promoting cost effectiveness, transparency, and workflow control (P133). As discussed, finance, as a supporting function, provides LIMs in a MOS by creating vehicles for performance transparency and inspirational reward systems (P131). MOS leaders benefit from performance information because they use it to recalibrate, course-correct, adapt plans, and monitor progress for the achievement of desirable outcomes (P140). Additionally, the corporate center provides relevant information needed to exploit resources effectively in fulfillment of MUF strategic objectives (P134). Finally, one-ness

strategies are LIMs that exploit synergies and enable profitability through synergistic growth (P142). The efficacy of the selected and focused action depends on the ability of the organization as a whole to collaborate and coordinate execution to achieve desired results.

The IMC initiative provided a number of LIMs that influence the realization of growth synergies in a MOS. To be specific, these LIMs include effective data management that consolidates knowledge by exploiting a globally accessible framework (P148), a mature quality system that promotes a performance standard equally influencing all locations to achieve performance parity (P149), the standardization of infrastructure components that allows for the knowledge of disposition and redeployment of hardware to accommodate local capacity requirements (P151), best practice unification on excellence that assumes asset locations are always known and are being cared for, returned, or purged timely (P150), and the internal unification of systems to streamline operations (P152). LIMs are integrative organizational constructs that promote unity (P154). LIM efficacy is strengthened by a common vision-mission embedded in strategic planning and discovery (P153).

A common set of values and norms related to the mission creates the perception of a single mindset among MOS leaders (P156). The mindset promotes consistent excellence across all locations and validates the value of the single vertical supply chain to clients (P160). This may be seen in a common liability prevention strategy augmented by a quality and security management system. These LIMs create quality and security awareness. For example, the quality management system ensures a high-reliability performance experience by clients in the value chain that is subject to a mature remediation process when infrequent non-conformities occur (P163). They influence infrastructure and process integrity at each site mitigating the threat environment (P158). They contribute to the associated profitability of the MUF. Additionally,

learning management systems streamline knowledge acquisition and consolidation. This system verifies that training is effectively deployed on a single platform by measuring to what extent users depend on it for knowledge acquisition (P157). Knowledge management engages entrepreneurialism, producing new knowledge while unifying task knowledge through centralization, utilization, and influence (P162). MOS leaders also benefit from timely, concise, and complete financial performance reviews that are linked to cost mitigations and the result of opportunity exploitation (P167). LIMs, in the form of systems, are guided by the norms and strategic direction of the MUF to create a single mindset among leaders.

LIMs assist the MOS with growth in the addressable market. They help the MOS be nimble as it enhances the ability of a MUF to exploit an optimal proportion of product or service life-cycles (P176). For example, proactively a MUF can map out the addressable market and construct a multi-pronged tactical strategy to exploit potentially unrealized client spends (P183). Defining the mission of the MOS, and making it known strategically, will engage and focus stakeholders in the sequence of activities needed to realize this growth by exploiting synergies (P171). This tactical strategy, a LIM, is bolstered by a track record of reliability, the ability to penetrate barriers to entry, an effective execution plan, and the ability to monitor results (P178). These penetrators are LIMs and can be exploited synergistically within multiple business units. For example, infrastructure reliability is a penetrator in an increasingly insecure and liability-oriented commercial environment (P181) and tailoring the ERP UI to the client's wishes will make it difficult for clients to divorce themselves from the familiar system interface and valuable business intelligence that accumulates (P183). LIMs are super-additives for growth because they focus and leverage complementary capabilities to penetrate the addressable market.

In summary, LIMs play a significant role in enabling a MOS to achieve profitability realization. LIMs are inherently synergistic as they connect related aspects of the MOS. Integrative mechanisms help businesses coordinate and enhance cross-business collaboration. The ability of a global production network is important in moderately dynamic markets. Many examples of LIMs have been presented in this dissertation. They may be transient. They may grow or shrink, referred to earlier as patching. They must be deployed and removed at the right time. If they are present for too long, are too big, or are not correctly applied or connected, they contribute to organizational inertia and waste. LIMs are critical to growth, as they accelerate decision making and provide accountability for results. MOS leaders must exploit LIMs fluidly, dynamically, and aggressively. LIMs assist with transitions, they help business units or functions work together, they help create unity and alignment, they assist with resource redeployment, they help with the avoidance of organizational entropy, and help make the MOS agile. LIMs may be major initiatives like the 1MC project. LIMs are needed in the right quantity at the right time for suitable duration.

**RQ5.** The fifth research question seeks to understand the impact of one-ness on achieving growth synergies in a MUF. The 1MC *mega-initiative* helped create alignment through the division. This is preparation for the further in-depth study of focused action and the organizational design discussed throughout the dissertation. MediaCorp's leader introduced a program whereby the company would be positioned to appear to clients as though they were one company, without silos. Furthermore, this aligned the efforts of business unit leaders by implementing a mindset. Caution had to be taken to make sure that this mindset was not misapplied through behavior meant to achieve personal agendas or dilute accountability by installing organizational socialism. The initiative included a sequence of initial strategies that

created horizontal collaboration between businesses. This resulted in the ongoing realization of growth synergies. MediaEnterprises had some strategic initiatives aimed at organic cross-unit growth; however, this was limited to cross-selling with the deteriorating effect of discounts for the personal purpose of gaining revenue-based, rather than profit-based, commissions on sales. The IMC initiative was meant to accelerate organic growth for the sustainable realization of market share and penetration growth synergies. This was enacted by providing industry-specific, cross-unit solutions that supported increasing market share, coverage, and differentiation. Ultimately, the aim was to use MediaCorp's products and services to solve customers' problems and create value opportunities that could be monetized.

The MOS, LIMs, and the corporate center collectively embrace one-ness to achieve growth synergies. For example, the consistently accurate use of a single ERP is an aligning platform that enables accountability for performance and synergistic growth through transparency (P1). Furthermore, the rate at which enhancements, called out by stakeholders, are developed and deployed broadly relates to the growth rate of an enterprise that is successful in a moderately dynamic marketplace (P2). One-ness is compromised when data is scattered and unavailable. With system capability and data consolidation, relevant information from across the supply chain is made available to MOS leaders (P3). The system allows MOS leaders to leverage known available network capacity across all locations to meet client expectations (P5). The alignment of workflows exposes synergies that enable capacity pooling. This capacity management technique is helpful when there is demand variability, improving utilization and increasing profitability opportunity (P7). Alignment is synergistic in this case, as existing workflows and infrastructure can be used to deliver new products and services to an adjacent, new, or similar market in a different geography (P12). Augmenting alignment, standardization is

a complexity-reduction technique that enhances scalability, capability, predictability, updatability, and transportability in a chaotic environment (P8). Standardizing on best practice includes deploying a common language needed for more accurate profitability measurement and creating a platform for efficient organizational evolution (P9). An optimized and appropriate methodology is needed to propagate best practices at the rate of absorptive capacity (P17). Unification implies a single purpose and strategy for the business units that consider local addressable markets. The strategy for global deployment must also include consideration for change management momentum and the organization's capability to effectively deploy (P18). The mission of horizontal leaders is to exploit one-ness to achieve profitability and realize growth synergy.

Vertical leaders promote and benefit from one-ness to achieve synergistic growth. They can reach out to nodes in the production network to capture needed capacity. Workflow alignment enhances profitability through the exploitation of geographically diverse but synergistic workflows based on best practice (P21). A single set of meaningful and measurable goals need to be aligned with the firm's mission and vision (P22). This promotes a common understanding of performance, allowing high performance workers to achieve success in an operation that is measured, monitored, and knowledge rich (P28). At the beginning of the 1MC initiative, most businesses did not have a customer-centric view, as they had multiple customers that had their work spread over several locations. Additionally, they had come from either a legacy product-centric construct or a legacy client construct only. This challenged the multi-dimension design while illuminating opportunity. Over time, brand managers discovered white spots of value-creating opportunity where a client business sector was untapped, where a client could be added, or where a location could add a product opportunity, etc. Managers realized over

time that the white spots in their cross-unit portfolios disappeared. The sector migration brought in new opportunities that did not overly stretch the capabilities of the facilities. And, the increased competencies across business units led to the development of innovative offerings, expanding MediaCorp's portfolio and market potential. This one-ness promotes the sharing or redeployment of capacity, enabling the execution of large overcapacity orders that competitors are unable to execute. These would otherwise have been referred to another vendor or split between vendors (P42). Work can be profitably assigned when available and capable capacity costs are understood and when supply chain leaders aggressively share their resources (P32). A unified culture, the constitution of which is aligned with other locations, optimizes capacity utilization in a network-based production (NBP) schema (P35). The vertical leader supports the production facility network through a supply chain mindset because it reduces carrying costs, enables the execution of high volume, and, therefore, mitigates capacity constraints (P47). One-ness also applies to the global workflow management system. The timely availability of data from the system used similarly across all locations and which is offered up transparently, can accelerate strategic decision making and issue resolution (P34). Alignment promotes collaborative evolution that leverages standardization as a platform for achieving and sustaining ongoing enhancements (P30). For example, slight enhancements to workflows may enable the consolidation of workflows, improving their utilization and cost per deliverable (P57). One-ness is further promoted through communication as the location leader is seen by location workers as the center point of internal and external communication (P52).

