

From Ambition to Execution: Why Organisation Design Matters More Than Ever

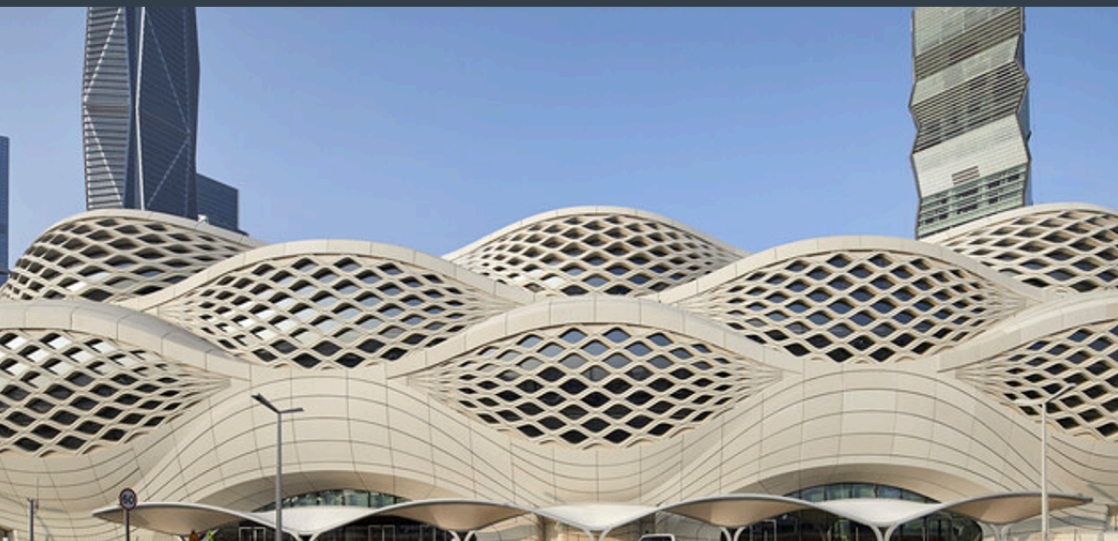
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A point of view for leaders shaping the next phase of Saudi Arabia's transformation.

As Saudi Arabia enters a new phase of transformation, the challenge is no longer simply about setting ambitious strategies, but about turning them into tangible and sustainable results.

Achieving this requires more than clear plans. It depends on how work is organised, decisions are made, capabilities are developed and every part of the organisation is aligned with its strategic objectives.

This is where organisation design plays a critical role, not simply as a restructuring exercise, but as a way to enable organisations to execute their strategies and achieve sustained performance.



From Ambition to Execution:

Why Organisation Design Matters More Than Ever

Organisation Design Has Changed

For many years, organisation design occupied an uncomfortable place within organisations.

It was often viewed as a periodic restructuring exercise, triggered by growth, cost pressures or leadership change, and largely reduced to redrawing organisation charts, redefining reporting lines or consolidating functions. Despite Jay Galbraith (2002)¹ defining organisation design more than forty years ago as "the alignment of structure, process, rewards, metrics and talent with the strategy of the business," many organisations have continued to equate it primarily with restructuring rather than recognising it as a strategic capability.

Today, that view is no longer fit for purpose.

The organisational models that served businesses well for decades were designed for a very different world - one characterised by functional hierarchies, stable markets, predictable planning cycles and largely co-located workforces. Today's organisations operate in an environment defined by digital technologies, artificial intelligence, complex ecosystems, matrix structures and continuous change. Teams collaborate across organisational and geographic boundaries, while new capabilities and customer expectations evolve at an unprecedented pace.

The world has changed faster than organisations have.

As organisations become larger, more interconnected and increasingly complex, the challenge is no longer managing complexity, it is designing organisations that can harness it. Governance must enable rather than constrain decision-making. Operating models must connect rather than divide teams. Technology must reshape how work is performed, while structures, roles and ways of working must reinforce strategic priorities rather than compete with them.

This has fundamentally changed the role of organisation design.

It is no longer a HR activity or a restructuring exercise. It has become a strategic leadership discipline that determines how effectively organisations translate ambition into execution.

Perhaps the greatest paradox is that organisations have become exceptionally good at creating ambition. Leadership teams invest significant time developing strategies, defining bold visions and setting future direction, yet comparatively little time designing the organisation required to deliver them.

