

Organizational design in enterprise modernization

Optimizing at the enterprise level means leveraging structure and technology to transform culture and relationships.



CONTENTS

Automation and remote work are challenging conventional wisdom about the shape of a successful organization. Enterprises that proactively reimagine their culture and processes will be the best positioned to use these shifts to their advantage, while organizations that wait until change is inevitable risk losing the competitive edge. See our insights about how organizations are using new tools to transform with integrity and durability.



The latest trends in enterprise organizational design

How can unique companies take a systematic approach to optimizing their structure and processes? Here are some of the most significant innovations in recent years.

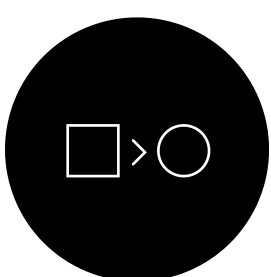
02



Culture conflict: lessons from the remote work revolution

Switching to remote work has panned out well for many organizations. But the long-term erosion of work culture may prove to be a silent killer.

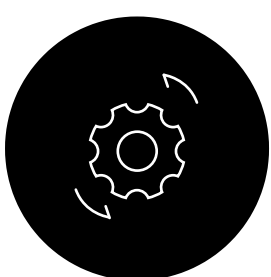
07



Transforming the enterprise through Total Experience

By prioritizing effective relationships both within and outside the organization, enterprises can deliver game-changing value and efficiency.

10



Taking a closer look at business process automation

Innovations in automation have given organizations the opportunity to make big changes to how they operate at every level.

12

The latest trends in enterprise organizational design

How can unique companies take a systematic approach to optimizing their structure and processes? Here are some of the most significant innovations in recent years.

What is the best organizational framework for a company to maximize efficiency? What kind of corporate structures are best for team culture to thrive? With significant developments in working environments and technology, large enterprises and legacy brands have discovered new answers to the key questions of organizational design. By breaking out of outmoded patterns of top-down corporate hierarchy, these companies have found the freedom to redesign their processes to adapt to the new playing field.

Culture audits

With recent research showing that a healthy work culture can lead to a 4x increase in revenue growth¹, many organizations have looked for methods to measure and optimize their corporate culture as they would other internal processes. Performing regular “culture audits” is one technique that’s been used

effectively to ensure that value-driven companies are living up to their principles.



Many managers live by the saying: ‘you can’t improve what you don’t measure.’ While this mindset can work for companies looking to boost quantitative metrics like sales figures, it becomes more challenging when applied to corporate culture.

- Raju Vegesna, Chief Evangelist at Zoho

For many organizations, these audits are conducted in phases, similar to other kinds of audits: planning, processing, and reporting. Audits often begin with anonymous surveys throughout the

[1] Forbes, 2021

company to establish a baseline for comparison. Subsequently, they review their official culture statements, code of conduct, and HR data. Finally, they use both sets of data to compile a detailed report on the successes and failures of their stated goals, based on the perceptions of the employees.



Stay connected, with Zoho

In order to help our users maintain a healthy network of communication, Zoho has developed Connect, an org-wide corporate social intranet solution. Leadership can use interactive virtual townhalls to foster a connected culture, and teams can organize complex projects with kanban boards. Connect utilizes the tools of social networks to incentivize cross-team collaboration and remote productivity.

These audit reports often highlight the narratives of specific teams or verticals that stand out as models for success, or areas for improvement. While each organization needs to carefully consider the best ways to optimize post-audit, taking stock of cultural concerns can have a positive effect on its own.

Agile remote teams

Although agile project management has been around for some time, its value has increased significantly in the era of remote work. Vijayakumar Sadagopan, Lead Product Manager of Zoho Sprints explains: “Historically, IT and software development teams have been the main users of agile. Now, the sudden transition of these globe-spanning companies from in-person working to fully remote is introducing all new challenges to many teams that are simply unprepared, logistically speaking.”



This big shift has made agile teams' emphasis on maximizing independence and minimizing bureaucratic obstacles particularly attractive. The strategy has proven especially effective at moving complex tech projects through multiple stages of development.

93%

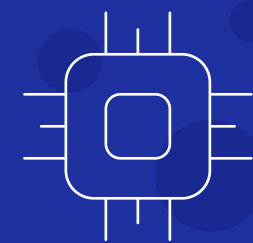
of agile-based teams performed better than non-agile teams within the same company following the switch to remote work.

[McKinsey, 2020]

In particular, the agile philosophy of "self-management" has stood out as a difference-maker. This means distributing more responsibility to individual team members, since the ability for managers to provide detailed oversight on tasks is much more limited when communicating virtually. It's no surprise then, that non-IT agile adoption doubled throughout the course of 2020².

