McKinsey 7S Framework

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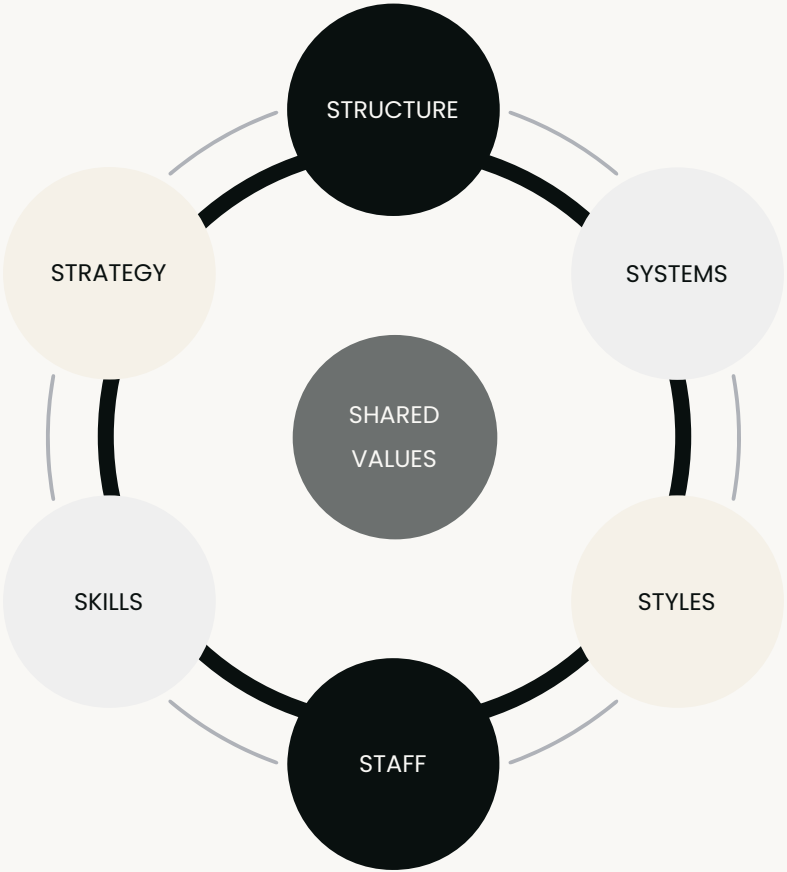


The Mckinsey 7S Model

The McKinsey 7S Framework is a management model developed by business consultants Robert H. Waterman, Jr. and Tom Peters in the 1980s. This was a strategic vision for groups, to include businesses, business units, and teams.