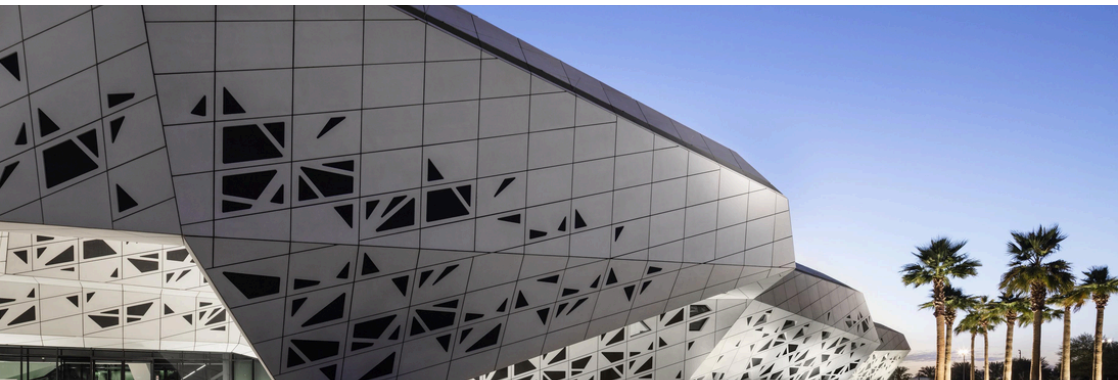
Yet organisations do not execute strategy through vision statements or PowerPoint presentations. They execute through the organisations they have designed.

This is why organisation design has moved from the back office to the boardroom. It is no longer something organisations revisit every few years following a restructure.

It has become a continuous capability that shapes organisational agility, productivity and long-term performance.

Ultimately, organisation design is not about creating a better organisation chart. It is about creating a better organisation.

Because strategy defines ambition. Organisation design provides the execution architecture that transforms ambition into performance.



Saudi Arabia's Next Transformation Challenge

Saudi Arabia's transformation has entered a new stage.

Over the past decade, Vision 2030 has focused on creating the foundations for long-term economic and social transformation through unprecedented investment, institutional reform and the development of entirely new sectors. Today, many of those foundations are firmly established. As organisations continue to grow in size, responsibility and complexity, the national conversation is naturally shifting from building capability to maximising organisational performance.

The Saudi Vision 2030 Annual Report² reflects this evolution. It reports that 93% of Vision 2030 Key Performance Indicators met or exceeded their annual targets, while 90% of initiatives were completed or remained on track. These results demonstrate the remarkable progress achieved across the Kingdom.

They also signal that Vision 2030 has reached a level of maturity where the greatest opportunities for improvement increasingly lie in execution, organisational capability and the consistent delivery of outcomes rather than the creation of new initiatives.

This shift is reinforced across the National Transformation Program³, which places increasing emphasis on Government Operational Excellence, Institutional Capability, Governance, Service Quality, Transparency and Government Performance. Although these priorities span different areas of government, they are united by a common objective: improving how organisations perform.

The same pattern is evident across the wider economy.

For government organisations, the 2025 Saudi Budget projects expenditure of approximately SAR 1.285 trillion, alongside a projected fiscal deficit of around SAR 101 billion⁴. As public investment continues at scale, organisations face increasing pressure to maximise value from every Riyal invested through stronger governance, greater productivity and more effective delivery.

For private sector organisations, leaders and policy-makers are increasingly highlighting productivity-led growth as the next phase of economic transformation⁶. The International Monetary Fund's 2025 Article IV⁵ Consultation notes that non-oil productivity remains relatively stagnant, while foreign direct investment remains around 1.6% of GDP, below the original Vision 2030 aspiration of 5.7%. At the same time, Vision 2030 aims to increase the private sector's contribution to GDP from approximately 51% today to 65% by 2030².

