

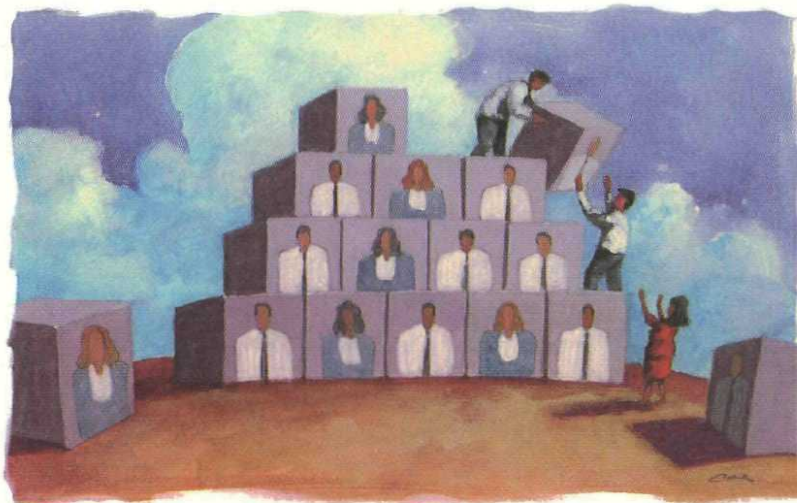
Executive **EDGE**

In 1992 Karolinska Hospital in Stockholm, Sweden, faced financial difficulties. A U.S. consulting group found that Karolinska spent too much time shuttling patients among too many departments. The delays were expensive, and they taxed patients' goodwill, too.

Heeding the consultants' advice, Karolinska reorganized its work around patient flow. "Nurse coordinators" now manage that flow, arranging that a patient be seen by both an internist and a surgeon on the same visit, for example. Some physicians have resisted reporting to nurses. But Karolinska has sharply cut its waiting time for surgeries and now performs 3,000 more of them annually than it did in 1992.

Karolinska is an

"DELAYING" THE ORGANIZATION



Chris McAllister

example of "delayering," the transformation of the traditional hierarchical *vertical* organization, focused on functional or financial goals, into a *horizontal* organization whose focus is on processes—especially those that increase customer satisfaction. Horizontal organizations flat-

ten hierarchies, emphasize teams, empower workers, and thereby reduce time spent in decision making. The ideas are not new, but a number of organizations are putting them to work in a big way:

- Ford Motor's Customer Service Division has reorganized to

build customer satisfaction. In two pilot projects, for example, field teams respond quickly to customers' complaints to dealers. The company hopes to increase from 60 percent to 80 percent the number of Ford owners who trade their present cars in on new Fords.

- American Express

Financial Advisors also hopes to retain more current customers. The Minneapolis-based firm—which sells mutual funds, insurance, and investment certificates—replaced its general sales manager with seven executives responsible for different processes. Salespersons and managers get bonuses for scoring well on customer-satisfaction surveys.

- GE Medical Systems in Milwaukee, which makes X-ray and similar equipment, has replaced layers of managers with teams of engineers and production persons. The teams have cut the time required to install X-ray machines at customer sites.

From Rahul Jacob, "The Struggle to Build an Organization for the 21st Century," *Fortune*, April 3, 1995, pp. 90-99.

MENTORING: FINDING COMMON GROUND

To establish a successful mentoring relationship, the persons involved must get beyond gender and race differences, finding common ground such as sharing qualities like trustworthiness and honesty. In addition, mentors must continually challenge their protégés to grow.

Just such a successful mentoring relationship exists between Wesley von Schack, chief executive officer (CEO) of Pittsburgh-based DQE Corporation, and Dianna Green, the company's senior manager—customer operations. Where do a middle-aged, white man and a forty-something, African-American woman find common ground? The two have similar values and management styles. They describe themselves as frank, loyal, and committed to community service. In addition, they share a mutual respect.

Green fits into DQE's white-male culture because von Schack is her loudest cheerleader, making sure managers know she is having a positive effect on the bottom line. But von Schack not only sings Green's praises on the job, he also attends community events in which Green is involved.

Von Schack shows his encouragement in other ways as well. He has not allowed Green's responsibilities to stagnate. Her duties have grown to include the oversight of customer services, materials management, purchasing, transportation, real estate, and public affairs. In some of these areas she had little experience. As a result of von Schack's support, Green is now one of four top executives at DQE.

From Carol Hymowitz, "How a Dedicated Mentor Gave Momentum to a Woman's Career," *Wall Street Journal*, April 24, 1995, pp. B1, B3.