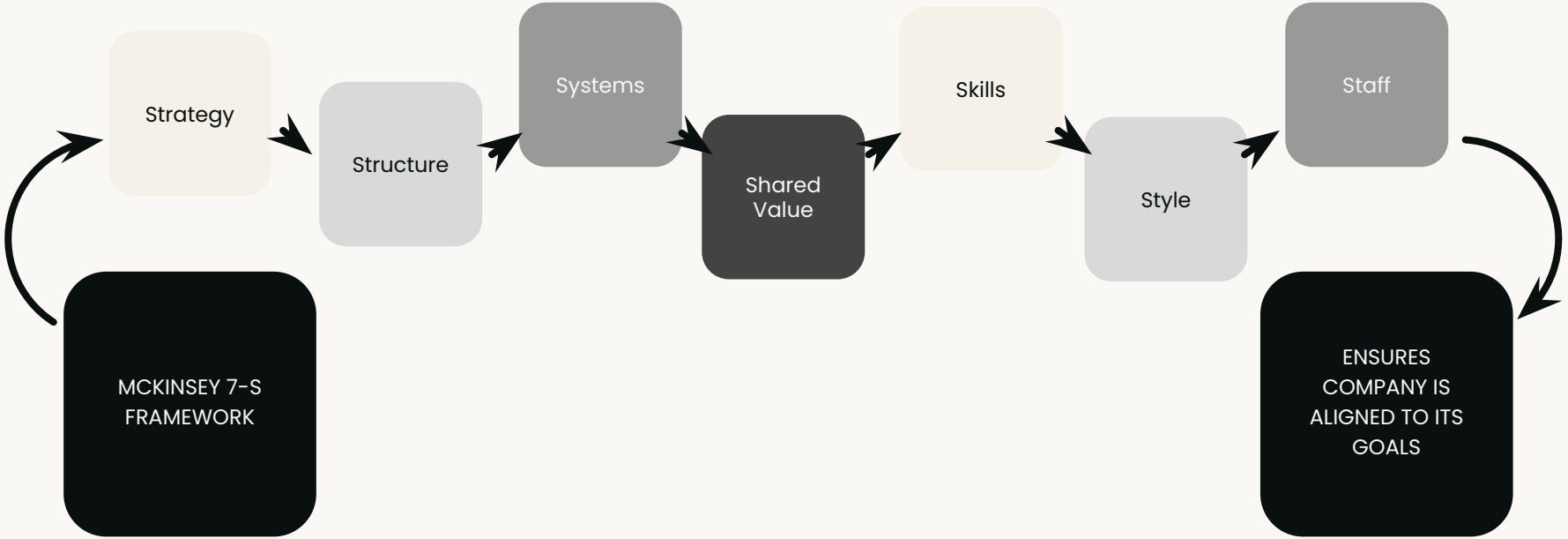
HARD ELEMENTS

- Strategy
- Structure
- Systems

SOFT ELEMENTS

- Shared Values
- Skills
- Style
- Staff

The McKinsey 7S Model



Analyze impact of future organizational change

Enhancement of organizational effectiveness

Comprehensive framework

Aligns organizational departments & processes

Links academic research with management practice

Implementation strategies

The 7 interdependent elements

The 7 interdependent elements

Hard Elements

Soft Elements

STRATEGY
Purpose of the business & the way the organization seeks to enhance its competitive advantage

STRUCTURE
Division of activities; integration and coordination mechanism

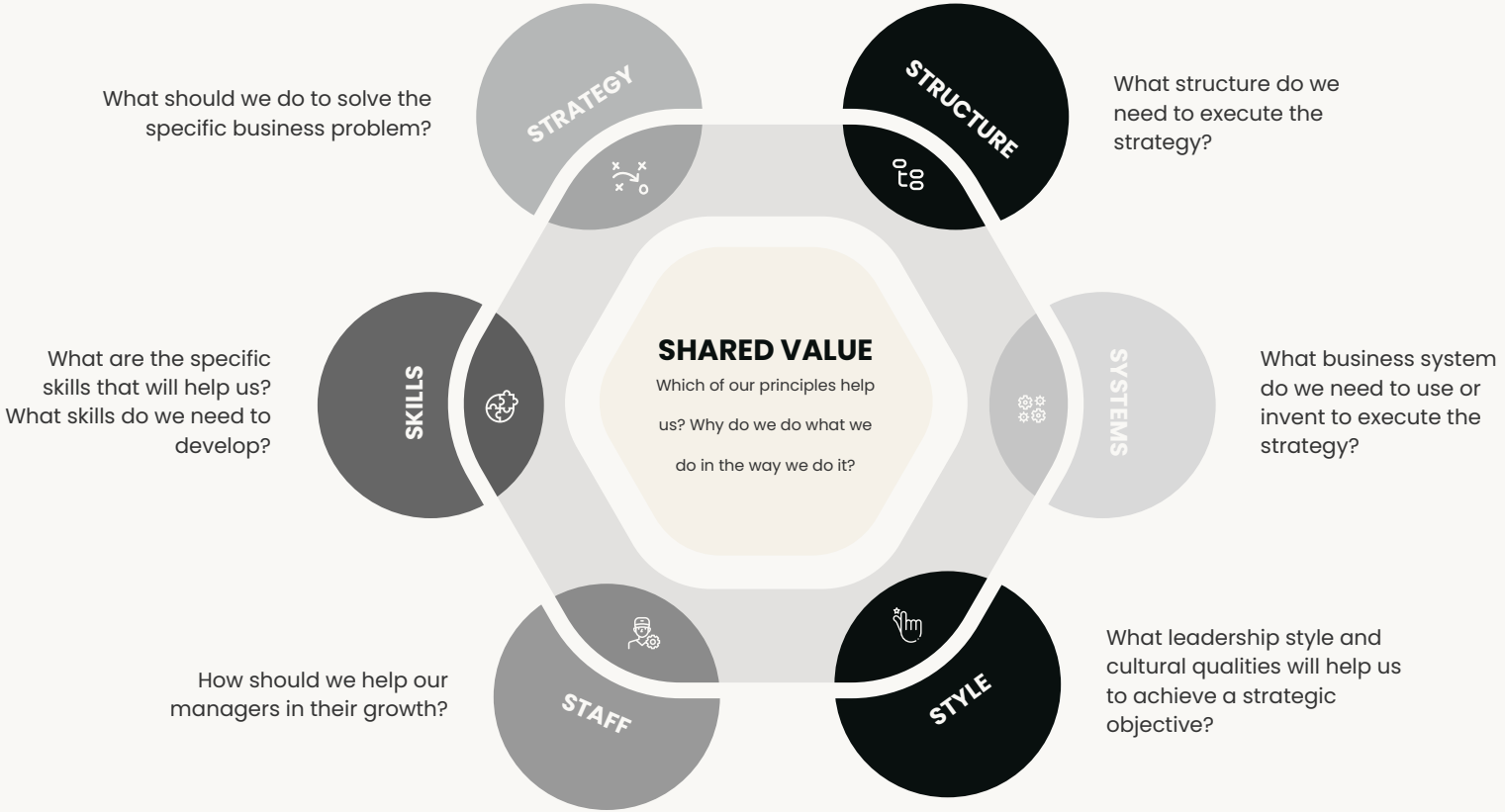
SYSTEMS
Formal procedures for measurement, reward and resource allocation