One-ness augments the MOS's ability to execute synergistic change. This unity is seen in consensus, consistency, and continuity. It is partly achieved through diversity of talent, tools, and processes (P76). It is guided by a holistic vision that includes a detailed organizational design



built for achieving client requirements (P69) and encouraging a collaborative social environment necessary for profitable growth realization (P101). The dichotomy of a decentralized yet collaborative network can be agile as it adapts and constantly seeks a new equilibrium in a dynamic market. A guided autonomy, driven by self-interest and augmented by resource complementarity in a NBP environment, accelerates the process of achieving profitable growth (P98). Profitable growth is reflected by the nature of the new equilibrium. The new state may include common and effective policies that accommodate critical concerns from stakeholders and drive behaviors that lead to profitable growth (P102). The continuous achievement of temporary equilibrium is augmented by the corporate center. It is a service center that can contribute to continuous growth by temporarily incubating growth opportunities, by sharing related resources between businesses and by helping business units to select initiatives based on the long-term strategic plan for the firm (P97).

Collaboration intrinsically channels focus and promotes a one, or singular, perspective. This perspective is brought into unity when existing knowledge is consolidated and made available. A holistic awareness can be used as an advanced starting point, or platform, for new discoveries (P104). Furthermore, awareness and collaboration encourage fluid resource sharing without boundaries. Consequently, the right resources are quickly attracted to issues whose resolution contributes to profitability potential (P105). An example is the resolution of a standardized and appropriate cost allocation methodology that creates predictable financial performance and allows for profit-producing trend monitoring (P106). MOS leaders must be able to resolve issues through a mindset that includes a one-ness perspective that is understood by all.

LIMs also promote one-ness by their design. They are synergistic, as they connect MOS dimensions in meaningful ways through common interests (P116). Further to this, collaborative

structures are required for the coordination and enhancement of cross-business collaboration in an evolving synergistic growth environment (P117). For example, cultural activities help MOS dimensions establish and mature a collaborative mindset in a complex environment (P118). Additionally, MOS leaders benefit from access to meaningful and relevant tacit knowledge and domain experience that can be used to accelerate growth-oriented decision making (P119). The dynamic nature of the LIM makes it an ideal on-demand construct to help propagate a one-ness perspective.

Selected actions, when focused, promote alignment and unity. Specifically, a MOS can drive synergistic focused action, that when exploited can realize dynamic scaling, including expansion, consolidation, the integration of business units, and a competitive advantage (P129, P136). The energy consumption needed to accomplish patching, or other focused action, in a MOS that is aligned to realize local synergistic opportunity is minimized (P127). This is because a MOS is intrinsically and efficiently aligned. The structure is connected and tasks are shared by relevant functions needed to achieve growth synergies (P128). The relevant sequence of tasks are quickly discovered and effectively executed. This can lead to mutual benefit between business units that collaborate (P126).

Corporate promotes one-ness as a complexity-mitigation technique. When it is embraced by corporate and business units alike, it accelerates profitable growth because it is a suitable platform on which growth can more easily take place (P142, P168). Corporate helps business units connect with other business units that have achieved synergistic capabilities that could be exploited (P143). Conversely, the effort needed to achieve revenue realization from a client that requires one-ness is significantly more difficult if internal business do not embrace the alignment vision (P145). Furthermore, a fragmented MUF cannot easily solve client issues that relate to

one-ness, as they do not understand the root causes of the problems (P146). Corporate can encourage the realization of growth synergies oriented towards creating one-ness through focused and selected action.

One-ness is at the core of the 1MC initiative. It is clear that an end-to-end value chain must be aligned in purpose and destiny in order to realize synergistic growth (P166). For example, consistent excellence across all locations is foundational to a one initiative, as it validates the single, vertical, supply chain perspective of the client (P160). Organizations seeking one-ness must recalibrate their perspective on organizational design, potentially through patching activities, to enable or sustain profitable growth in an evolving market that embraces, or already has embraced, the benefits of one-ness (P161). Fundamentally, competitive enterprises are compelled to strategically position themselves in alignment with the one megatrend in order to maintain and enhance market share in a dynamic environment (P159). Evidence of one-ness is clearly seen in organizations that have achieved it. Such evidence could be a mature quality system that promotes a performance standard and that has equal influence on all locations, encouraging performance parity and improvement (P149). There should be a common security awareness and similarity in infrastructure integrity at each site, indicating the level of concern and control over the threat environment (P158). This could be augmented by a knowledge management system that engages entrepreneurialism, producing new knowledge while unifying task knowledge through centralization, utilization, and influence (P162). A mechanism can be deployed to verify that training is effectively deployed on a single platform by measuring comprehension and to what extent users depend on it for knowledge acquisition (P157). An effective data management system consolidates knowledge by exploiting a globally accessible framework (P148). The internal unification of systems can streamline operations (P152). For

example, the standardization of infrastructure components allows for knowledge of hardware disposition and the redeployment of it to accommodate local capacity requirements (P151).

Unity is easily found in a MUF's organizational design when the layout of the positions is clear (P154) and practices are commonly centered on excellence (P150). This organizational unity is augmented by a common vision-mission that is embedded in strategic planning documents (P153). This alignment unity is further encouraged through a deployed set of values and norms that creates a single mindset among MOS leaders (P156). Ultimately, it is the client that decides if one-ness is achieved. In fact, clients expect a singular, high-reliability performance experience in the value chain that includes a mature remediation process when infrequent non-conformities occur (P163). The client's impression of the MUF is influenced by how the MOS allows itself is to be transformed and monitored externally (P155). Using assets as an example, clients expect that their assets are available, locatable, and treated in a similarly excellent way, regardless of where they are in the end-to-end vendor's supply chain (P164). All in all, clients count on the reliability of the vendor's supply chain workflows, which are dependent on the continuously available capability of each linked functional element (P165). Fortunately for MediaCorp, a MOS intrinsically embraces the idea of one-ness and so is an ideal structure to scale and preserve a single supply chain view to clients (P168). A structure that is scalable in all dimensions, such as the MOS, can propagate alignment and a suitable culture to improve profitability (P169).

Scaling is directly related to the ability of the supply chain to manage its resources effectively. Scaling may include work shifting and pooling to optimize cost structures as seen in cost per similar deliverable measurements (P175). The MOS is intrinsically a propagator for one-ness as it can scale while preserving social or cultural attributes.

In summary, the significance of being aligned and collaborative is that it helps the MUF achieve profitability realization. This one-ness initiative helps businesses achieve collaborative alignment, which in turn, helps them achieve growth synergies. The 1MC initiative recalibrated the thinking of employees. It is a mindset, or norm, that guides action plans. The lack of one-ness fragments the mission and the purpose of the organization. Chaos is present in a dynamic market and performance issues are imminent regardless of the environment. An organization that embraces one-ness has a better chance of sustained performance, and will be more able to survive the future. One-ness is also attractive as it is a complexity-reduction technique that was applied to the global production network. Two businesses that did similar work could have diverse performance characteristics due to a lack of one-ness. When this occurs within two businesses in a MUF, clients are confused. Alignment, on the other hand, accelerates the creation of trust and collaboration. Selected actions guided by one-ness become simpler for all involved, as there is less noise. It is clear that scaling is dependent on a singular mindset that is tuned to the addressable market and the directional strategy.

**ORQ.** The overall research question is generally concerned with how a MUF can achieve cross-unit growth synergies. All of the other research questions are sub-questions under the ORQ. Consequently, this discussion is a form of summary regarding the sub-questions, as it answers all of them. As discussed previously, synergies are achieved when the value that is generated by combining two entities create opportunities that would not have been available if they were operating independently. There are two main types of synergies, operating synergies and cost synergies. Operating synergies include economies of scale, increased pricing power, and higher growth potential. Ultimately, the desire is that synergies produce higher than expected cash flows. Cost, or financial, synergies relate more to tax benefits, portfolio diversification, and

beneficial use of excess cash. These synergies are prevalent in the data that emerged from this dissertation. MediaCorp benefited from focused action that resulted in cross-unit growth synergies. For example, these synergies were driven by leaders that fulfilled the unique roles of the dimensions that were their responsibility. They were augmented by LIMs and a designed relationship with the corporate center. Customers responded to the organizational design change because it was responsive and agile. Clients allocated work volume to MediaCorp, as they were perceived to have both the technical ability to meet specifications and the availability of more than sufficient capacity to process the volume (P4). Work volume that originated in local markets and was given to local MediaCorp operations, leveraged known available network capacity to meet client expectations (P5).

