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THE SEVEN SIGNS

A diagnostic framework for identifying execution infrastructure failures

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INTRODUCTION

The Core Thesis

Successful organisations are successful because they connect their strategy to reliable execution. They do this through an optimised operating model: the system of decisions, governance, coordination, measurement, and infrastructure that translates strategic intent into consistent delivery.

This is not a theory. It is an observable pattern. Organisations that execute reliably have designed the connection between strategy and operations deliberately. Organisations that struggle with execution have not. The gap between a well-articulated strategy and its delivery is almost always an operating model problem, not a people problem, not an accountability problem, and not a problem that another reorganisation will solve.

Every real transformation effort involves the operating model, whether the organisation recognises it or not. Technology transformations fail when the operating model is not redesigned to support new ways of working. Post-acquisition integrations stall when two operating systems collide and nobody designs the combined model. Growth strategies collapse when the infrastructure that worked at one scale cannot support the next. The operating model is the mechanism through which strategy becomes execution. When it works, execution feels reliable. When it does not, execution feels random.

The Misdiagnosis Pattern

When leadership teams face persistent execution problems, they typically reach for familiar explanations: more accountability, better alignment, more speed, more resources. And then they try to fix it by reorganising (changing the boxes), adding process (more governance, more check-ins), hiring more people (especially senior people), or launching transformation programmes.

These interventions rarely work because they treat symptoms rather than causes. The real problem is that the organisation's execution infrastructure is broken: how decisions move through the organisation (or don't), how functions coordinate (or don't), how strategy connects to operations (or doesn't), how work becomes visible (or doesn't), and how the system rewards behaviour that either supports or undermines what the operating model needs.

These are design problems, not people problems. They require system-level architecture, not tactical fixes.

The Diagnostic Philosophy

The Seven Signs™ framework is built on three principles that distinguish it from conventional operating model diagnosis.

Diagnose at the seams, not within the boxes

Most operating model frameworks examine individual components (structure, process, technology, people) in isolation. The Seven Signs framework focuses on where things break between components: between functions, between divisions and the centre, between strategy and execution, between what the incentive system rewards and what the operating model requires. These seams are where execution actually fails, and someone needs to own them.

Follow the system, not the symptom

Each sign is connected to others through systemic relationships. Decision gridlock is compounded by misaligned incentives. Invisible work is caused by disconnected data systems. Scaling chaos is sustained by the absence of feedback loops. Treating any sign in isolation risks expensive fixes that do not address root causes. The framework maps these connections to ensure interventions address the system, not just the most visible symptom.

Structure shapes behaviour, behaviour shapes outcomes

Conway's Law states that organisations produce designs that mirror their own communication structures. The same principle applies to operating models: if your structure creates silos, your outcomes will be siloed. If your incentives reward functional optimisation, you will get functional optimisation at the expense of enterprise outcomes. If your systems fragment data, your decisions will be made on fragmented information. The Seven Signs framework uses this principle as a diagnostic lens: when you see dysfunctional outcomes, trace them back to the structural and systemic choices that produced them.

Who This Framework Is For

Leadership teams facing execution infrastructure breakdown, typically appearing in three contexts.

- Multinational enterprises implementing new strategies their current infrastructure cannot support
- Scale-stage companies (Series B/C and beyond) whose infrastructure worked at 50 people but is breaking at 500
- Post-acquisition situations where two operating systems are colliding

The common thread: strong leadership and strategy, but uneven execution. Infrastructure that was never designed for current complexity.

THE SEVEN SIGNS

Each sign describes a pattern of execution infrastructure failure. For each, the framework identifies what leadership teams experience (the recognition moment), what is actually broken (the root cause), and how the sign connects to other parts of the system (the systemic connections). These systemic connections are critical: they reveal why isolated fixes fail and why operating model diagnosis must address the system as a whole.

Sign 1: Strategy-Execution Gap

How leadership teams describe it: *We agree the strategy every year and nothing really changes. Initiatives start but don't finish. Too many priorities, none landing properly. Delivery teams say leadership keeps changing direction. Transformation fatigue.*

What's really broken. No execution infrastructure connecting strategy to delivery. Missing: planning cadences that translate strategy into sequenced priorities, accountability frameworks that create genuine ownership, progress visibility that surfaces problems early enough to act on them.