SHARED VALUE
Explicit or implicit fundamental beliefs, concepts and principles that underlie the culture of an organization

SKILLS
The organization's core competencies and distinctive capabilities

STAFF
Organization's human, resources, demographic, educational and attitudinal characteristics

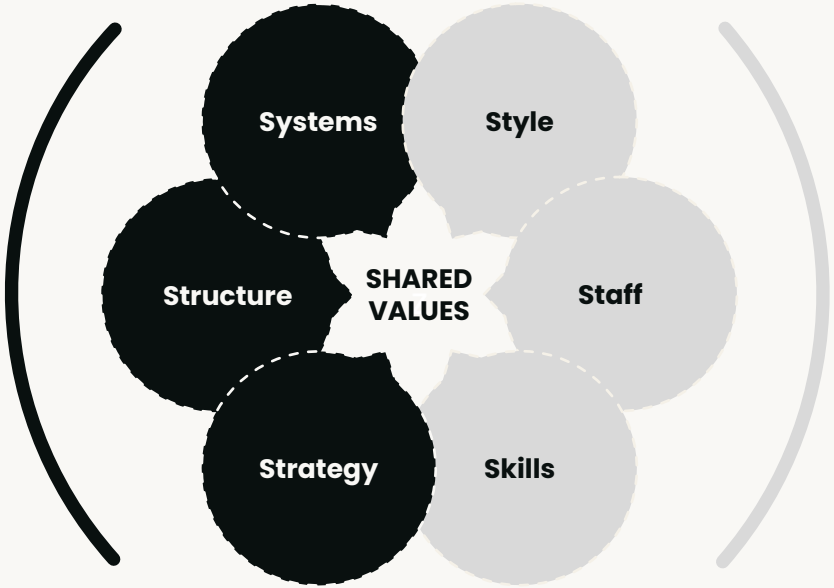
STYLE
Typical behavior patterns of key groups, such as managers, and other professionals


What should we do to solve the specific business problem?
STRATEGY
STRUCTURE
What structure do we need to execute the strategy?
What are the specific skills that will help us? What skills do we need to develop?
SKILLS
SHARED VALUE
Which of our principles help us? Why do we do what we do in the way we do it?
SYSTEMS
What business system do we need to use or invent to execute the strategy?
How should we help our managers in their growth?
STAFF
STYLE
What leadership style and cultural qualities will help us to achieve a strategic objective?

