

Do You Transform the Old Organization, or Establish the New One Beside It?

Two credible routes from today's operation to the Intelligent Organization

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Most organizations know they will not become more intelligent, automated, and adaptive simply by adding more tools to the operating model they already have.

The harder question is how they move from today's organization to a more intelligent, more automated, and more in control without disrupting the business they still need to run.

I see two credible routes.

Route 1: Evolve the current operation

The first route is gradual. Improve the organization workflow by workflow, service by service, geography by geography, or function by function.

This works when the current operating model is basically sound. The systems, teams, controls, and customer promises are tightly connected, and the organization can make useful changes in safe, reversible steps.

A finance team might improve invoice intake, matching, exception handling, approval, and posting one layer at a time while the enterprise resource planning system remains the source of truth. Each improvement earns the right to expand.

The advantage is lower disruption. The risk is endless partial modernization. The organization can spend years improving pieces while preserving the complexity of the old model.

Route 2: Establish the new operation beside it

The second route is more radical. Build a bounded part of the future organization beside the current one. Prove that it works, move real work to it in controlled steps, and retire what it replaces when the evidence supports the decision, or make an explicit integration, retention, or coexistence choice.

This can make sense when the target way of working is fundamentally different from the current one. Trying to transform every old practice in place may simply carry yesterday's workarounds into tomorrow's architecture.

The unit should be smaller than the whole enterprise. It might be employee onboarding, supplier onboarding, customer complaint resolution, field-service scheduling, accounts payable, or one government application service.

The new operation must be complete enough to handle normal work, exceptions, support, controls, recovery, and real users. A polished demonstration is not a parallel operating function.

Move work progressively, not recklessly

Building beside the current operation does not require one dramatic switch.

The new operation can begin in shadow mode. It receives real inputs and produces recommendations, but the current operation remains authoritative. It can then process the same bounded cases in parallel. After the results are understood, it may receive a small amount of live work: one geography, one team, one customer group, one case type, or five percent of volume.

This logic is well established in technology. Microsoft distinguishes in-place and parallel deployment. AWS describes gradual replacement through the strangler pattern and production shadow testing. Google uses canary releases to expose a limited amount of real traffic before wider rollout.

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The organizational lesson is simple: the new operation earns authority through evidence.

Five moves keep either route disciplined

Whether the organization evolves the current operation or builds the new one beside it, I would use the same five moves:

1. Choose the bounded part of the organization, its outcome, owner, and transition route.
2. Design the target work, roles, information, decisions, systems, controls, measures, and support.
3. Prove it safely through simulation, shadow operation, parallel operation, or limited live use.
4. Move work and authority in controlled steps.
5. Retire the old workflow, access, technology, contracts, reports, controls, and duplicate cost.

The cutover is an authority decision

A cutover is often described as a technology event. In practice, it transfers work, decision rights, transaction authority, accountability, support responsibility, and customer or employee expectations.

During shadow or parallel operation, old and new may both process the same information. They should not silently create two versions of official truth. Leaders must know which system holds the authoritative record, which service may commit the transaction, how differences are reconciled, and what happens if the new operation fails after receiving live work.

Retirement deserves the same discipline. Without a planned retirement decision, the organization may end up paying for both models indefinitely.

Most organizations will use both routes

A company may improve its financial platform in place, rebuild employee onboarding beside the current process, launch a new customer service as a greenfield operation, and move one geography at a time onto a new field-service model.

The right question is not which transition strategy is fashionable. It is which route fits this piece of work, this level of risk, this operating reality, and this organization's ability to change.

The End-State Architecture explains the organization we are trying to build. Transition Architecture explains how we move there without losing the enterprise on the way.

Choose one bounded service or workflow. Decide which route fits. Then design the evidence that would justify moving the first real piece of work.

Sources for Substack links

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