Systemic connections. This sign often masks a deeper capability gap: the strategy demands capabilities the organisation has not built, and nobody owns the distance between what the strategy requires and what people can actually do. Without a feedback loop connecting execution data back to strategic planning, the same unachievable plans get repeated annually. The absence of a shared language for describing execution problems means leadership teams keep diagnosing symptoms (“we need more accountability”) rather than identifying root causes.

Appears in	All three use-cases
Business cost	Strategic drift, initiative fatigue, loss of credibility with the Board and investors, wasted investment in programmes that never land.

Sign 2: Decision Gridlock

How leadership teams describe it: *Decisions take forever now. Everything needs three meetings and still does not get resolved. Everyone escalates everything. Unclear who owns what. Cross-functional decisions stall indefinitely.*

What's really broken. No decision architecture. Unclear decision rights, missing escalation paths, no frameworks for making trade-offs. Accountability is fuzzy (RACI proliferation, shadow decision-makers). Governance exists but it is performative rather than enabling.

Systemic connections. Decision gridlock is frequently compounded by incentive misalignment: when leaders are measured on functional outcomes rather than enterprise value, they have no rational reason to make trade-offs that benefit the whole organisation at the expense of their own metrics. The governance cadence (how often decisions are reviewed, by whom, with what authority) is often either too slow for the pace of change or too frequent to allow execution between reviews. Governance should enable decisions, not slow them down; when it does the latter, it is a sign that governance was added for its own sake rather than designed for purpose.

Appears in	All three use-cases, especially multinational enterprises and post-M&A
Business cost	Slow time-to-market, leadership bottlenecks, senior talent spending time on operational decisions that should happen at lower levels, competitor advantage through faster execution.

Sign 3: Divisions Operating in Parallel Universes

How leadership teams describe it: *Different divisions feel like separate companies. What works in one part of the business does not land in another. Teams in different units circumvent shared processes. Constant tension between central direction and unit autonomy. Decisions made in one part of the organisation that actively undermine another.*

What's really broken. No coherent operating model connecting the organisation's parts. Missing: governance forums that balance central direction with unit autonomy, priority alignment mechanisms across divisions and markets, capacity management that accounts for both enterprise and unit-level demands. No clarity on where end-to-end accountability actually sits.

Systemic connections. This sign is a structural expression of Conway's Law: if your organisation is structured as disconnected units, you will produce disconnected outcomes, regardless of the strategy articulated at the centre. The right balance between central direction and unit autonomy is specific to every organisation (there is no universal answer), but the design choice must be deliberate and explicit. Resolving cross-unit misalignment requires designing explicit integration points, not just drawing lines on an org chart. It also requires a shared taxonomy so that “product launch” or “client onboarding” means the same thing across every division, market, and line of business.

Appears in	Multinational enterprises, scale-stage companies, and post-M&A situations where separate operating models must be integrated
Business cost	Duplicated effort across units, inconsistent customer experience, compliance risk, inability to leverage enterprise-wide scale advantages.

Sign 4: Cross-Functional Breakdown

How leadership teams describe it: *Product, Sales, and Operations do not talk to each other. Hand-offs break down. Same work gets done twice or not at all. Finger-pointing when things fail. Information does not flow. Roles look clear on paper, messy in reality.*

What's really broken. No cross-functional operating infrastructure. Missing: integration points, shared workflows, connected data systems. Work is flowing around the organisation, not through it. Nobody owns the seams between functions, and nobody is accountable for the end-to-end outcome that depends on those seams working.

Systemic connections. Cross-functional breakdown is almost always reinforced by the incentive system. When each function is measured and rewarded on its own outputs (Sales on pipeline, Product on features shipped, Operations on cost efficiency), the system actively punishes collaboration. Fixing the handoffs without fixing the incentives guarantees the dysfunction will return. Technology architecture plays a role here too: when each function operates on different systems with incompatible data, the infrastructure itself prevents the coordination the operating model requires. Shared language matters at this level as well: if Product calls something a “requirement” and Engineering calls it a “specification” and they mean different things, the handoff will break regardless of the process designed around it.

Appears in	All three use-cases, especially post-M&A and scale-stage companies
Business cost	Rework, missed handoffs, customer experience failures, friction that looks like a “people issue” but is a design failure.

