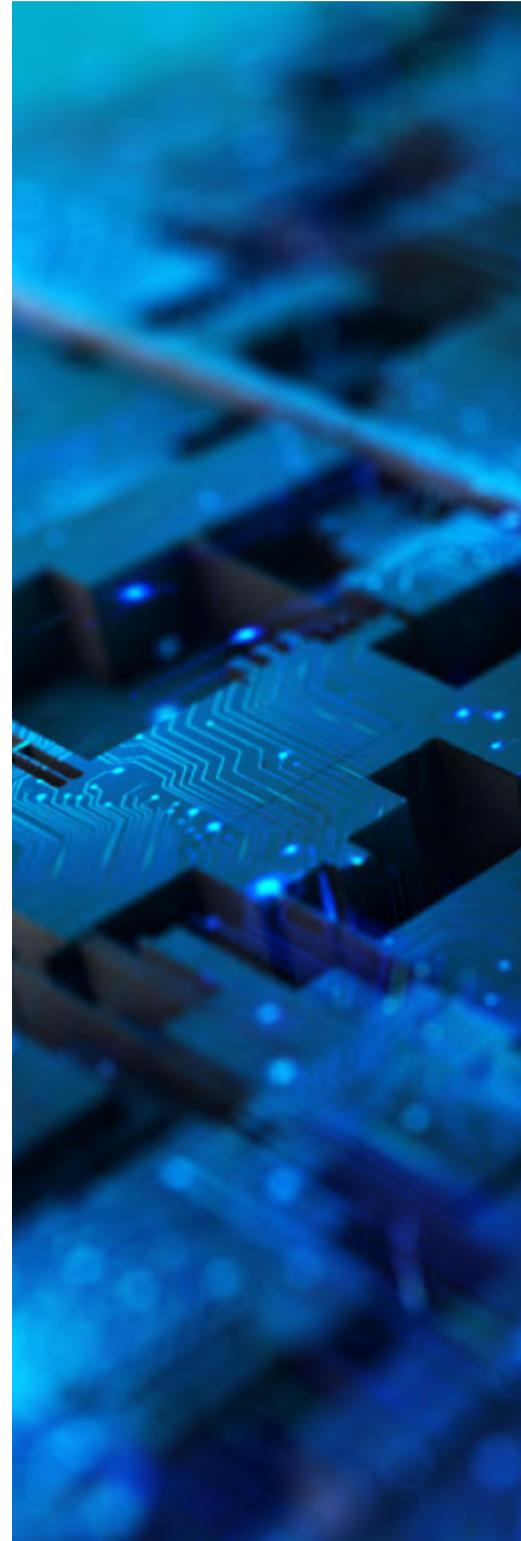


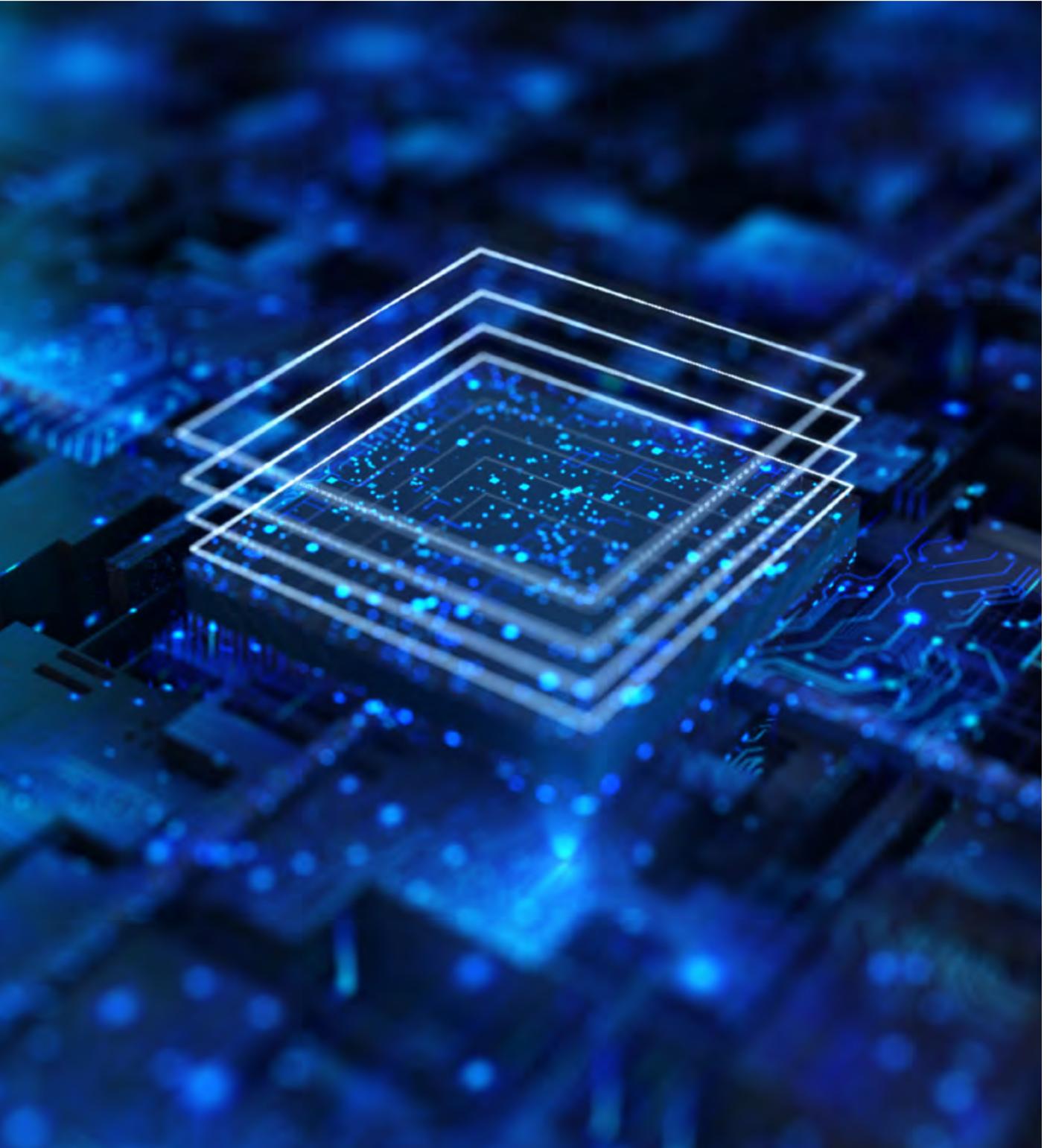
RenDanHeYi: Pioneering the Quantum Organisation

By
Martin Moehrle

RDHY certification as a tool for organisational transformation

Since 2005, the Chinese multinational Haier Group has implemented and refined its RenDanHeYi management model in an ongoing evolving manner. RenDanHeYi has become the reference model in how to thrive in a digital economy by promoting human value creation, entrepreneurship, self-organisation, zero distance to users and ecosystemic thinking. In some respects, it resembles agile management practices and Objectives & Key Results, but it goes way beyond that in enabling ecosystems of autonomous small enterprises and external partners to co-create value for users. Haier Group's international acquisitions GE Appliances, Sanyo, Candy, or Fisher & Paykel have successfully explored and implemented RenDanHeYi in their own way.