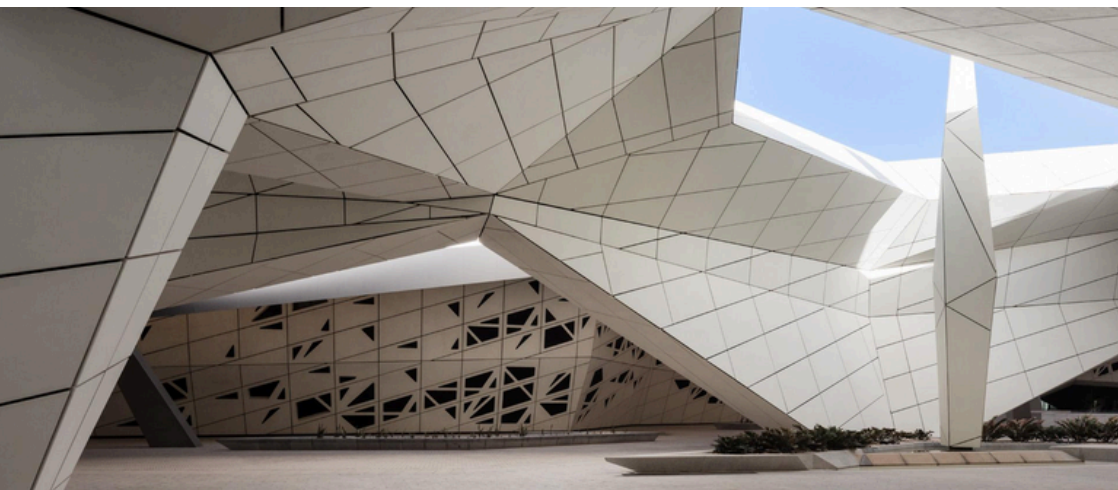
Collectively, these signals reinforce the need for organisations that are more productive, more competitive and better equipped to convert investment into sustainable growth.

Although the drivers differ, the message is remarkably consistent.

Across both the public and private sectors, success increasingly depends on organisations that can deliver more effectively, whether that means creating greater value from public investment, improving productivity, attracting capital or competing in increasingly dynamic markets.

In other words, Saudi Arabia's next competitive advantage will not be defined by ambition alone.

It will be defined by the performance of its organisations.



The Execution Gap

If organisational performance is becoming Saudi Arabia's next competitive advantage, why do so many organisations still struggle to translate strategy into sustained execution?

Across the organisations we work with, one observation emerges consistently. Leadership teams rarely struggle to define where they want to go.

Strategies are clear, ambitions are compelling, investment has been secured and transformation programmes are underway. Yet many organisations describe the same challenge:

"We know where we're going. We're just not organised to get there."

This is the execution gap, the space between strategic ambition and organisational capability.

Military strategist Colin Gray described strategy as "the bridge from purpose to action".⁷ Increasingly, however, organisations are discovering that strategy alone cannot build that bridge. It must be enabled by an organisation capable of executing it.

The challenge is rarely one significant organisational failure. Instead, it is the cumulative effect of hundreds of small organisational decisions.

Decision rights become unclear. Governance expands. New functions emerge. Capabilities develop unevenly. Operating models become increasingly fragmented.

Individually, none of these changes appears transformational. Collectively, they determine whether strategy succeeds or stalls.

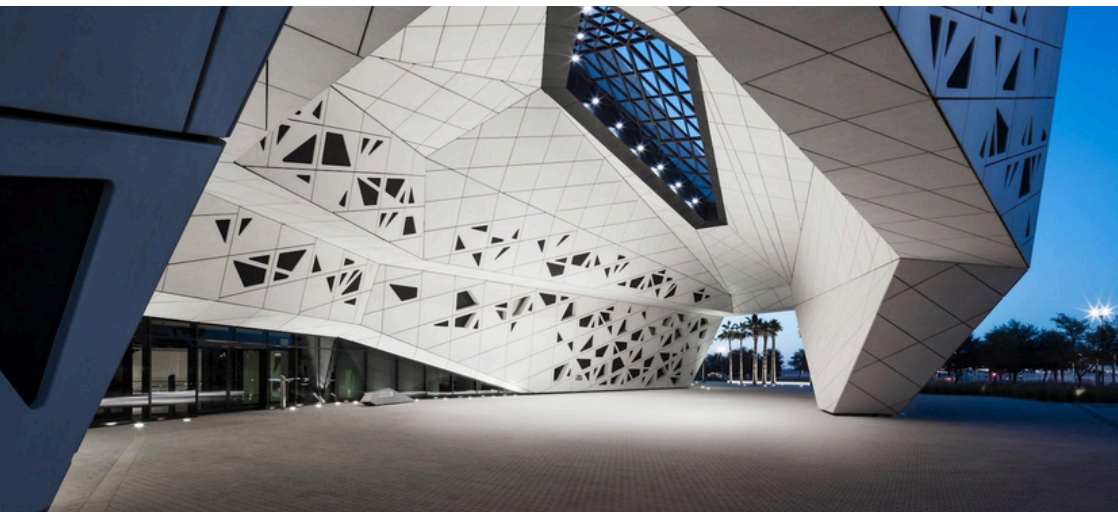
This is reflected in the questions executive teams are increasingly asking:

1. How do we deliver more value with the resources we already have?
2. How do we organise around value creation rather than functional silos?
3. How do we build organisations capable of continuously adapting as strategy and national priorities evolve?
4. How do we improve speed of decision-making while strengthening governance and accountability?
5. How do we redesign work to fully leverage digital technologies and AI?