Sign 5: Invisible Work

How leadership teams describe it: *We have no idea what people are actually working on. Leadership cannot see portfolio health. Cannot answer: what are we actually executing? Resource allocation is guesswork. Surprises emerge late. No early warning system.*

What's really broken. No visibility infrastructure. Missing: reporting cadences that surface problems early, dashboards that show execution health, data flows that connect planning to execution. Operating cadence is inconsistent (too many forums reporting different things, no single source of truth).

Systemic connections. Invisible work is rarely a reporting problem; it is a data and systems architecture problem. When planning happens in spreadsheets, execution happens in project tools that do not connect to those spreadsheets, and reporting happens through manual aggregation in slide decks, the infrastructure makes visibility impossible regardless of how many reports leadership requests. The solution is not more reporting; it is connected systems that make work visible by design. Organisations that lack connected data systems cannot benefit from AI or advanced analytics because the foundation for sensing and learning simply does not exist.

Appears in	All three use-cases, especially enterprises
Business cost	Late surprises, misallocated resources, inability to make data-informed decisions, leadership flying blind on execution health.

Sign 6: Misaligned Incentives and Metrics

How leadership teams describe it: *Everyone is hitting their targets, but the company is missing its goals. Functions optimise for their own metrics at the expense of the whole. People game the system because the system rewards the wrong things. We reorganised for collaboration, but nobody's compensation changed. We are investing in AI, but the incentives still reward individual functions, not the cross-functional outcomes the technology is supposed to deliver.*

What's really broken. No coherent measurement and reward architecture. Missing: enterprise-level outcome metrics that drive cross-functional behaviour, incentive structures aligned to operating model intent, performance frameworks that measure what actually matters rather than what is easy to count.

Systemic connections. Incentive misalignment is one of the most powerful and least visible operating model dysfunctions. Galbraith's Star Model identifies rewards as one of five core design levers equal in importance to structure and process, yet most operating model redesigns change the boxes and the processes without touching the incentives. The result is predictable. The new structure asks people to collaborate, but the unchanged incentive system still rewards them for hitting their own targets, not for contributing to enterprise outcomes. The incentive system always wins. This sign also encompasses capability and development architecture: when promotion criteria and talent development are disconnected from what the operating model actually requires,

the organisation systematically fails to build the skills it needs. A well-designed operating model must be both effective (producing the right outcomes) and efficient (doing so without unnecessary overhead); the measurement system is what tells you whether you are achieving both.

Appears in	All three use-cases, especially post-M&A (where legacy incentive structures collide) and enterprises (where functional metrics are deeply entrenched)
Business cost	Systematic sub-optimisation, collaboration failure despite structural redesign, talent attrition as high performers leave environments where the rules feel irrational, inability to sustain operating model changes.

Sign 7: Scaling Without Infrastructure

How leadership teams describe it: *Every new market, product, or acquisition creates more chaos. Growth makes things worse, not better. We are growing but everything feels harder, slower, and more political. Adding people slows things down. Always reacting, never getting ahead. Same problems keep recurring.*

What's really broken. Execution infrastructure designed for a different scale, or no deliberate infrastructure at all. Missing: scalable governance, modular processes, clear operating model, systematic problem-solving mechanisms. The business has scaled headcount and complexity without scaling the decision architecture, coordination mechanisms, or foundational systems to match.

Systemic connections. This sign captures the full spectrum from early-stage companies outgrowing their informal systems through to enterprises where successive growth (organic or through acquisition) has compounded complexity faster than the operating model has adapted. The underlying pattern is the same: the organisation is relying on heroic individual effort rather than designed systems. This is unsustainable because it drives burnout and attrition, creates single points of failure, and means the organisation cannot learn from its own execution because there is no feedback loop connecting outcomes to operating model adjustments. The infrastructure needed at each stage of growth is different; what matters is that it is deliberately designed for the current scale and the next, not borrowed from a “best practice” template that does not reflect the organisation's specific context.

Appears in	Scale-stage companies primarily, also enterprises implementing new strategies or integrating acquisitions
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Business cost	Growth that increases overhead faster than revenue, leadership bottlenecks, burnout and attrition of key talent, recurring crises that absorb strategic capacity.
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THE THREE CRITICAL PATTERNS

The Seven Signs rarely appear in isolation. They cluster into three patterns of operating system failure that leadership teams typically experience. Recognising the pattern matters because it reveals the sequence in which problems need to be addressed.