RenDanHeYi: Pioneering the Quantum Organisation

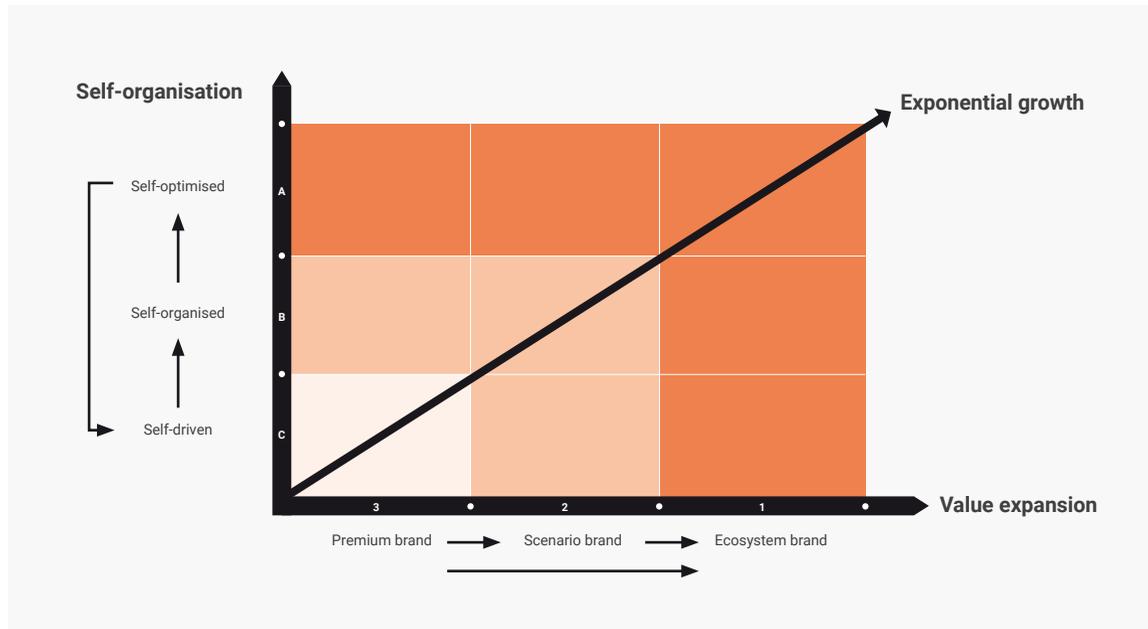


Figure 1 RDHY Scorecard 2.0

To make it easier to understand for outside parties, Haier has distilled its model into a two-dimensional RDHY Scorecard. The vertical dimension illustrates the self-organising capacity and the horizontal dimension the value expansion capacity of an organisation (cf. figure 1) i.e., its organisational practices (vertical) and its market practices (horizontal). Organisations that evolve on both axes by realising RenDanHeYi should enjoy exponential growth opportunities. Haier Group has just done that for the last decade or so.

In collaboration with the Haier Model Institute (HMI), EFMD launched in 2021 a RDHY certification scheme that builds on the RDHY Scorecard. It is delivered entirely online and open to all organisations, exploring self-organisation, agile ways of working, human value maximisation, client-centricity, and how to engage in an ecosystem. Thereby, it makes RenDanHeYi accessible to all kinds of organisations outside Haier.

The RDHY certification aims at the following three outcomes:

- **Accelerating a transformation that aims at self-organisation and client-centricity:** through reflection of an organisation's transformation journey and the provision of an unbiased outside-in view from external experts through the lens of RenDanHeYi, the transformation roadmap can get solidified and accelerated.
- **Strengthening the internal credibility of a transformation initiative:** many initiatives start at grass roots-level; the certification can help to gain credibility vis-à-vis major stakeholders and to mainstream the approach.
- **Access to a community of like-minded 'transformers':** certified organisations will be invited to share experiences and practices and learn from each other; they will also be invited to participate in the Zero Distance Award.





Chapter A: Self-organisation	Chapter B: Value expansion
Turn employees into entrepreneurs	Anticipate evolving user needs
Enable collaboration between autonomous ecosystem partners	Continuously improve the user experience
Drive a performance culture and continuous optimisation	Generate ecosystem revenue
Instill a growth mindset	Build an ecosystem brand

Figure 2 The RDHY Standards

- The RDHY certification is built on two pillars:
- Firstly, the RDHY Standards & Criteria as a model of excellence that defines key success factors in realising the RenDanHeYi management philosophy. These Standards & Criteria are based on the two axes of the RDHY Scorecard. Currently there are four standards with three criteria each for both axes (cf. figure 2). They will evolve with the underlying philosophy and its application.
 - Secondly, the RDHY certification process that comprises four stages and an optional fifth stage as per below (cf. figure 3).