The McKinsey 7S Model

HARD ELEMENTS

- Hard elements are feasible and easily identified
- These elements are also easier to change than soft elements
- They can be found in strategy statements, corporate plans, organization charts, and other business documents



- Soft elements are harder and take longer to change
- They are harder to describe, since capabilities, values, and elements of corporate culture are continually evolving
- Determined by employees of the organization

SOFT ELEMENTS

Questions to ask (Hard Elements)

STRATEGY

- What is our strategy?
- How do we intend to achieve our objectives?
- How do we deal with competitive pressure?
- How are changes in customer demands dealt with?
- How is strategy adjusted for environmental issues?

STRUCTURE

- How is the company/team divided?
- What is the hierarchy?
- How do the various departments coordinate activities?
- How do the team members organize and align themselves?
- Is decision making and controlling centralized or decentralized? Is this as it should be, given what we're doing?
- Where are the lines of communication? Explicit and implicit?

SYSTEMS

- What are the main systems that run the organization? Consider financial and HR systems as well as communications and document storage.
- Where are the controls and how are they monitored and evaluated?
- What internal rules and processes does the team use to keep on track?

Questions to ask (Soft Elements)

STAFF

- What positions or specializations are represented within the team?
- What positions need to be filled?
- Are there gaps in required competencies?

SKILLS

- What are the strongest skills represented within the company/team?
- Are there any skills gaps?
- What is the company/team known for doing well?
- Do the current employees have the capability to do the job?
- How are skills monitored and assessed?

STYLE

- How participative is the management/leadership style?
- How effective is that leadership?
- Do employees/team members tend to be competitive or cooperative?
- Are there real teams functioning within the organization or are they just nominal groups?

SHARED VALUE

- What are the core values?
- What is the corporate/team culture?
- How strong are the values?
- What are the fundamental values that the company was built on?

STRATEGY

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STRUCTURE

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SYSTEMS

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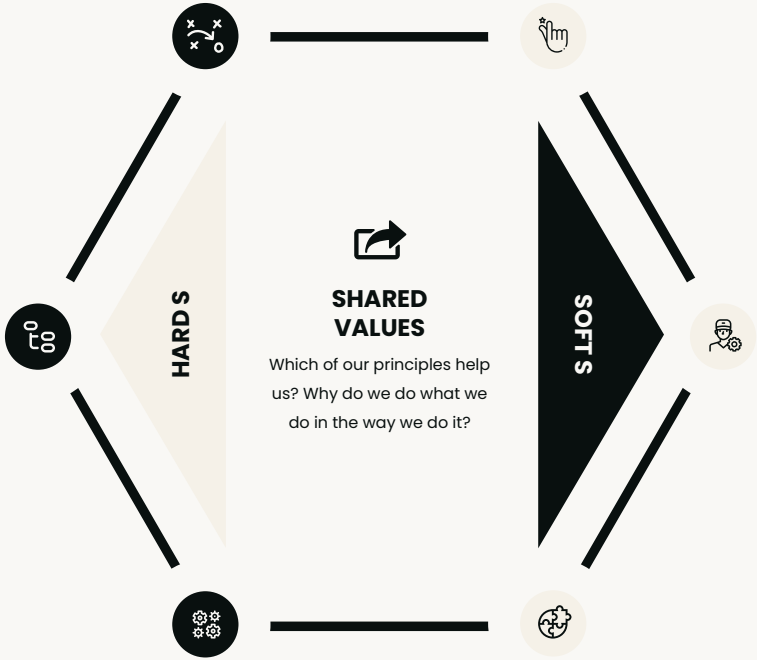

STYLE

What leadership style and cultural qualities will help us to achieve a strategic objective?