Pattern 1: Growth-Induced Breakdown

We are growing, but everything feels harder, slower, and more political than it should.

Signs involved. Decision Gridlock (2), Misaligned Incentives and Metrics (6), Scaling Without Infrastructure (7)

The organisation has scaled headcount and complexity without scaling the decision architecture, coordination mechanisms, or incentive structures to match. Accountability is fuzzy, the operating cadence is inconsistent, and leaders are acting as functional heads rather than enterprise stewards. The incentive system reinforces this: everyone is optimising locally because that is what the metrics reward. This is what happens when a business crosses a complexity threshold and the operating system was never redesigned to match.

Pattern 2: Strategy Without an Execution Spine

Our strategy is sound, but execution keeps breaking down.

Signs involved. Strategy-Execution Gap (1), Invisible Work (5)

There is no execution spine connecting strategy to day-to-day operations. Strategy is articulated as ambition, not sequenced trade-offs. No explicit operating model exists for prioritisation, and the data and systems infrastructure needed to make execution visible was never designed. Without visibility, leadership cannot course-correct, and without a feedback loop connecting execution data to strategic planning, the same unachievable plans are repeated annually.

Pattern 3: Structural Change That Does Not Stick

We have reorganised twice, and it still is not working.

Signs involved. Divisions Operating in Parallel Universes (3), Cross-Functional Breakdown (4), Misaligned Incentives and Metrics (6)

Structure changed but the system underneath did not. New boxes or tools, same broken processes. No clarity on how decisions move, how teams coordinate, or how information flows across the new structure, whether between global and local, division and centre, or one line of business and another. Critically, the incentive and measurement system was not redesigned alongside the structure, so the old behaviours persist in the new organisation. A reorganisation or a new piece of technology does not fix a broken operating system. It just rearranges the furniture.

THE SYSTEM VIEW: WHY ISOLATED FIXES FAIL

The Seven Signs are not independent problems. They are interconnected symptoms of a system that is misaligned. Understanding the connections between signs is what separates effective operating model intervention from expensive reorganisation that does not stick.

Key System Connections

- Incentives reinforce silos. When functional metrics reward local optimisation, cross-functional coordination (Sign 4) and decision-making (Sign 2) break down regardless of structural design.
- Disconnected systems create blind spots. When technology and data architecture fragment information, work becomes invisible (Sign 5), decisions lack data (Sign 2), and leadership cannot course-correct on strategy (Sign 1).
- Absence of feedback loops sustains dysfunction. Without mechanisms to connect execution outcomes back to operating model design, the same problems recur (Sign 7), the same unachievable strategies get repeated (Sign 1), and the organisation cannot learn from its own experience.
- Structure without system change reverts. Reorganisations (addressing Signs 3 and 4) fail when the underlying incentive system (Sign 6), data architecture (Sign 5), and governance cadence (Sign 2) remain unchanged.
- Capability gaps compound execution failure. When the strategy demands capabilities the organisation has not built, the strategy-execution gap (Sign 1) widens, firefighting increases (Sign 7), and talent attrition accelerates as high performers leave.

Operating Cadence: The Connective Tissue

Running through several of these signs is the concept of operating cadence: the rhythm of planning, reviewing, deciding, and adjusting that connects strategy to execution. When the cadence is wrong, multiple signs appear simultaneously. Planning cycles that are too long create strategy-execution gaps (Sign 1). Review forums that are too frequent or too infrequent create decision gridlock (Sign 2). Reporting rhythms that do not match the pace of execution make work invisible (Sign 5). The cadence is not a separate sign; it is the connective tissue of the operating model. Getting it right often resolves multiple signs at once.

Adaptive Capacity: The Organisation's Ability to Learn

A well-designed operating model is not static. It includes mechanisms for sensing what is and is not working and adjusting accordingly. Most of the organisations exhibiting these seven signs lack this adaptive capacity entirely. They have no feedback loops connecting execution outcomes to operating model adjustments. They cannot distinguish between problems caused by poor execution of a good design and problems caused by a design that needs to change. Building this

sensing and learning capability into the operating model is what prevents the seven signs from recurring after the initial intervention. It is also the foundation for AI readiness: organisations that lack the infrastructure to sense, interpret, and act on their own execution data are structurally unable to benefit from AI, regardless of the technology they deploy.