[2] Digital.ai, 2021

Whether this agile-ization of business is only a temporary response to a crisis, or marks a more permanent change remains to be seen. However, forward-looking companies are incentivized to prioritize hiring candidates with agile expertise into management roles. At the same time, many have invested significant resources into remodeling their corporate cultures to reward independence and responsibility.



Sprint to the finish!

One of the ways that Zoho has made it easier to work together is with our project management tools, Zoho Sprints and Zoho Projects. Sprints is designed around a streamlined agile philosophy to incentivize lean, iterative development and team collaboration. Projects is built for teams that favor a traditional waterfall method for managing resources and planning tasks in well-coordinated stages.

Process automation

Business process automation has been one of the more significant technological developments in organizational design in recent years. The ability to orchestrate precise rules and tasks on the macro level provides business leaders with the opportunity to build out their ideal work models, and experiment with new concepts on the fly before pushing them live. It's understandable then, that as of 2020, only 16% of businesses have no automation plans³, and the vast majority of the technology currently deployed prioritizes process automation.



Even beyond the increase in profits and lowering of operating costs, improved customer engagement and a lighter

employee workload can have a multiplying effect on positive branding and company culture. One of the main obstacles to implementing new technology is adequately staffing teams with the right skill-sets to deploy and manage it. In a 2021 McKinsey survey, the highest performing companies prioritized filling tech positions with high-quality individuals 15% more than their competition⁴.

Inadequate talent in either the tech or design side of a process automation rollout can have far-reaching consequences given the amount of infrastructure that it's responsible for maintaining. Organizations often establish specialized roles that are dedicated to process automation. For example, companies will often bring on digital transformation leads to execute their automation and orchestration strategies, as well as data compliance and security experts to ensure that their process automation is executed ethically and securely. Committed organizations will assign experienced financial analysts to their automation teams to analyze the ROI, and allocate funds appropriately to optimize results from a business perspective.

[3] McKinsey, 2020

[4] McKinsey, 2021

The ceiling for potential gains from business process automation is incredibly high.

Enterprises looking to revamp their org structure have little to lose from investing in a skilled team to onboard and maintain it successfully.



Centralized process automation

Zoho has made process automation a major priority in our mission to enable organizations with new ways for optimizing out work. To that end, we've developed Zoho Qntrl, our SaaS workflow orchestration platform, to automate key business processes. With centralized process mapping, and enhanced compliance features, Zoho has made Qntrl to assist enterprises that are looking to streamline their work, org-wide.

Designing a better organization

Now more than ever, enterprises are paying more attention to how the structures within their organizations inform both productivity and culture. By acting proactively and making constructive changes, these companies can foster a healthy working environment that's future-proof.

Culture conflict: lessons from the remote work revolution

Switching to remote work has panned out well for many organizations. But the long-term erosion of work culture may prove to be a silent killer.

While a remote workforce has significant advantages in the current business landscape, the increased digital distance can have the side-effect of concealing growing tensions between employees and leadership. More and more organizations are becoming aware that healthy company culture isn't just a job perk—it's critical for long-term success. Looking past empty buzzwords, culture at its core can be thought of as the ultimate performance metric—the combined quality of communication, structure, and purpose within an entire organization.

Mutually beneficial

As more research has emerged, the ROI of maintaining strong corporate culture has become clear, as well as the risks of inaction. According to data from McKinsey⁵, companies that rank in the top quartile of corporate culture have on average earned much higher returns for

shareholders: 60 percent higher than the median companies, and 200 percent higher than those in the bottom quartile.

Additionally, upper management teams have found that a more purpose-driven culture leads to more focused and motivated team members. This means that organizational leaders are able to dedicate more time to big-picture strategy concerns without the burden of constant micromanagement and oversight.



[5] McKinsey, 2018



When employees feel connected to their company, it's a powerful thing—and difficult to win back when lost. Especially now, at a time when employee expectations are rising, today's prosperous enterprises could find themselves facing a brain drain tomorrow if they don't take their responsibilities seriously.

- Raju Vegesna, Chief Evangelist at Zoho

Additionally, employees are more committed to their work when they can sense that they are working together towards the same goals as their managers and colleagues—as opposed to the demoralizing effects of working at cross-purposes, or inconsistent standards. The resulting productivity boost

and sense of well-being can be a substantial asset to an organization, yet few companies are willing to expend the resources to make it happen. To the contrary, as many as 30% of employees⁶ surveyed claim to anticipate a cultural crisis within their organization in the next 2 years.