STAFF

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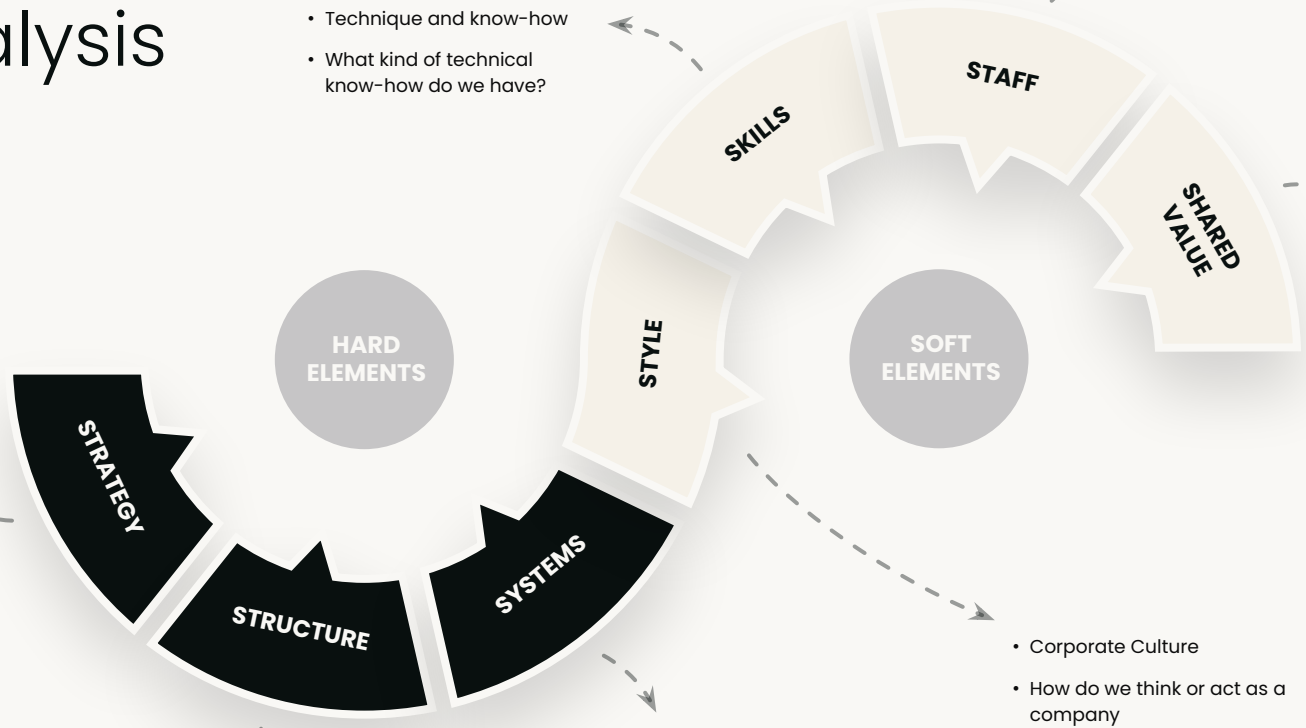
SKILLS

What are the specific skills that will help us? What skills do we need to develop?

7S Analysis

- Technique and know-how
- What kind of technical know-how do we have?

- Employee = Human Resource
- How do we recruit?



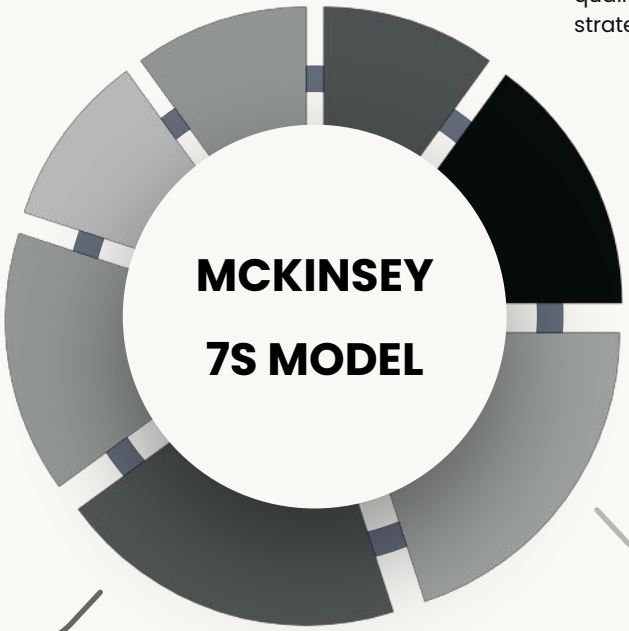
- Strategy
- What is an advantage?