PRINCIPLES FOR OPERATING MODEL DESIGN

Diagnosing the seven signs is the first step. Designing an operating model that resolves them requires a set of principles that guide design choices. These principles are informed by practical experience across multinational enterprises, scale-stage companies, and post-acquisition integrations, not by theory alone.

Design holistically, execute through the organisation

Operating model design must be holistic: decisions about structure, governance, incentives, technology, and capability all interact and must be considered together. But implementation will always happen through teams, functions, and business units. This is not a contradiction. If the holistic design is sound (the seams are well designed, the incentives are aligned, and the governance cadence is right), then execution within each part of the organisation will produce good enterprise outcomes. The design creates the conditions; the organisation executes within them.

Someone must own the operating model, including the seams

Operating models fail when nobody is accountable for how the whole system works. Individual functions own their domains, but the seams between functions (the handoffs, the coordination points, the cross-functional decisions) typically belong to nobody. This is where most execution failures occur. An effective operating model requires explicit ownership of these integration points, whether through a COO, a Chief of Staff, or a deliberately designed governance structure. Without this ownership, the operating model degrades over time as each function optimises for itself.

Establish a shared taxonomy and language

One of the least visible and most consequential operating model failures is the absence of shared language. When “product launch” means something different to Marketing, Product, and Operations, every cross-functional handoff is an opportunity for misalignment. When “accountability” is used in three different senses in the same leadership meeting, the discussion produces the illusion of alignment without the substance. A well-designed operating model includes a shared taxonomy: agreed definitions for key processes, decision types, governance forums, roles, and the metrics that matter. This is not a glossary exercise. It is the foundation for coordination at scale.

Aim for both effective and efficient

An operating model must produce the right outcomes (effective) and do so without unnecessary overhead (efficient). Many organisations solve for one at the expense of the other. They add governance, reporting, and process until the operating model is comprehensive but slow, or they strip things back until the operating model is fast but unreliable. The right operating model is substantial enough to create the consistency and coordination the business needs, but never

includes more process, governance, or tools than the situation requires. Every element should earn its place by serving a clear purpose: enabling a decision, creating visibility, or supporting coordination. If it does not serve one of these functions, it should not be there.

There is no one-size-fits-all operating model

Operating models share common features (decision rights, governance, planning cadences, coordination mechanisms, measurement systems), but the right configuration of these features is specific to every organisation. It depends on the strategy, the complexity of the product and market portfolio, the geographic footprint, the regulatory environment, the maturity of the team, and the culture. Importing a “best practice” operating model from another organisation, or adopting a framework because it is currently fashionable, is a reliable route to an operating model that does not fit. The diagnostic must come before the design, and the design must reflect what this organisation actually needs at this stage of its development.

Substance over fashion

Operating model design should be driven by what the organisation needs to execute its strategy, not by what is trendy. Agile frameworks, OKRs, specific governance models, and particular technology platforms may or may not be appropriate depending on the context. The test is not whether a practice is popular or widely adopted, but whether it addresses a specific execution problem in this organisation. An operating model that includes the right amount of the right infrastructure, designed for purpose, will always outperform one that includes everything the latest management book recommends.

HOW TO USE THIS FRAMEWORK

The Seven Signs framework serves as the diagnostic foundation for operating model assessment and redesign. It can be applied in several ways.

- Self-assessment: leadership teams can use the signs as a recognition tool to identify which patterns are present in their organisation and understand the systemic connections between them.
- Diagnostic interviews: the signs provide a structured framework for stakeholder conversations during operating model diagnosis, ensuring that interviews surface root causes rather than just symptoms.
- Design principles: each sign points to specific infrastructure that needs to be designed or redesigned. The “what's really broken” analysis for each sign translates directly into design requirements.
- Implementation priorities: the three patterns help leadership teams sequence their interventions, addressing foundational infrastructure before surface-level symptoms.
- Progress measurement: the signs provide a baseline against which operating model improvements can be tracked over time.

You cannot redesign a foundation you have never seen.

To discuss how the Seven Signs framework applies to your organisation, or to explore an engagement, get in touch.

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The Seven Signs™ is the proprietary diagnostic framework of Sarah Heffron Advisory & Consulting.