



# LEAN STEERING

## DESIGN OF AN EFFECTIVE GROUP HOLDING WITH OPTIMIZED SUPPORT FUNCTIONS

### **Starting Situation – The traditional business model is worn out**

The energy sector in Germany was turned upside down within a year. A small portion of the energy mix was to determine the future of the company. Our client found himself confronted with a group-wide reorganization of his steering and management model. The alignment to an adjusted business model resulting from the energy transition (“Energiewende”) necessitated the bundling and re-dimensioning of the support functions.

### **Project Approach – The clear division of “serving and leading” to create a clear understanding of roles**

The goal was to develop a functional blueprint of a lean and, at the same time, effective target organization. While corporate headquarters focused more on sovereign and strategic tasks, the support functions were geared towards quality and efficiency. The Shared Service Centers (SSC) and Centers of Excellence (CoE) were aligned and organized with a view to the consequent division of “serving and leading”. The basis for the analysis was a DAX benchmarking with realized and planned bundling initiatives.

## Finding – Applying proven organizational principles to ensure project success

Proven organizational principles were relied on when designing the support functions.

For the CoEs the guiding principle was “Heads” instead of FTEs to ensure compliance with the high quality requirements. In addition, quality benefits were prioritized over coordination benefits as were project organizations over line organizations while giving consideration to an adequate span of control.

By contrast, for SSCs, the principles “Brownfield” over “Greenfield” applied in an effort to benefit from existing structures, and language over content applied due to the transactional character of the task. The legal “hosting” was to be realized within existing units with a significantly increased span of control.

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## Project Result

1. Realigning and reallocation of more than 10,000 FTEs 2. Bundling of the group-wide support functions in 15 CoEs and SSCs 3. Realization of significant efficiency measures and the reduction of the holding by 50%

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