Statements vs. Actions

Companies may find it helpful to view cultural issues as conflicts between the stated values of the organization, and their actual execution in day-to-day work. These conflicts are often exacerbated when leadership attempts to reinforce their prescribed culture from the top, rather than listening to and addressing the experiences of their employees. Quick fixes from management—like releasing a revised mission statement, or holding a few all-hands meetings—can generate a morale boost in the short-term, but when the company again fails to live up to their ambitious goals, these gains are quickly reversed.

This cultural dissonance is unfortunately common. A 2019 report⁷ revealed that only 28% of employees feel strongly that their values and actions are in alignment with

[6] UnitedMinds, 2019 | [7] UnitedMinds, 2019

their organizations. This widespread failure demonstrates a need for more engaged leadership across the board. Business leaders that make deliberate efforts to model the behavior that they're asking for, while also spotlighting high-performing employees from across the organization, stand to make the most efficient use of their influence.



At Zoho, we've established a practice of recognizing our 'game-changer' employees—those who have made a significant impact through their own initiative. The result has been more engaged, more inspired employees, which is exactly what has made Zoho a success since the beginning.

Culture at a distance

The logistical challenges of remote work have made it much more difficult to maintain company culture from afar. Many unprepared organizations have adopted an out-of-sight out-of-mind attitude to cultural

concerns while they struggle to re-adjust. However, this cultural neglect has only amplified the difficulties in adjusting to the new normal.

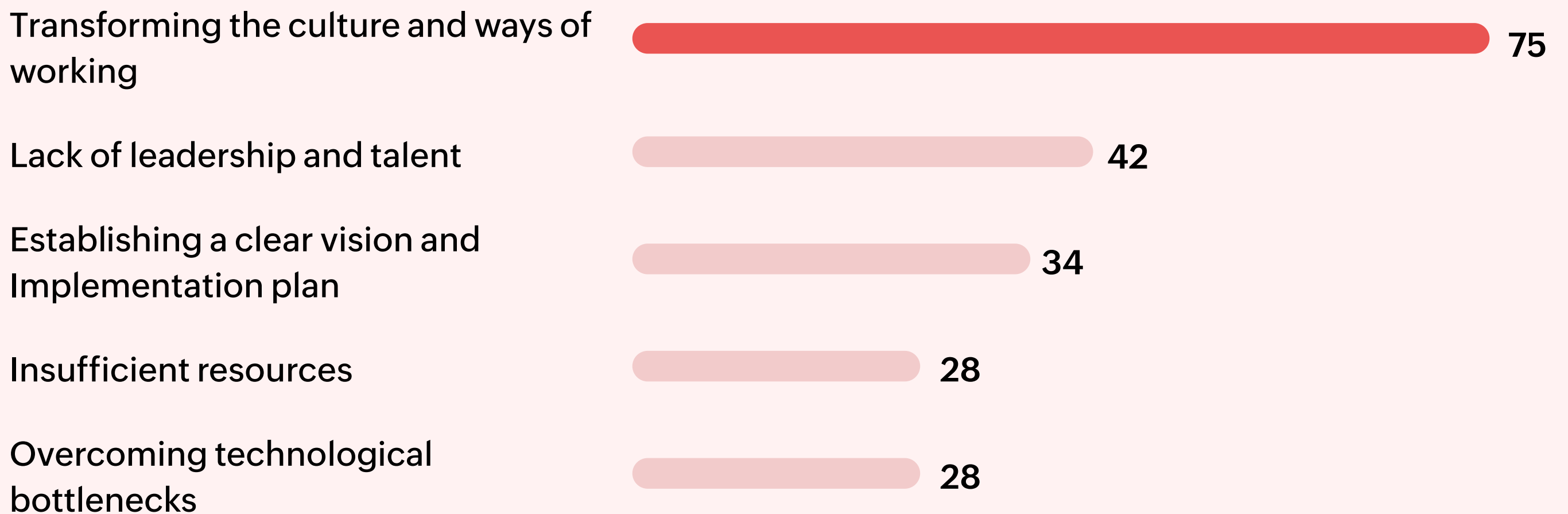


Collaborate virtually, with Zoho

In 2020, Zoho shifted over to complete remote work. In that time, we relied on our own suite of collaboration tools to support our thousands of employees co-working virtually, worldwide. We were able to stay seamlessly connected with integrated work chat and video, virtual townhalls with leadership, and community-based project collaboration tools. Zoho offers its comprehensive remote collaboration suite to empower its users with the building blocks for strong corporate culture under any circumstances.

More than 70 percent of respondents are transforming to agile; changing the culture is their biggest challenge.