Horizontal roles pushed the cross-unit agenda throughout the MOS. For example, they pushed for the consistent and accurate use of an ERP. This is an aligning platform, enabling accountability for performance and synergistic growth through transparency (P1). Furthermore, they encouraged enhancements to be called out by stakeholders, to be rapidly developed, and then deployed broadly (P2). Horizontal leaders ensured workflow synergistic alignment and capacity pooling where there was demand variability to improve utilization and increase profitability (P7). This was due to the fact that existing workflows and infrastructure could be used to deliver new products and services to an adjacent, new, or similar market in a different geography. These opportunities, when exploited, created synergistic profitability (P12). Capacity functionality is guided by best practices. An appropriate methodology was used to propagate best practices at the rate of absorptive capacity (P17). Horizontal leaders were able to determine the rate of change deployment. It was throttled situationally to ensure that the related change was effectively embedded.

Vertical leaders contribute to cross-unit growth synergies through their role in the production network. Network capacity is more easily shared when there is consensus on how the production network should function (P20). Both locally and in the network, profitability leads to growth when work achievement is optimally balanced with cost performance (P23). Profitability enablers, such as cross-unit synergies, when effectively executed, help the MUF achieve desirable outcomes (P25). Profitability is then enabled by network production capacity that is seamlessly guided by a propensity for excellence (P27). Workflow performance excellence in all locations can lead to increased market share when execution results are consistent with customer expectations (P24). This consistent performance excellence is not static, but rather continually evolves and allows for increased market share over time (P26). The market share increase is at a speed commensurate with market dynamics in order to capture profitable price points (P38). For the network to be effective, vertical leaders share available and capable capacity (P32). In addition, the constitution of the location culture must be appropriate and aligned with other locations to optimize capacity utilization in a network-based production schema (P35).

Location leaders are keenly aware of location capacity, as it relates to existing and pending work requirements, so that constraints can be mitigated or circumvented (P36). Vertical leaders support the global production network through a supply-chain mindset; this perspective reduces carrying costs, enables the execution of high volume, and, therefore, mitigates capacity constraints (P47). Locally, these leaders make their leadership teams capable to achieve what is about to happen in the marketplace (P39). They act such that their processes predict the dynamic changes in the marketplace (P44) because the direction of the organization is supported by location performance as far as it is aligned with market trends (P53). Local operational effectiveness is based on leadership engagement through focus, optimization, and deployment

(P48). To maintain a competitive position, vertical leaders proactively maintain best practices, enabling a gap between the current competitive landscape and an advanced position ahead of potential revenue opportunities (P41). The engine of success is informed by performance data that reflects real-time and strategic decisions and which lead to robust process enhancements (P55). For example, a competitive position is established when sharing or redeploying capacity enables the execution of large overcapacity orders that competitors are unable to execute. These orders would otherwise have been referred to another vendor or split between vendors (P42). Another profitability benefit comes from the resulting pricing position driven by value to the client; however, pricing negotiation leadership also includes an awareness of cost reduction opportunity, regardless of current margin, and revenue enhancement strategy (P43). When there are unanticipated internal or external influences, they are controlled by contingencies that increase or replace lost capacity (P45). Ultimately, profitable growth is the objective through the realization of synergies. The addressable market can be exploited by an entrepreneurial culture armed with their own aggressive growth strategy that exploits cross-unit synergies (P49). These super-additives create a nimbleness that is a competitive advantage, as local leaders relentlessly pursue profitable opportunities (P51). These opportunities are described as service and product life-cycles. Profitability is optimized through synergy-driven strategy when dynamic pricing plans are executed (P50).

Diagonal support leaders help a MUF realize cross-unit synergies. Infrastructure and workflow management systems are co-dependent; consequently, they must be optimized as a system for best results (P59). These leaders build workflows, create technologies, and embed existing technologies that create predictive capability against market trends (P56). They make slight evolutionary enhancements that may enable workflow consolidation, improving utilization



and cost per deliverable (P57). These workflow transitions, integrations, modifications, and enhancements are all made without being noticeable to client production schedules (P58) while concurrently boosting synergistic profitability.

Client diagonal roles in a MOS are symbiotic with other dimensional roles to achieve cross-unit growth. For example, vertical leaders and client diagonal leaders achieve mutually beneficial profitability goals when they collaborate around their strengths. These leaders fill the company's pipeline with sustained corporate advantage (P63). Acquiring new business revenue requires collaborative action starting with sales lead ideation and ending with the achievement of billable volume ramping at optimized margins (P64). This is augmented by role definitions required to ensure accountability; however, synergistic tasks are shared optimally and selectively by all employees to maintain the profitability of existing revenue streams (P60). Enhancing the revenue from a client through additional income streams that are synergistic is a profitability super-additive (P62). These super-additives may be achieved through creative sales strategies like lead-sharing and cross-unit bundling. For example, the CRM was leveraged to facilitate lead sharing and the coordination of customer contacts and sales opportunities. As business units share this information about fruitful opportunities, the possibility of the coordination of *one face* to the customer is possible. Further to this, opportunities through these contacts can lead to the sale of other products offered in the supply chain. Client costs in dealing with their vendor base are also reduced, as they have fewer contacts to be managed and the coordination of asset transfers is minimized. It is clear that competitive cross-unit growth requires focus. Bundling includes bringing separate and independent, but related configurations from different business units together into a package for delivery, or a series of deliveries. These cross-product bundles solve complexity issues and effort consumption on the part of clients by managing projects end-

to-end. A *one-stop-shop* model creates customer value, as client scorecards are more consistent, asset searches are reduced, sourcing of assets is simplified, invoicing is simplified, and client solutions are accelerated. Bundling addresses the changing market environment that increases in complexity, and provides a strong customer value proposition. The challenge with bundling is that discounting can damage profits; however, the exploitation of interdependent business synergies can recoup some of the lost margin. In addition, end-to-end strategies are a significant differentiator and provide a competitive advantage that leads to sales growth and market penetration. An assigned portfolio enhances accountability for profitability results and focuses growth synergies that are constructive (P66). Furthermore, entrepreneurial diagonal leadership that owns a product workflow can be incentivized to pursue cross-sector opportunities (P65).

Cross-unit growth synergies are experienced through effective change management. For example, during large changes or integrations, the provision of transitional capacity and cost allowance within a defined project scope can accelerate results achievement and mitigate change fatigue (P68). Conversely, an overly conservative plan may produce resource and coordination deficiencies that compromise existing resource utilization (P80). The objective of cross-unit integration is to explore client spends that are untapped markets for MediaCorp and integrate offerings into MediaCorp's businesses as valuable solutions in these specific market areas. These markets are being serviced by other vendors; however, they are unique growth opportunities because they share similar assets, infrastructure, QC procedures, and workflows. By leveraging these complementary attributes, operational synergies can be used to drive value and profits. These initiatives increase the competitive strength of the firm, as the client becomes increasingly dependent on its vendor. The additional opportunity to harmonize systems by adding these new products and services to the existing ERP leverages system synergies. It also creates value for the

customer as they now have one less system to go to for status, one less invoice to receive, and one less vendor relationship to manage. Additional benefits to the client are reduced complexity, lower total buying costs, long-term vendor commitment, and reduced transaction costs. When customers buy an integrated solution, they benefit from better-aligned components. If there are supply chain issues, these are resolved internally by the end-to-end vendor. This and other factors contribute to shorter turn times on orders and reduced risk of on-time delivery failure. As MediaCorp integrates their offerings into seamless solutions backed up by a long-term commitment through risk diversification, they can make claims about the client value proposition that other competitors cannot. The client is the entity that must be satisfied because they contribute to business unit profitability. It follows then, to optimize successful client involvement in transition planning, the MediaCorp leaders should augment growth potential by designing requirements into plan elements (P81). Plans should include the self-interest of all stakeholders.

Self-interest, if guided and balanced, can positively relate to growth synergy realization (P95). This study has shown that a guided autonomy, driven by self-interest and augmented by resource complementarity in a network based production environment, accelerates the process of achieving profitable growth (P98). Entities external to the MOS can contribute to a balanced self-interest. For example, the corporate center can contribute to continuous growth by temporarily incubating growth opportunities, by sharing related resources between businesses, and by helping business units to select initiatives based on the long-term strategic plan for the firm (P97). Furthermore, the selective involvement of the corporate center can promote autonomous growth in locally addressable markets (P96). Ultimately, an effective self-interest policy is a LIM that encourages a collaborative social environment necessary for profitable

growth realization (P101). It accommodates critical concerns from stakeholders, driving behaviors that lead to profitable growth (P102).

