

How To Design an Ambidextrous Organisation

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By **Jonathan Trevor** and **Peter Williamson**

How can leaders today design and manage their organisation to make it deliver both efficiency and flexibility? The authors explore the emergence of the ambidextrous organisational form, and propose a new concept called “the Enterprise Ecosystem” as a response to address the challenges facing companies in the 21st century.

Many CEOs we talk to nowadays recognise that their companies need to be more flexible to accommodate fast-changing customer demands. They are also under pressure to maintain a relentless focus on efficiency. The result is an uneasy feeling that their organisations are not up to the challenge of doing both well. This frustration shouldn't come as a surprise because the still dominant 20th century models of organisation offer only an unpalatable choice: prioritise *either* efficiency or flexibility.

To maximise efficiency, the tried and tested approach has been to adopt a rigid hierarchical organisation based on top-down decision-making, high division of labour and formal rules, and lastly, policies and procedures optimised for an industrial, mass-production age. For enterprise-wide flexibility, the increasingly popular alternative is to embrace an “internal market” model based on loose networks of empowered experts, few boundaries, high informality, and horizontal interaction across a flat structure that aligns around values. Neither offers a silver bullet. So, companies risk “flip-flopping” between these extremes in endless rounds of re-organisation.

The challenges of the 21st century demand a new approach. A promising avenue of management research is focussed on the emergence of the *ambidextrous organisational* form – these are organisations that are capable of exploiting existing opportunities efficiently, whilst simultaneously exploring new opportunities and developing capabilities for the future¹. Whilst the concept is well established in management literature, how these ambidextrous forms of organisation are designed and managed in practice is much less understood.

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