Top five challenges during an enterprise agile transformation, % of respondents (n=1,411)



[Source: McKinsey, 2020]

Over 70% of organizations⁸ have attempted agile transformations in the period following lockdown. The number one challenge to a successful transformation? Implementing cultural changes—far beyond both tech and resource allocation.

Many of these companies are now in the unfortunate position of addressing their long-overlooked culture issues in an exceedingly difficult environment.

Meanwhile, the minority of organizations that have already established strong group cohesion have demonstrated their resilience.

[8] McKinsey, 2020



Stronger together

Following a massive shift in the business landscape, it makes sense that something as nebulous as corporate culture might fall by the wayside. However as the market continues to acclimate, it appears that a solid foundation of healthy corporate culture has proven to be worth the hype.

Transforming the enterprise through Total Experience

By prioritizing effective relationships both within and outside the organization, enterprises can deliver game-changing value and efficiency.

Total experience (TX) ranks high on Gartner's list of Top Strategic Technology Trends for 2021. It's predicted to be one of the biggest boosts to enterprises this year, and can change the game for any business with a strong analytics system.

In October 2020, Peter High, contributor at Forbes, summarized TX as a combination of "customer experience, user experience, employee experience and ultimately multiexperience to impact and transform business outcomes."



So how does TX lead to those transformations? It starts with viewing the

many types of competition and engagement with customers an enterprise faces as part of one whole picture. Namely:

1. **Team:** Finding, hiring, and retaining the best talent.
2. **Customers:** Winning and keeping customers happy. Voice of the Customer!
3. **Partners:** Building strong relationships with partners and vendors.
4. **Analytics:** Observing, analyzing, and making predictions about all these aspects together. Everything adds up to one complex system of experiences a business creates. The seamless functioning of these makes for successful enterprises.

Creating complete, consistent, and holistic experiences has huge advantages. It makes it easier to implement changes across an organization, leverage analytics to generate a wealth of information ready for decision-makers to use, creates superior customer experiences, and so much more.

That's a lot to capture all at once, and it goes further than the idea of breaking down silos. Putting TX into practice means bringing many separate aspects of an organization together at every level. This isn't possible without a technology platform that integrates smoothly across all business functions. Analytics and reporting functions need to be able to capture data from all departments and present that information in accessible and informative ways to make smart business decisions and improvements.

To really make the most of this strategy requires a fully integrated system across all business functions. For example, support agents need contextual information about each customer right in their help desk interface. To make that happen, automations and workflows need to flow seamlessly across apps. One gap in the enterprise's platform can interrupt the flow of information and prevent even the savviest leaders from harnessing TX.

Building better experiences for your internal and external customers can transform your enterprise as a whole, and it starts with transforming your software system. Now is the perfect time to consider reinforcing your platform with fully-integrated analytics

capabilities and fully integratable software to fill in any gaps in your system.



Zoho's broad suite of cloud-based SaaS applications has everything you need to fill out your technology platform and create a winning TX strategy. Our suite includes every area of business: from marketing, sales, customer support, finance, accounting, remote work management, human resources and project management with world-class analytics, AI, automation, and much more, to support a consistent, comprehensive total experience.

Taking a closer look at business process automation

Innovations in automation have given organizations the opportunity to make big changes to how they operate at every level.

Business process automation (also known as “hyperautomation”) offers organizations the ability to re-map and re-optimize any of their processes, virtually on the fly. While most enterprises are already using some form of automation to boost efficiency, many say that the technology has the potential to do much more. With well-coordinated process automation systems in place, orgs can go beyond incremental improvements, and reimagine the way they operate on a fundamental level. However, before adopting a BPA-forward strategy, it’s important for decision-makers to understand which steps they can take to take to maximize the results they’re looking for, and minimize disruption.

Centralized strategy control

What hyperautomation offers that more specialized automation tools do not, is a comprehensive view of all digital processes across every team and department. This level of oversight enables

leadership to weave together precise, conditional rules for how data and resources flow together.



The result of this kind of hyperautomation is an all-encompassing map of operations, with granular, centralized control. The company is able to standardize operations with a single piece of software, at a scale which would require a whole network of applications otherwise.

- Raju Vegesna, Chief Evangelist at Zoho

However, if the leadership isn't able to reach consensus on a unified vision for their organization, the lack of coordination will likely reflect in an uneven, disorganized application of the tech.



Org-wide automation

Automation has played a major role in Zoho's mission to optimize work. However, many of these products have targeted specific tasks or departments, like CX or finance. With our BPA platform Zoho Qntrl, we've expanded our focus toward empowering enterprises with the tools for orchestrating and automating tasks across an entire organization.