Collaboration within the production network helps a firm realize cross-unit synergies. Conversely, isolated actions do not benefit from super-additives gained from exploiting matured initiatives through duplication (103). An example would be, a standardized and appropriate cost allocation methodology that creates predictable financial performance and allows for profit-producing trend monitoring (P106). This allocation methodology encourages fluid resource sharing without boundaries. This attracts the right resources quickly to issues whose resolution contributes to profitability potential (P105). The resolution of issues contributes to firm knowledge if it is used. When existing knowledge is consolidated and made available it can be used as an advanced starting point, or platform, for new discoveries (P104).

Knowledge and clarity around financial information is a case in point. When revenue is reported together with cost, LOB analysis is possible, leading to prioritized profitability enhancements (P113). MOS leaders need to know and monitor margins by location, type, and client so that product life-cycles are predictable and so that appropriate pricing strategies can be applied (P114). Pricing strategies may result in margin erosion, but which may be more than compensated for with profits from volume (P112). Accurate analysis is needed to represent this scenario. Another example could be that effort is needed to establish profitable pricing, but this may not have been expended in cases where free line-items exist or price levels are near break-even (P111).

Lateral integrative mechanisms, as structures, are required for the coordination and enhancement of cross-business collaboration in an evolving synergistic growth environment (P117). For example, MOS leaders benefit from access to meaningful and relevant tacit

knowledge and domain experience that can be used to accelerate growth-oriented decision making (P119). However, decentralized collaboration includes business unit autonomy in selecting and implementing growth initiatives, both of which are directly related to growth synergy realization (P120). Strong integrative mechanisms applied appropriately and with the right frequency are positively related to continuous growth synergy realization (P121).

Focused action helps a multi-unit firm realize growth synergies. In fact, the right sequence of tasks, quickly discovered and effectively executed, can lead to mutual benefit between business units that collaborate (P126). Execution is supported by the structure of the MOS augmented by LIMs. The MOS is a nimble organizational construct that can effectively exploit focused action to realize synergistic profitability (P125). Furthermore, a MOS is intrinsically aligned, as the structure is connected and tasks are shared by relevant functions needed to achieve growth synergies (P128). To illustrate, a MOS can drive synergistic-focused action that, when exploited, can realize scaling that includes expansion, consolidation, and integration of business units (P129). A MOS can be leveraged to support cost mitigation through a continuously evolving organizational effectiveness that is superior to competitors (P130). LIMs augment the MOS's ability to realize synergistic growth by focusing action execution through collaborative task monitoring mechanisms (P132). For example, the ERP system, a significantly influential LIM, is a super-additive because it enables scalable organizational efficacy by promoting cost effectiveness, transparency, and workflow control (P133). Another similar LIM example would be the tools enable the global production network to dynamically scale capacity as measure by the successful completion of variable volume throughput rates as a competitive advantage (P136).

The corporate center assists the overall organization to achieve growth synergies in a MUF. Entrepreneurial MOS leaders can achieve synergistic profitability faster when the relationship with corporate is streamlined and supportive (P138). The quality of the relationship with corporate, specifically with regard to trust between interacting parties, influences the rate at which the realization of profitable growth is achieved (P139). Specifically, corporate can help business units connect with other business units that have achieved synergistic capabilities that can be exploited (P143). Corporate can also assist business units to retain and mentor talent so that they can be leveraged to achieve growth synergies (P144). The relationship with corporate in the new organizational design was realigned to facilitate the quick implementation of the sector strategies for continuous growth synergy realization. The new structure included secondary overlay constructs without P&L responsibilities. Management systems and processes provided for a horizontal perspective in the strategic-planning process and provide corporate level rewards. Corporate IT, sales support systems, research and development, and infrastructure support were integrated into the corporate management systems and processes. Tools, like the CRM, were provided to sales for account management and solution selling. Rules were put in place for transfer pricing. MOS leaders benefit from performance information from corporate because they use it to recalibrate, course-correct, adapt plans, and monitor progress for the achievement of desirable outcomes (P140). For example, a MUF may introduce disruptive change to align it with market dynamics; however, product development must progress at a suitable rate to replace negative profitability impacts (P147). Lastly, cross-unit synergy realization is influenced by corporate supported one-ness. This is a complexity-mitigation technique, embraced by corporate and business units alike, that accelerates profitable growth because it is a suitable platform on which growth can more easily take place (P142).

The corporate sponsored one-ness strategy, known as IMC at MediaCorp, facilitates and accelerates cross-unit synergy realization. It is clear that competitive enterprises are compelled to strategically position themselves in alignment with the one megatrend in order to maintain and enhance market share in a dynamic environment (P159). Organizations seeking one-ness must recalibrate their perspective on organizational design to enable or sustain profitable growth in an evolving market that embraces, or already has embraced, the benefits of one-ness (P161). An end-to-end value chain must be aligned in purpose and destiny in order to realize synergistic growth (P166). For example, consistent excellence across all locations is foundational to a one initiative, as it validates the single, vertical, supply-chain perspective of the client (P160). Clients expect a singular high-reliability performance experience in the value chain that is subject to a mature remediation process when infrequent non-conformities occur (P163). Clients count on the reliability of the vendor's supply chain workflows, which are dependent on the continuously available capability of each linked functional element (P165). As examples, clients expect that their assets are available, locatable, and treated in a similarly excellent way, regardless of where they are in the end-to-end vendor's supply chain (P164). The standardization of infrastructure components allows for knowledge of disposition and redeployment to accommodate local capacity requirements (P151). MOS leaders benefit from timely, concise, and complete financial performance reviews that are linked to cost mitigations and the result of opportunity exploitation (P167). MUFs experience desirable outcomes through the realization of growth synergies if a one-ness allows them to overcome obstacles and organizational inertia.

Synergistic growth across units in a MUF is augmented by strategy, timing, and the use of penetrators. Proactively, a MUF can map out the addressable market and construct a multi-pronged tactical strategy to exploit potential unrealized client spends (P183). Strategic tactics

must be viewed as situational to exploit penetration opportunities in a dynamic market (P179). The elements of a successful expansion strategy include a track record of reliability, the ability to penetrate barriers to entry, an effective execution plan, and the ability to monitor results (P178). The nimbleness of a MOS enhances the ability of a MUF to exploit an optimal proportion of the product or service life-cycle (P176). The MOS structure is ideally suited for cross-unit synergistic growth. The MOS creates a competitive advantage that can scale through the addition of LOBs and locations while preserving talent, process, knowledge, and a penchant for excellence (P180). The MOS exploits penetrators to achieve increased market share. Infrastructure reliability is a penetrator in an increasingly insecure and liability-oriented commercial environment (P181). Tailoring the ERP UI to the client's wishes makes it difficult for clients to divorce themselves from the familiar system interface and valuable business intelligence that has accumulated (P183). Technical ability is a penetrator because it inspires confidence in MediaCorp's ability to solve problems the client does not understand (P178). The creative and timely exposure of enhanced value to clients may expose new profit-producing opportunities that can be exploited (P182). The execution of the roadmap forward, leveraging synergies across-units, leads to increased synergistic growth.

In summary, the data that emerged from the study indicated that a MUF can achieve cross-unit synergies. Value is created by leveraging existing or scalable resources. This is more easily accomplished in a MOS augmented by LIMs and a designed relationship with the corporate center. Horizontal roles push the standardization of best practices across locations for all LOBs. Vertical roles ensure operational excellence within their local markets and within their operations. Local operations are a node in the global production network. Each location contributes and extracts capacity as needed in order to minimize cost dynamically with volume



variations and simultaneously exploit their addressable markets. Diagonal client leaders extract profits from clients through LOB life-cycle pricing strategies. Diagonal support leaders help the network to evolve ahead of the market demands. A guided and balanced self-interest is necessary to motivate and reward the stakeholders in the MOS. Stakeholders are also motivated to collaborate through the sharing of resources, including infrastructure, human, technology, and knowledge. LIMs assist with the collaboration requirement by integrating aspects of the organizational constructs so that they can achieve cross-unit synergy realization. LIMs enable connections and they compensate for situational needs in a complex dynamic market. They are transient by necessity, but timely by design. The organizational components are assembled and dynamic, with a mission fulfilled through focused and selected action execution. LIMs enact collaborative action between the MOS and the corporate center. The corporate center is selectively involved so as to not stifle autonomy in the MOS, which is closest to the addressable market. Collaboration is also directed through the IMC alignment strategy. This one-ness strategy recalibrated MediaEnterprises by moving it into a new paradigm centered on the mission of improving profitability through the realization of growth synergies.

### **Implications of the Study**

The constructs used in this research supported the study in a manner that reflects the propositions that emerged from the data. These findings and results have implications for theory, research, and practice and are described below.