These are often viewed as implementation challenges. In reality, they are organisation design challenges.

The execution gap is therefore not simply a delivery problem. It is an organisation design problem.

And increasingly, it represents the missing link between strategic ambition and organisational performance.



Organisation Design: The Missing Link

If the execution gap exists because organisations are not designed to execute strategy effectively, then organisation design becomes the mechanism through which that gap is closed. It is the discipline that translates strategic ambition into organisational performance by intentionally aligning every element of the organisation around the delivery of strategy.

Governance, operating models, capability, technology, decision-making, structures and ways of working should not be viewed as independent initiatives. Together, they form one integrated organisational system that determines how effectively an organisation performs. This requires a fundamental shift in thinking. Effective organisation design does not begin by asking what an organisation should look like. It begins by understanding what the organisation needs to achieve.

Before leaders ask:

"What should our organisation look like?"

they should first ask:

"What does our organisation need to do exceptionally well to deliver our strategy?"

That question becomes the foundation for every organisational decision that follows. It shapes the work the organisation exists to perform, the capabilities it requires, the governance that enables decision-making, the operating model that supports delivery and, ultimately, the organisational structure itself.

Organisation design therefore is not about designing better structures. It is about intentionally designing organisations that consistently deliver better outcomes.

The 6 Principles of Designing Effective Organisations

If organisation design is the mechanism that translates strategy into performance, what distinguishes organisations that consistently outperform?

Across sectors, geographies and industries, the highest-performing organisations are remarkably similar. They are not defined by their size or organisational structure, but by a set of principles that shape how they make decisions, organise work and create value.

01 They are relentlessly focused on value.

Every organisational decision begins with the value the organisation exists to create for customers, citizens and stakeholders. Structures, processes and resources are designed to maximise value creation rather than preserve organisational boundaries.

02 They enable strategy rather than simply support it.

Operating models, governance and organisational capabilities are intentionally designed around strategic priorities, ensuring that the organisation is equipped not only to define ambition, but to deliver it consistently.

03 They organise around work, not hierarchy.

Rather than designing organisations around existing functions or individuals, they first understand the work required to create value. Activities determine the operating model, and the operating model shapes the organisation - not the other way around.



04 They think in systems, not silos.

Governance, decision-making, capability, technology, structures and ways of working are treated as one interconnected organisational system. Each element reinforces the others, creating clarity, collaboration and organisational effectiveness rather than isolated improvements.

05 They design for tomorrow, not just today.

Recognising that strategy, technology and national priorities will continue to evolve, they build organisations that are adaptable by design. Organisation design is treated as a continuous leadership capability rather than a one-off transformation exercise.

06 They create ownership, not dependency.

The most effective organisations recognise that sustainable performance cannot be imposed through organisational redesign alone. It is achieved by building shared ownership, aligning leaders around common principles and creating organisations that people understand, believe in and actively shape.

Ultimately, effective organisations recognise a simple but powerful truth.

Organisation performance is rarely determined by one transformational decision.

It is created through the deliberate alignment of hundreds of organisational decisions that collectively enable strategy to become sustained performance.



Looking Ahead

The first decade of Vision 2030 has shown the world what bold ambition, sustained investment and visionary leadership can achieve.

The next decade will increasingly be defined by something different.

The performance of the organisations responsible for delivering it.

HRH Prince Mohammed bin Salman committed that Saudi Arabia would become "among the best countries in the world in efficient government performance to serve the citizens".⁸ Increasingly, that ambition is reflected across the Kingdom, with government organisations pursuing operational excellence and institutional capability, while private sector organisations focus on productivity, competitiveness and sustainable growth.

The challenge is no longer imagining the future. It is designing organisations capable of delivering it.

Because ultimately,

Strategy defines ambition. Organisation design transforms ambition into performance.

References

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