



Organization Life Cycle

June 13, 2012

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### Discussion Points

- What is it?
- What does it look like?
- How does it work?
- What does it mean?
- How can it be used?



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### What is it?

- Framework
- Organizational growth and change
- Been around a long time
- Studied extensively



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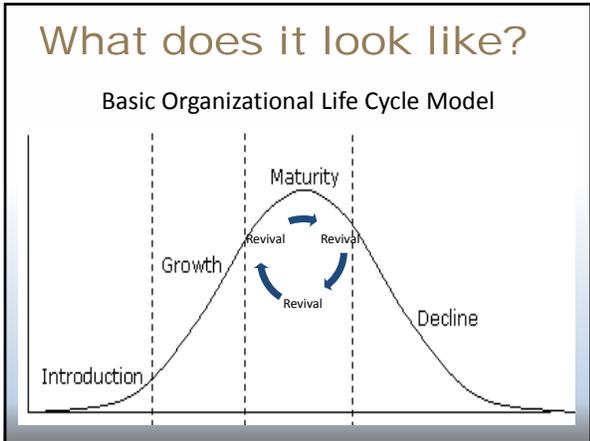
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### How does it work?

- Organizations follow a life cycle
  - Introduction, Growth, Maturity, Revival, Decline
- Challenges arise transition points
- Organizations that do not successfully resolve challenges may be restricted

The logo for LEOFF Plan & Retirement Board is located in the bottom right corner of the slide. It consists of the word 'LEOFF' in a bold, sans-serif font, with 'Plan & Retirement Board' written in a smaller font underneath.

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### Introduction

- Characteristics
  - Small & simple organization; Entrepreneurial
  - Generate initial success
  - Centralized hierarchy
  - Intuitive decision making
  - Growth through vision

A small version of the life cycle graph is shown on the left side of the slide, with a vertical dashed line indicating the 'Introduction' phase.

The logo for LEOFF Plan & Retirement Board is located in the bottom right corner of the slide.

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## Introduction

- Challenges
  - Organizational leadership
  - Requires more sophisticated and formalized management
  - Founders often need to bring in an outsider and delegate authority to continue growth



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## Growth

- Characteristics
  - Strong commitment & purpose
  - Strategic planning
  - Increased complexity & formalization
  - Increased administrative support
  - Broader stakeholder influence



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## Growth

- Challenges
  - More autonomy
  - Less innovation
  - Declining organizational responsiveness



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## Maturity

- Characteristics
  - Stability; Smooth efficient functioning
  - Strong administrative support
  - Still results oriented
  - More bureaucratic structures established
  - More conservative; Risk averse
  - Less innovative and proactive



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## Maturity

- Challenges
  - Loss of vision and sense of urgency
  - Organizational mood swings
  - Organizational paralysis
  - Progression toward decline



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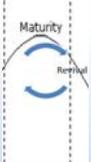
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## Revival

- Characteristics
  - Seek rapid growth
  - Risk taking
  - Focus on customer & new opportunity
  - Analytical/participative decision making
- Challenges
  - Revival effort unsuccessful



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## Decline

- Characteristics
  - Failure to recognize environment changes
  - Poor communications
  - Stagnation and poor performance
- Challenges
  - Organization atrophy



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## What does it Mean?

- Organizations move through observable & predictable cycles; predictable behavior
- Different stages require adjustments/changes to strategy and managerial process
- Organizations that adapt to environment can grow and survive



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## How can it be used?

- Identify position on continuum
- Look forward at potential challenges
- Evaluate environments
- Adapt methods
- Continually monitor



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## Any Questions?

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