**Theory.** In recent years, theorists have called for a more expanded view of novel organization designs and their linkage to results in a MUF, potentially with a global supply chain. The researcher created insight into the attributes of the corporate effect by clarifying and deriving empirically strategic success factors for sustainable profitability. This study also

contributed to theories of managerial practice, organization, and strategy. Additionally, the study provided a topology of corporate resources that influence the achievement of sustained corporate advantage. The researcher contributed to corporate strategy theory by exploring the value-producing effect of combining complementary resources that are energized by growth opportunities. The role of a corporate center that creates value by combining resources is further clarified. The study confirmed the importance of similarities and complementarities within and between resource pools. Furthermore, this research provided an empirical example of dynamic capabilities through organization design. Finally, this research provided insights into corporate strategy that is oriented around interactions between business units. This contrasts with literature that primarily discusses the creation of strategy between businesses and corporate or within businesses (Burgelman, 1983a; Floyd & Woolridge, 2000).

The major result of this research is a preliminary mid-range theory of continuous growth realization in such a MUF. This theory was established from themes that emerged from data specifically tied to a single case study associated with growth synergy realization. Based on this evidence, the researcher suggests that the concepts of selected focus and organizational design are two significantly related strategies. A selected focus provides the energy needed to discover and penetrate markets from a position of organizational strength. The organizational design strategy promotes decentralized entrepreneurial collaboration supported and guided by a balanced self-interest.

A selective focus contributes to continuous profitable growth by channeling energy and focusing attention on market opportunities. This lowers ambiguity, reduces the impact of corporate biases, improves on the ability to discover growth synergies, and inspires change leaders to exploit profitability-enhancing opportunities. Selective focus also channels the

attention, energy, mindfulness, and sense-making of MOS leaders. The execution of initiatives that enhance profitability is accomplished by resource redeployment and the scalability of MOS-based resources. The MOS provides a center of gravity and is the focus of growth attention due to its inherent ability to propagate one-ness during scaling. This scaling is achieved with minimal energy expenditure, as the organization is already in a change orientation and has the capabilities to preserve the established momentum in an efficient way. Cost efficiencies are not ignored in this construct, but rather accelerate through horizontalization that is enabled through the MOS structure across all locations. This success is not the content of initiatives, but rather the timely execution of them. Customers benefit from the sharing of best practices and capabilities, further enhancing profitability through the addressable market. A customer focus helps MOS leaders to build market knowledge and domain experience. Growth synergies can be focused on market segments where the MUF has a competitive advantage. These findings emphasize the significance of strategic guidance for the realization of growth synergies.

A second key theme in the theory that emerged from the data is that entrepreneurial decentralized collaboration reinforces the ability of a MUF to grow profitably. Four mutually reinforcing elements support this capability including: the production network, aligned and accurate financial controls, corporate support, and strong integrative mechanisms. Decentralized autonomy can help organizations foster commitment to manage selective focus. An autonomous agility can provide the flexibility and responsiveness needed to capture market opportunities that constitute growth synergy initiatives. This delegation of authority allows location leaders to capitalize on market opportunities that they are close to and thus, can more easily exploit. Business-specific financial controls enable the discovery of opportunities and the monitoring of improved profitability that is realized through their exploitation. Financial reporting also helps to

generate a productive self-interest by exposing value-destroying growth strategy as compared to value-enhancing growth strategy. The impact of justified resource reallocation to the highest margin opportunities enhances overall profitability. Financial feedback encourages business unit managers to look both inward and outward to exploit growth synergy potential. Functioning as a common point of reference, the budget encourages constructive self-interest through cross-business collaboration that enables the exploitation of opportunities. Strong integrative mechanisms accelerate collaboration and the realization of growth synergies by establishing trust, reducing conflict, inspiring action, exploiting complexity, economizing attention, increasing domain knowledge, and promoting a nimble client response.

A third theme is the megatrend that is increasing complexity and that continues to challenge enterprises aiming to grow. Exogenously-imposed complexity can be a significant hurdle for profitable growth. Conversely, it can be a great opportunity for customer loyalty by making the relationship sticky. Complexity can be associated with waste. It includes excessive workflows, steps in workflows, and a portfolio that includes products with features that customers do not think are valuable. These reflect redundancy rather than synergy. Excessive complexity drains the energy needed for profits and growth. Supporting too many products leads to difficulty earning the cost of capital. However, excessive simplicity may lead to fewer options or variations than are expected by customers, and thus, missed opportunities. This may throttle growth even in an expanding market, whereas optimal simplicity may improve the gross margin and promote revenue growth by targeting customers who are willing to pay a premium. The MUF must understand, through rigorous analysis, where they stand on this issue and react accordingly. Complexity-reduction techniques may be realized through lean sigma initiatives, for example, that deliver increased velocity and quality. Once achieved, optimal complexity is a

competitive advantage that must be delivered at the lowest cost to achieve growth synergies. The MUF can be positioned in the market optimally so that competitors are unable to counterattack due to an inability to respond. Optimal complexity is achieved by (a) eliminating complexity that customers will not pay for, (b) exploiting complexity that customers will pay for, and (c) minimizing the cost of complexity offered. Some examples of complexity management could include streamlining and standardizing basic product features, automating as many workflow steps as possible, minimizing the number of workflow steps, cross-training to allow for better capacity utilization in a volatile demand, utilizing robust and complex pricing schemes, achieving portfolio optimization through customer value analysis, standardizing internally, retaining a culture of deep functional expertise and excellence in product design, sharing parts and engineering, customizing foundational platform designs, and investing in an information system. Optimal complexity must be delivered at the lowest cost. For example, new products can be offered without increasing the number of parts significantly. Internal standardization can allow for the low cost production of highly complex and desirable products. Conversely, products that are not generating economic profit should be eliminated to reduce complexity in the portfolio. Standardization makes the workflow systems and training more supportable, dependable, reliable, and promotes optimal amounts of redundancy. Optimal simplification can be applied to support areas as well, including the purchasing process for example. The cost of procurement should be minimized. Internal complexity must improve flexibility so that customized products can be delivered in the least amount of time, maximizing the value per dollar of cost incurred. Velocity is relevant because being the first to market can still help the MUF capture market share because you are fast. These, and other forms of differentiation, provide opportunities for the realization of growth synergies through performance excellence.

The economic profit of complexity is driven by its cost. This is achieved by (a) identifying which complexity creates value and which destroys it, (b) understanding the costs a complexity imposes on the business, and (c) exposing the underlying causes of the complexity. Business leaders need to know whether potential new features are worth the complexity they introduce into systems. The ability to execute these principles is related to the intellectual capital that is woven into workflows from lessons learned. This is a culture that is very difficult to copy, and so it is a competitive advantage. The cost introduced by complexity is evident in increased setup time, increased learning curves, increased scheduling capability, more defects and rework, and collateral impacts. Workflow impact is seen by having more work in progress, higher cueing time, longer lead times, lower process speed, and a lower ratio of value-added steps as compared to the total number of workflow steps. A critical metric used to measure the efficiency of a process is the *process cycle efficiency* (PCE). This is the value-added time in a process divided by the total lead time. If the PCE is less than 10%, the process is considered to be *un-lean* and this workflow is destroying rather than creating value. A high PCE improves the gross profit margin and is typically influenced by reducing the steps needed to create a deliverable product. Removing the costs imposed by unnecessary complexity represents a profit pool typically hidden from view. The biggest factors contributing to the *rent* associated with maintaining this *hidden factory* include having too many product offerings, too many steps in the process, too many opportunities for errors, significant variation in processing time, lengthening setup time, excessive overall process time, and variability in demand. Leaders need to understand the effort spent on non-value-added work tasks. They need to understand that it is easier to remove non-value-added work than it is to speed up value-added work. To reduce the lead time, a leader can increase the average completion rate or reduce the number of items in-process. The completion

rate can be influenced expensively by adding capacity, people, machines, or off-loading. The eroding economic benefit needs to be monitored as other less expensive tactics could be used. This could include inventing a new way to accomplish the same deliverables with fewer steps. Furthermore, the design of the deliverable may be altered to facilitate an improved economic profit.