- Corporate Philosophy
- Vision and objectives

- Corporate Culture
- How do we think or act as a company

- Organizational Structure
- Department, team, etc.

- The system within the company
- How to communicate or report



SHARED VALUES

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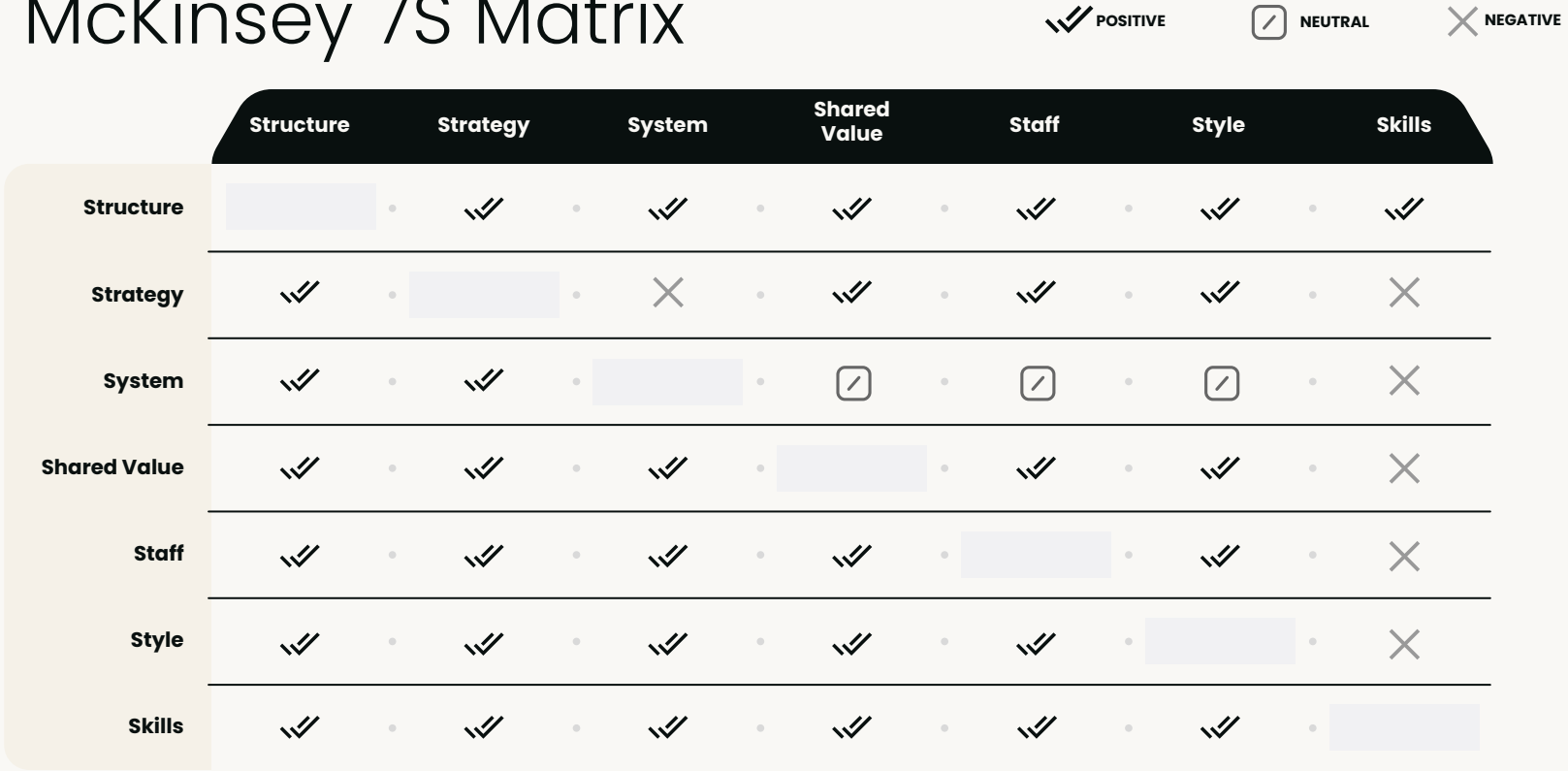
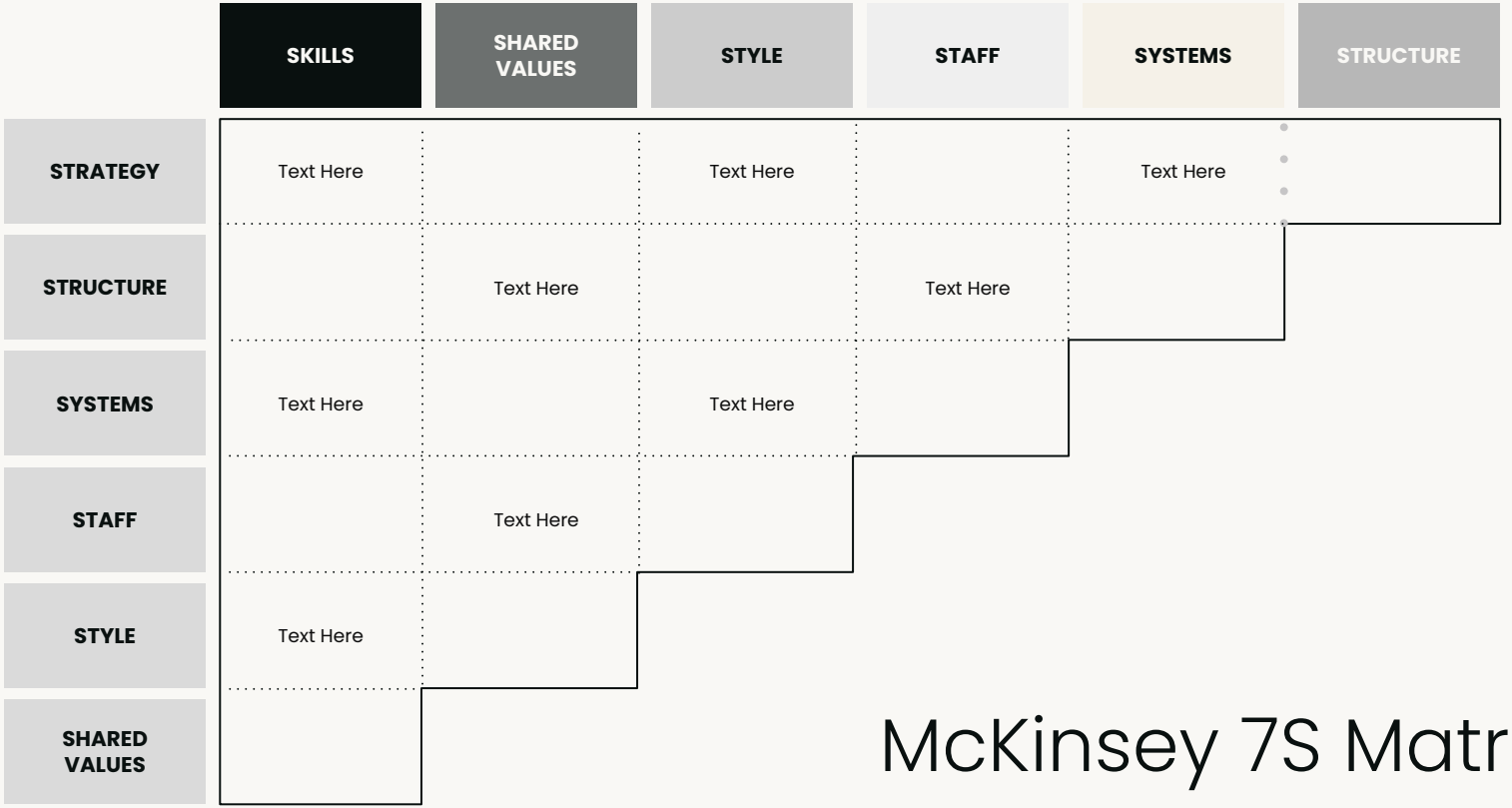
McKinsey 7S Matrix