Well-prepared enterprises will often counter this risk by bringing together key stakeholders across the company to determine which processes could benefit the most from automation. By prioritizing the processes that deliver the most ROI, organizations can lay out a data-driven timeline to implement their automation

plans as smoothly and effectively as possible. The broad potential of a comprehensive process automation solution can sometimes lead to paralyzed or disorganized decision-making, so refining a phased-in automation strategy helps avoid the chaos of trying to bring everything online at once.

Fully unified analytics

BPA empowers organizations to create a single source of truth for all of their analytics. By mapping out effective data collection protocols throughout an organization, companies can have the opportunity to track important metrics with a much greater degree of confidence. BPA software can also often integrate analytics dashboards into the front-end, allowing leadership to pull together diverse KPIs from a variety of sources to follow and compare within a single interface.

One common obstacle to unified analytics is data siloing. As Saravanan Muthian, Chief Information Officer at Zoho, puts it: "The problem that we keep seeing is most successful organizations that have been around for a while end up with most of their data cut off within discrete legacy systems.



Over a third of organizations listed data siloing as a top challenge for performing analytics.

[DimensionData, 2020]

This, unfortunately, makes things difficult when they want to pull their data together for high-level analytics.” Fortunately, many BPA solutions come loaded with integrations and workarounds for bringing together data from disparate sources. However, stakeholders can also benefit from proactively seeking out opportunities to de-silo their information, as well as consulting with BPA providers in advance to determine the best course to take for their individual software suite.

Benefits in the workplace

Many of the key benefits of process automation—like improving profits and reducing operating costs—can be measured fairly easily. However, there are a variety of downstream benefits that are just as valuable, but which are more difficult to quantify. Improvements in efficiency



brought on by BPA can often provide employees with more time and motivation to apply to higher-order tasks. Consequently, customer engagement and employee morale are lifted, leading to better corporate culture and brand awareness. This possibility is backed up by a report from McKinsey⁹, which states that at least a third of all tasks can be automated in a majority of occupations.



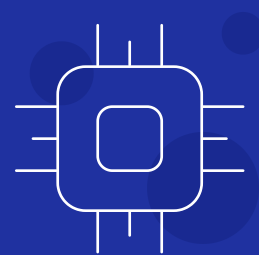
Inaccurate data is costing companies 12% of their overall revenue.

[Forbes, 2019]

However, a majority of these downstream benefits are highly dependent on the quality of data that’s used in automation. Poor data

[9] McKinsey, 2017

hygiene can significantly impair the ability of automated systems to perform work accurately and efficiently. To get the most out of BPA, leadership can assess the level of data literacy among their employees in advance, and implement training programs wherever necessary. With these skills in place, employees can receive the full benefits of their BPA software while improving the well-being of the company overall.



Good, clean data

More and more, organizations are recognizing the value of promoting data literacy and maintaining data hygiene in order to keep their analytics and AI-powered automation running smoothly. This is why we created Zoho DataPrep, our data cleaning tool. Addressing the issue of data maintenance proactively has empowered our users to be more forward-thinking with their automation efforts, and better-informed by their analytics.

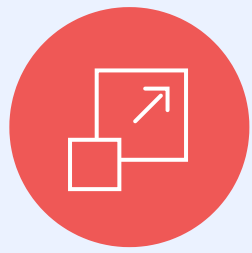
Pioneering automation

The gap between what businesses are currently achieving with technology, compared to what's possible, is still substantial. By taking an ambitious, big-picture view toward addressing the redundancies and outdated practices within their own organizations, hyperautomated enterprises may be closer than ever to closing the distance.



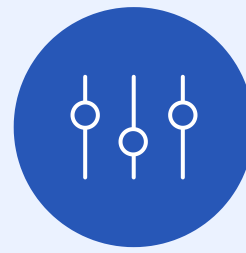
Why Zoho for Enterprise?

Proven software, customer commitment, tremendous value.



Scalability & Reliability

Zoho for Enterprise reduces the cost of infrastructure, unifies existing apps, and solves complex business problems for increased enterprise fitness, resilience, and scalability.



Customization & Extensibility

Through granular customizations and powerful in-house developer platforms, Zoho lets you orchestrate workflows, streamline data management, and deploy world-class solutions at scale.



Security & Privacy

From owning our own data centers to GDPR compliance features, Zoho enables enterprise organizations to focus on core business priorities, rather than data management.



Enterprise Services

From data migration to consultation and implementation, our team is armed with the in-depth product knowledge and industry expertise to meet your unique technical requirements.

Are you ready to transform your organization?

We're here to help. Have a 15-minute, no-obligation call with one of our **Business Architects** to get all your questions answered.

Find us at zoho.com/enterprise |



for **Enterprise**