A fourth theme that emerged is the need for information at the right time and in the right place. The speed of information availability can drive operating practices. For example, information can inform the billing process so that cash conversion time is minimized. The firm can then be paid before they have to pay their bills. Information also allows for quicker and more effective decision making, slower decision lead time, risk limitation, and it encourages entrepreneurial behavior. Without critical information, a firm can be so focused on meeting their budget plan that they miss significant market opportunities. Complexity creates noise in information systems. Typically a few workflows produce most of the economic value in a company. The non-value-added workflows are still tracked and managed by information systems. All product lines are not profitable. Clients provide a varying degree of economic profit to the firm. Information velocity must be integrated into a firm's culture. Volume should be steered towards a minimum set of configurations. Overall, complexity hinders management's ability to identify, collect, and respond to information that is strategically critical to the business. Managing all the non-value-added aspects of a firm drains energy that could be better spent creating economic profits and corporate value. Noise in the information system from non-value-added activities can obfuscate the best opportunities, resulting in underinvestment in value generators and over-investment in value destroyers. The minority value destroyers, while impressive in the portfolio, contribute to the demise of the value generators. Complex decision

making compromises market entry or the ability to capture market share due to decision lead times. Additionally, complexity is a drag on productivity, reducing the PCE and the realizable free cash flow (economic profit percentage). Traditional information systems tend to grossly underestimate the resources required for specialty, low-volume products, and overestimate the resources needed for higher volume, standard products. MUF leaders need to emphasize a differentiated offering that maximizes operating profit while minimizing invested capital. Accelerating the growth of products or services with a negative economic profit (EP) magnifies value destruction. Leaders must be selective about which parts of the value chain they want to participate in. Reducing non-value-adding workflows will free up assets and capital tied up in unprofitable operations. Leaders have to be aware and agile with this analysis as product life-cycles are getting shorter, minimizing windows of opportunity. They also need to be able to launch products and product extensions that create economic benefit to the firm. Strategy cannot be based on hope. Rather it should be informed by relevant data so that pockets of value-creation can be *cherry-picked*.

All decisions related to economic profits require that (a) existing portfolio offerings be optimized by increasing complexity by adding new value-generating products or decreasing complexity by eliminating non-value-generating products, (b) existing value generating offerings be strengthened through product extensions and new market penetrations, and (c) internal complexities are reduced so that corporate resources can be shifted towards value-added activities. The MUF must focus on what adds value and improvements as it considers value-share (the total potential for value creation in a market) rather than market share. The MUF needs to increase the value-driven application of finite resources and it must understand the profit pool available to them in the market. MUFs can defend value creators and reform or



eliminate destroyers by identifying their areas of complexity (complexity profile), seeing how the market is rewarding complexity, identifying market segments where there is value-creation opportunity, mapping the impact of complexity (value-stream mapping), grading opportunities using PCE, and prioritizing the value production from focused actions.

**Research.** The researcher structured the research process to be as systematic and goal-oriented as possible. Consideration was taken regarding the complexity of the investigated phenomenon. The research process was iterative and flexible including the exploitation of preexisting data. The research questions and field scope co-evolved with the discovery of the research opportunity. This approach is referred to by Pettigrew (1990) as planned opportunism and is common in qualitative studies of complex phenomena. The research process followed Eisenhardt's (1989, 2007) suggestion for building theory from case studies (Strauss & Corbin, 1990, 1996). The flexibility and openness demanded by qualitative research is ensured by having the ability to frequently switch between data collection and analysis, as was the case (Strauss & Corbin, 1996). The research cycle included exploration, deep-dive, review, and refinement when an opportunity presented itself. This was then followed by focused action planning and execution in phases.

This study demonstrates the value of changing the way we think about the complementarity of organizational design in a multi-unit firm. The transient nature of organizational design in a dynamic marketplace requires that a design paradigm be advanced, ahead-of-market megatrends and agile to co-evolve rapidly in response to resulting client demand. This study supports generalizable theoretical findings with some limitations. The research attempted to answer, with some degree of specificity, the overall research question (ORQ) and the five sub-questions. The research had a number of limitations as discussed below.

1. The methodology that the researcher applied to investigate the realization of growth synergy for sustained corporate advantage, has some generalizability challenges. The single case study approach based on 20 stakeholder interviews seemed suitable since the phenomenon being investigated is novel and complex. This research design required in-depth observations described as rich data descriptions (Eisenhardt, 1989; Miles & Huberman, 1994; Siggelkow, 2007; Yin, 1994). Given that a qualitative approach was suitable for this phenomenological case study, the propositions that emerged from the data are bound by the specific context of the case. However, several attributes of this case may be transferrable to other cases, such as a moderately environmental dynamism, a relatively large decentralized organizational structure, a complex product or service portfolio produced in a network of facilities, and business units with a relatively high degree of relatedness. Other factors that are specifically attributable to the MUF used in the case study may limit generalizability; these factors include the age of the firm, the global nature of the firm, the markets the firm pursues, and the saturation of those markets, as examples. While the comparisons with actual theory and the existing literature suggest that the findings in this dissertation are at least partially generalizable, the use of comparative case studies could be used to better ground evolving theories.
2. The single case study approach employed by this dissertation cannot effectively uncover weightings of the success factors for the realization of continuous synergistic growth. As an example, the researcher cannot attribute the relative importance of organizational design factors for the realization of sustained corporate advantage. While critical success factors were identified for growth synergy, the researcher

- cannot reliably assign importance or relevance to them. These insights would be better suited for a quantitative research approach that uses deductive methods, random sampling, and pooled statistical logic. This, therefore, emphasizes the need for quantitative follow-up studies.
3. This research is limited by interpretations of the data, which are subjective. The opportunity for subjective bias has been reduced in three ways. First, the co-researchers, who had intimate knowledge of the case company, reviewed the coding of the data (Yin, 1994). Second, these key informants confirmed the results of the coding and subsequent theme mapping (Mayring, 1996). Third, the researcher followed the data analysis rules of grounded theorizing (Strauss & Corbin, 1990, 1996). Even so, this research still has the risk of subjective and invalid interpretations of the data that emerged from the investigation.
  4. While the researcher used several measures, common to businesses in these markets, to ensure that growth synergies were, in fact, realized during the study period, the time span may have been too short to assess continuous growth synergy realization. It may have been, therefore, difficult to capture all relevant success factors. It is possible that, had the study been extended, that other important success factors would have emerged. The organization was set on a path of continuous evolution; however, a longer period of time was beyond the scope of this study.
  5. The research design used in this study was holistic and multi-faceted (strategy, organization, and corporate) and so inherently has some limitations regarding theory building. The researcher has reflected the complex nature of the phenomenon under investigation through his research design. The complexity of the case study may,

however, limit the development of coherent theory (Miles & Huberman, 1994). Real world phenomena, by its nature, are complex and cannot be described with simple cause and effect descriptions or recommendations. Consequently, while this study makes contributions to mid-range theory regarding continuous synergistic growth realization, it also provokes new thought processes and perspectives intended to inspire future theorizing.

6. Lastly, the selection of variables may not be complete. The study was focused on MUF-level factors that related to growth synergy realization and was incomplete in its analysis of individual-level factors, such as management styles, engagement, social networks. These factors may have an impact on the achievement of desirable outcomes (Martin, 2002; Martin & Eisenhardt, 2010). Consequently, the researcher is cognizant of the fact that there is further opportunity regarding the development of mid-range theory within the research objective of this study.

While the researcher has discussed opportunities for further study above, it would also be valuable to know, in fact, if:

1. The single case study design used in this study requires additional empirical proof. Comparative case studies across the industry would deepen understanding and add empirical evidence. Furthermore, a quantitative approach using a larger sample size could test the findings put forth from this in-depth single case study. This supplementary investigation would further enhance the mid-range theory for continuous, growth synergy realization presented in this study. Future research could also extend the boundary conditions of the mid-range theory presented in this study. For example, studies could be conducted in different market sectors with varied

- degrees of dynamism, they could be done in MUFs with a different degree of relatedness, they could include size as a more significant variable, studies could include variability with regard to organizational complexity, and studies could include varied degrees of centralization. Lastly, future studies could include a more significant social component that may include more empirical information about leadership networks and cross-business influence or influence within the LIMs.
2. There is a relationship between efficiency and growth synergies during simultaneous deployment. This relationship, following more in-depth study, could produce insightful information. Studies could explore this relationship further by looking at environmental dynamism, strategy, leadership, and relationships within the industry to obtain further insights. Researchers could explore internal organizational dynamics further as it relates to the impact on the organization constructs in play when efficiency and growth are simultaneously deployed. A study could determine to what extent, if any, organizational design introduces inertia during profitability-oriented evolution. Further researcher could focus on organizational design (stable mechanistic designs vs. flexible organic designs) as it related to the ability of the MUF to tolerate these changes.
  3. There could be further research regarding high level theories that are related with regard to realizing growth synergies. An integrated theory, or meta-theory, would link existing theories that explain and allow for the correction of cross-business deficiencies in a MUF. While this study offers up some recommendations by evolving mid-range theory for sustained corporate advantage through synergistic growth, additional research could provide an integrated over-arching theory for

MUFs in a broad range of markets. High-range theory interaction needs to be understood and this could be a challenge for further research.