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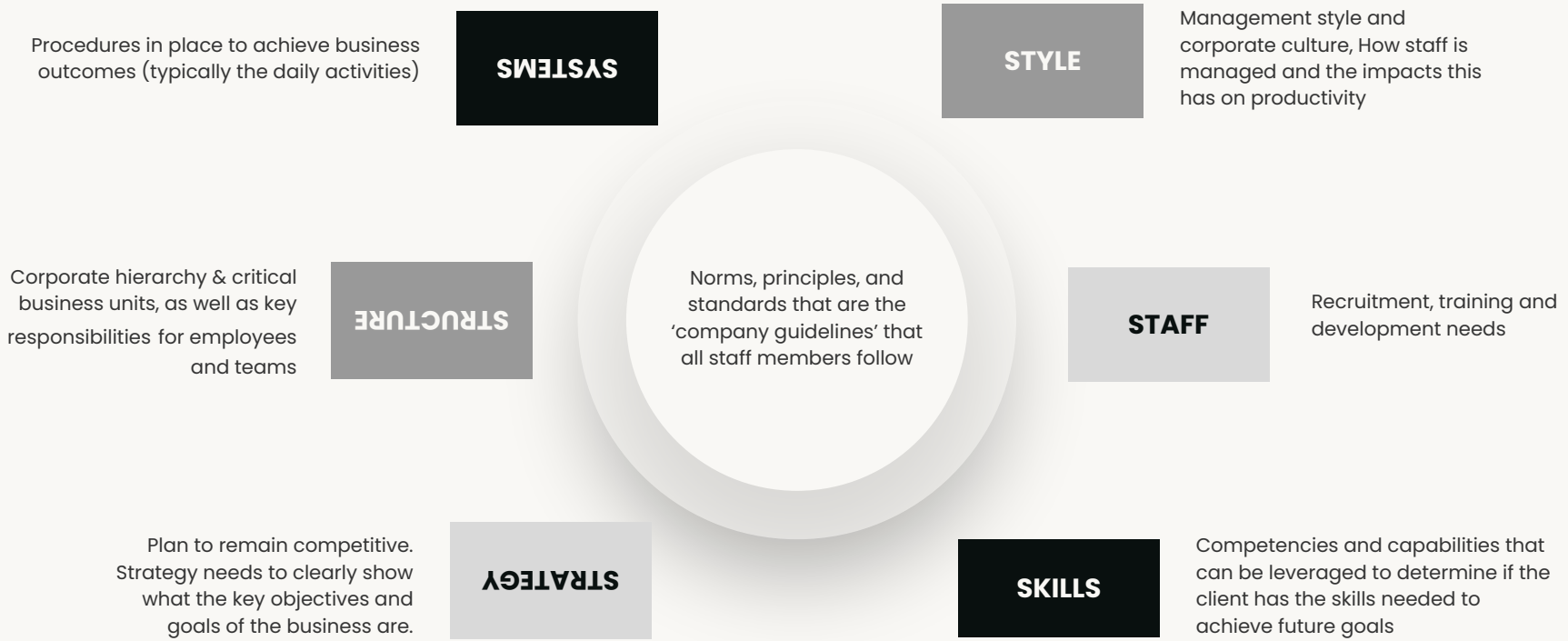
Case Study Example