**Practice.** This study underscores the perception that an innovative organizational structure can improve the financial performance of a MUF. Certain patterns have emerged from this study that expose implications for participants in organizations. This study brings to light the significance of the following:

1. The study emphasizes that the realization of growth synergies is an important source of corporate value. The empirical results of the research suggest that MUF leaders should consider growth synergies across their related businesses in their corporate strategic plans. As customer requirements change, megatrends influence consumer behavior, and technology emerges, so must organizational constructs. Conceptual arguments have been presented to assist managers with these challenges.
2. The key success driver for the continuous realization of growth synergies, based on induction from empirical data, is a selective focus on actions that contribute to the capability of a decentralized design that is optimally collaborative. Corporate managers need to follow a rapid evolution towards location autonomy that is motivated by a guided and balanced self-interest. This in-depth case study provides themes, theme patterns, and rich descriptions that provide managers with specific context regarding the researcher's recommendations.
3. This study emphasizes the importance of exploiting strategies that include related diversifiers. This stimulates cross-business growth that should occupy short- and long-term growth plans. Consequently, MUF leaders are advised to include these concepts into strategic plans.

4. This study reveals that LIMs, as collaborative mechanisms, provide connectedness and governance. These integrative structures allowing for alignment and focus between businesses and other relevant entities in the organizational construct presented. LIMs promote an addressable market focus while promoting stability and efficiency, as seen in the effort needed to achieve synergistic profitability. This novel and dynamic construct is offered to managers to achieve stability in a dynamic environment.
5. The study highlights the value of selective and supportive value-adding character of the corporate center. Supportive behaviors from the corporate center are situational and should promote entrepreneurial behavior within the MOS dimensions. The corporate center may be more useful than just providing financial performance feedback to P&L owners. They can also assist with strategy, reward systems, coaching, and technology incubation. These functions should exist where there is value-producing opportunity for the MOS and should not involve assuming operative responsibilities. MUF leaders are encouraged to minimize the corporate overhead burden as this cost constrains involvement of locations in their addressable markets due to pricing requirements.
6. The study recommends a flexible organizational form, the MOS. The MOS allows for co-evolutionary adaptation and growth in dynamic markets that incrementally change. Organizational change should be incremental, but rapid. The MOS can then realize a continuous incremental competitive advantage through performance and scalability. MUF leaders are encouraged to design responsive, multi-dimensional organizations that can adapt in times of strategic uncertainty and market convergence.
7. Finally, the study provides practitioners with specific information and an overview of organizational design dimensions that are able to exploit cross-business growth issues.

The MOS dimensions, part of a primary structure, can be augmented by LIMs, a secondary structure, which may be formal or informal, small or large, strong or weak.

These structures have a variable amount of decision-making capability. They are instead meant to assist with decision making that is informed, aligned, and strategically viable.

### **Summary of Chapter 5**

Chapter 5 presents conclusions and future implications for theory, research, and practice. This study was undertaken to explore and examine the impact of organizational design on the synergistic growth of a MUF. This chapter presented the researcher's conclusions, specifically that (a) a multi-unit firm can realize cross-unit growth synergies, (b) there are types of growth synergies that a MUF organized in a MOS can realize, (c) there are multiple ways that a MUF organized in a MOS can realize the benefits of growth synergies, (d) the corporate center has a role in achieving growth synergies, (e) LIMs influence the achievement of growth synergies in a MOS, and that (f) a one-ness strategy aligns the MUF such that it can better achieve growth synergies. This study encourages theorists to view organizational design elements not as detached, but rather related within itself and to desired outcomes. These elements are conjoined, active, and subjective processes that are structured and organically adapting with success to a dynamic marketplace for the purpose of realizing growth synergies. From a research perspective, this study demonstrates the value of changing the way we conceptualize organizational structure and dynamics in a multi-unit global organization. By doing so, the researcher was able to bring new insights on the requirements needed to achieve desired outcomes. This research confirms other findings, although they are very limited, that a multi-dimensional organizational design can be significantly influential in achieving growth synergies.



The objective of the corporate strategy for MediaCorp was to achieve financial expectations through the realization of growth synergies. To achieve this goal, corporate, location, product, service, support, and sales leaders continuously focused their attention on opportunity realization and dimensional optimization. Vertical optimization focused on location profitability through superior service, strategic positioning, and operational excellence. Corporate and dimensional leaders tried to position these business units in attractive markets with sustainable growth and high-earnings potential. Operational excellence was achieved through performance management, innovation leadership, a global presence, and class-leading workflows. Horizontal optimization focused on product and service profitability optimization through the realization of cross-unit synergies that were efficiency and growth oriented.

This chapter presented implications for theory, research, and practice. As a result, this study encourages theorists to view organizational constructs through a lens of growth synergy realization. From a research perspective, this study demonstrates that while findings could be extracted from the data, there are limitations to the study that can incentivize researchers to pursue further investigation. Finally, from a practice perspective, this study underscores how the organizational constructs that the researcher puts forward can be used to govern the efficient realization of sustained cross-business corporate advantage.

This study was undertaken to explore the sustained realization of corporate advantage that can be achieved through the realization of growth synergy. This chapter presented the researcher's conclusions regarding the types of synergies that a MUF can realize and how these synergies can be experienced continuously. While research has listed specific synergies, it has not discussed the approach needed to realize them in a systemic way. Furthermore, research has focused more on cost sub-additives (efficiency synergies) rather than profitability super-additives

(growth synergies). The realization of profitability-enhancing super-additives through collaboration within an effective organizational design is typically neglected.

Several major findings were put forward during this study. First, the study emphasized a topology for resource-based efficiency. This includes the exploitation of profitability, pricing power, strength, and scalability synergies. This study puts forward, specifically, mid-range theory regarding growth synergy. This is a profitability advantage for MUFs that are able to recombine and redeploy complementary operative resources across business units. The study also puts forward mid-range theory regarding the supporting integrative and selective involvement of corporate and LIMs, each of which are discussed in detail. This study puts forward mid-range theory regarding growth synergy realization through the strategic concept of focused and selective action. Another mid-range theory is discussed regarding decentralized collaboration within a MOS that inspires performance through a guided and balanced self-interest. This study focuses on creating corporate value by achieving profitability super-additives that benefit from cross-business complementarity and related diversifiers. The novel organizational constructs offered up by the researcher suggest a governance methodology that is more agile, continuously robust, and significantly able to exploit the addressable market for increased profitability. These organizational constructs provide competitive opportunities to MUFs that exploit them, as they provide the ability to achieve the successful recombination of resources across businesses, dynamic capability in a moderately dynamic market, co-evolutionary change at a suitable pace, and the ability to exploit innovation across business units and sectors. The researcher believes that this dissertation puts forward a compelling and under-explored perspective on strategy and organization in a MUF with the intent of encouraging further research in this area of study.

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APPENDIX A

GPS IRB APPROVAL LETTER

# PEPPERDINE UNIVERSITY

## Graduate & Professional Schools Institutional Review Board

April 2, 2015

Joel Bigley

Protocol #: E0115D01

Project Title: Leveraging Growth Synergies in Multi-Unit Business through the Application of a Multidimensional Organizational Design Augmented by Lateral Integrative Mechanisms: A Phenomenological Case Study

Dear Mr. Bigley:

Thank you for submitting your application, *Leveraging Growth Synergies in Multi-Unit Business through the Application of a Multidimensional Organizational Design Augmented by Lateral Integrative Mechanisms: A Phenomenological Case Study*, for exempt review to Pepperdine University's Graduate and Professional Schools Institutional Review Board (GPS IRB). The IRB appreciates the work you and your faculty advisor, Dr. Rhodes, have done on the proposal. The IRB has reviewed your submitted IRB application and all ancillary materials. Upon review, the IRB has determined that the above entitled project meets the requirements for exemption under the federal regulations (45 CFR 46 - <http://www.nihtraining.com/ohsrsite/guidelines/45cfr46.html>) that govern the protections of human subjects. Specifically, section 45 CFR 46.101(b)(2) states:

(b) Unless otherwise required by Department or Agency heads, research activities in which the only involvement of human subjects will be in one or more of the following categories are exempt from this policy:

**Category (2) of 45 CFR 46.101**, research involving the use of educational tests (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures or observation of public behavior, unless: a) Information obtained is recorded in such a manner that human subjects can be identified, directly or through identifiers linked to the subjects; and b) any disclosure of the human subjects' responses outside the research could reasonably place the subjects at risk of criminal or civil liability or be damaging to the subjects' financial standing, employability, or reputation.

Your research must be conducted according to the proposal that was submitted to the IRB. If changes to the approved protocol occur, a revised protocol must be reviewed and approved by the IRB before implementation. For any proposed changes in your research protocol, please submit a **Request for Modification Form** to the GPS IRB. Because your study falls under exemption, there is no requirement for continuing IRB review of your project. Please be aware that changes to your protocol may prevent the research from qualifying for exemption from 45 CFR 46.101 and require submission of a new IRB application or other materials to the GPS IRB.

A goal of the IRB is to prevent negative occurrences during any research study. However, despite our best intent, unforeseen circumstances or events may arise during the research. If an unexpected situation or adverse event happens during your investigation, please notify the GPS IRB as soon as possible. We will ask for a complete explanation of the event and your response. Other actions also may be required depending on the nature of the event. Details regarding the timeframe in which adverse events must be reported to the GPS IRB and the appropriate form to be used to report this information can be found in the *Pepperdine University Protection of Human Participants in Research: Policies and Procedures Manual* (see link to “policy material” at <http://www.pepperdine.edu/irb/graduate/>). Please refer to the protocol number denoted above in all further communication or correspondence related to this approval. Should you have additional questions, please contact Kevin Collins, Manager of the Institutional Review Board (IRB) at [gpsirb@pepperdine.edu](mailto:gpsirb@pepperdine.edu). On behalf of the GPS IRB, I wish you success in this scholarly pursuit.

Sincerely,



Thema Bryant-Davis, Ph.D.  
Chair, Graduate and Professional Schools IRB

cc: Dr. Lee Kats, Vice Provost for Research and Strategic Initiatives  
Mr. Brett Leach, Compliance Attorney  
Dr. Kent Rhodes, Faculty Advisor

## APPENDIX B

### List of Definitions

This section contains definitions that are not defined in the dissertation. The scholar provides definitions of terms within the context of the dissertation content.

Agency advantages. A cost benefit that comes from the reduced cost of monitoring human resource utilization and performance.

Boundary spanning personnel. Human resources that come into contact and work with other resources outside of their department.

Business intelligence. Knowledge derived from the mining and analysis of business market and transaction data.

Captive vendor. As opposed to a multi-client based revenue model, this model occurs when a vendor has only a few clients and is therefore under significant pressure to comply with their clients' demands or experience significant revenue loss.

Coal face. The place where the working conditions or the situation in general is most accurately understood as it is physically or mentally close to reality.

Cognitive inertia. Phenomenon that act as psychological barriers to change.

Collaborative decentralization. Free flowing intelligence sharing at locations away from the corporate center for purposes of locally created corporate advantage.

Cross-selling. Encouraging a customer who buys a product to also buy a

complementary product.

Disruptive technologies. A new technology that harms a traditional business method or practice, and so compromises the revenue stream.

Dynamic markets. Radical changes in supply and demand in a given market that affects available capacity, technology, and pricing accelerating product life-cycles.

Emerging markets. Immature, volatile, and undeveloped revenue streams that are exploitable opportunities if existing synergistic capabilities can be utilized.

End-to-end. When a supplier provides all related services in a vertical supply chain.

Horizontalized. Pushing a policy or practice across similar functions that are physically separated.

Hunter vs. harvester. A reference to the behavior of sales resources: the former that aggressively seeks new revenue streams and the latter that tries to exploit as much from existing clients as is possible.

Implanted personnel. Human resource that is located in the client's facility for purposes of facilitating the orders from the vendor that is paying for this resource.

Intercompany pricing. Rates that are established whereby one business unit can charge another for goods sold. This provision allows for the temporary utilization of another business unit's capability.

Megatrend. Macro-economic forces that impact business, economy, society, cultures, technology, and personal lives, thereby, altering the future world and



its pace of change.

M-form. A multi-divisional firm separated into semi-autonomous business units guided and controlled by the corporate center.

N-form. Attributes include temporary constellations of people, the importance of personnel at “lower levels,” lateral communication, a catalytic and architectural role for top management, strategies aimed at focusing, and economies of depth (Hedlund, 1994).

One-ness. Resultant company attributes following a transformation that breaks down company silos for the purpose of creating a singular consistent client experience regardless of the touch point.

Operational autonomy. Organizational attributes when a degree of decision-making freedom is given with the assumption that leaders will pursue the interests of the company in the absence of directional mandates from the corporate center.

Organizational inertia. The tendency of an organization to continue on its current path including a lack of motivation to respond with a resource change as well as a desire to sustain existing routine structure (Kelly & Amburgey, 1991).

Precipitating event. A significant positive response to a crisis that rescues the company’s financial results and mitigates permanent brand damage and significant talent loss.

Predictive. Action in anticipation of an action to mitigate its effect.

Proactive. Action prior to an action to mitigate its effect.

Product configurations. Supply chain processes alter product elements through manipulation and combination resulting in a configuration that is ultimately delivered to a client; however, mass customization and complexity diminish benefits from economies of scale, while product commonality and workflow synergies enhance benefits.

Reactive. Action after an action has already happened to mitigate its effect.

Recalibrate. Organizational agility is based on capability to adapt to a changing environment in response to business intelligence and other feedback.

Researcher. The author of this dissertation when pursuing findings.

Ripple effect. Following an action there is a subsequent broader impact in response to the initial action that propagates to other entities that may or may not be related or even noticed.

Saturated markets. An economic situation in which a product has been distributed, flooding a market such that a further incremental sale is negatively affected by consumer purchasing power, technology, price, and competition.

Scalable. Capacity that can be increased with no impact to performance and minimal effort using similar methods and infrastructure.

Scholar. The author of this dissertation when not pursuing findings.

Sector. An industrial market that is distinguished by regulation, product use, and the involvement of unique communities of practice.

Self-cannibalization. Offering a new product or service to penetrate a new class of customers in the hope of increasing revenue even though it consumes sales from an existing core product market. This may be done to replace a core

product whose life-cycle is ebbing or extend the core products life-cycle by making it more attractive through pricing.

Siloed. Functional or geographical organizational constructs that isolate loyal human resources requiring bridges for collaboration and trust. Self-interest in silos promotes change inertia and inhibits innovation.

Slack resources. Resource, money, people, or time that is not being utilized due to a temporary work volume reduction or cycle.

Spend. A budgeted product or service volume with repeated activity over a period of time.

Stakeholders. Human resources that stand to gain or lose depending on a business outcome.

Static markets. Markets that experience a small amount of change in volume or complexity over a period of time.

Sub-additives. The value of two separate entities is more if they act alone than if they acted together.

Super-additives. The influence of the combination of two separate entities is more than the sum of their measured contribution had they acted independently.

Transaction advantages. Supply chain transaction cost efficiencies through vertical supply-chain coordination (Hobbs, 1996).

U-form. An organizational design with a single unit that produces a single product.

Undulations. Market changes over time due to life-cycles and seasonality as

examples.

Value chain. A supply chain constructed of linked functions that are value focused.

## APPENDIX C

### List of Abbreviations

Account director (AD).

Account manager (AM).

Analysis of good (ANOG).

Application program interface (API).

Body of knowledge (BOK).

Business continuity plan (BCP).

Business intelligence (BI).

Business unit (BU).

Capital expenditure (CAPEX).

Chief executive officer (CEO).

Client service representative or project manager (CSR/PM).

Code of federal regulations (CFR).

Community of practice (COP).

Customer relationship management (CRM)

Disaster recovery plan (DRP).

Earnings before interest, taxes, depreciation, and amortization (EBITDA).

Economic profit (EP).

End-to-end (E2E).

Enterprise resource planning system (ERP).

et alli – meaning *and others* (et al.).

et cetera – meaning *and so on* (etc.).

Example (ex.).

Failure mode and effects analysis (FMEA).

Free cash flow (FCF).

Freelance labor (FL).

Full-time labor (FT).

Head count (HC).

Human resources (HR).

id est – meaning *that is to say* (i.e.).

Information technology (IT).

Institutional review board (IRB).

Intellectual property (IP).

Key performance indicator (KPI).

Lateral integrative mechanism (LIM).

Leader-member exchange theory (LMX).

Line of business (LOB).

Management information system (MIS).

Management review (MR).

MediaCorp - disguised case company (MC).

MediaCorp University (MU).

Merger and acquisition (M&A).

Multi-unit firm (MUF).

Multidimensional organizational structure (MOS).

Network-based production (NBP).

On-the-lot (OTL).

One Media Corp - an alignment strategy (1MC).

Overall research question (ORQ).

Pricing power synergy (PP).

Pro-forma P&L for X quarter (PFX).

Process cycle efficiency (PCE).

Profit and loss - may refer to business unit with financial measures (P&L).

Profitability synergy (PR).

Project management office (PMO).

Proof of concept (POC).

Proposition number - followed by a number (P#).

Purchase order (PO).

Quality assurance (QA).

Quality control (QC).

Quality management system (QMS).

Quality of life (QoL).

Quality system documents (QSD).

Request for proposal (RFP).

Research and development (R&D).

Research question - followed by a number (RQ#).

Return on investment (ROI).

Sales force effectiveness (SFE).

Sales manager (SM).

Scalability synergy (SC).

Security management system (SMS).

Service level agreement (SLA).

Stock keeping unit (SKU).

Strength related synergy (LS).

Structured planning method used to evaluate the strengths, weaknesses, opportunities, and threats involved in a project or in a business venture (SWOT analysis).

Subject matter expert (SME).

User interface (UI).

versus – meaning *against* (vs.).

Voice of the customer (VOC).

Work in progress (WIP).

Work instruction (WI).

Work order (WO).

Worldwide (WW).

Year-over-year (YoY).