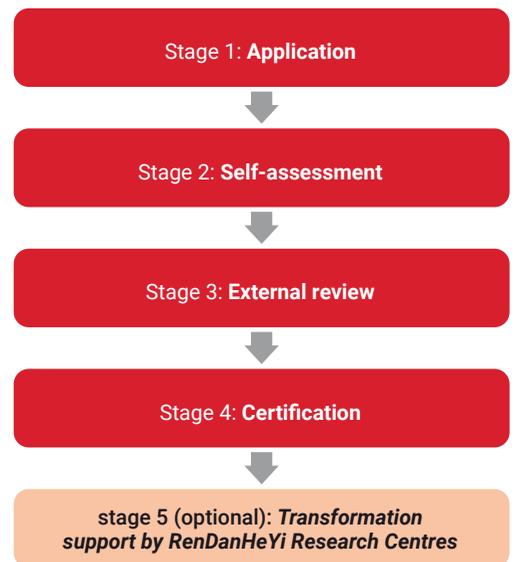


Figure 3 The RDHY certification process

RenDanHeYi: Pioneering the Quantum Organisation

Stage 1: Application

All relevant information about the RDHY certification and respective forms can be found on the EFMD website: RDHY Certification - EFMD Global (<https://www.efmdglobal.org/assessments/companies/rdhy-certification/>).

Interested organisations can apply by sending their filled-in application form and data sheet and by accepting the terms and conditions of certification.

EFMD appoints a team of two certification experts and a team lead. The data sheet should inform the certification experts of the scope of the organisation (the entire organisation or only a part of it) under review and its business context, and should comprise a SWOT analysis i.e., a realistic assessment of strengths, weaknesses, opportunities, and threats.

Stage 2: Self-Assessment

Upon clearing of the application, a candidate organisation is asked to compile a concise self-assessment-report (SAR). The SAR should provide evidence of how the organisation performs against the Standards & Criteria. The data sheet and self-assessment report should not exceed ten pages in total and can be supplemented with attachments.

The self-assessment stage should serve as a means of strategic self-reflection and clarification of the current position and future ambition, and in addition provide the certification experts with an overview before they start with their review.

Stage 3: External review

The candidate organisation agrees with EFMD and the certification team lead on a schedule of interviews with representatives of the candidate organisation. All interviews are performed online and should not exceed a total time of four hours.



Stage 4: Certification

The certification expert team compares business practices in the organisation under review with the RDHY Standards & Criteria, thereby taking the respective business context into account.

The team compiles a feedback report summarising observed strengths and areas of focus and providing an outlook, and then awards one of the following levels of certification (cf. figure 4):

- **Explorer:** the organisation is still at the initial stage of its transformation and may have the desire to learn more about potential next steps.
- **Challenger:** the organisation has progressed well on the self-organisation dimension but has not yet formed and leveraged ecosystems to deliver superior client value.
- **Innovator:** at this stage, the organisation has developed or engaged in an ecosystem that drives innovative solutions, but still relies on traditional ways of organising work.
- **Leader:** here, the organisation has progressed significantly on both dimensions (organisation and market practices) to lead the way in the IoT era.

The value of going through the certification process should largely lie in the clarification of the current strategic position of the certified organisation, and of its future strategic development options. Therefore, the certification team provides an outlook into future growth opportunities and required capabilities for their realisation.

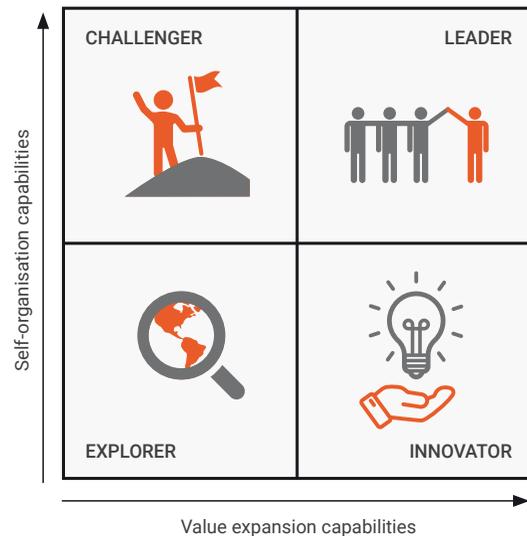


Figure 4 RDHY matrix

Stage 5 (optional): Transformation support by RenDanHeYi Research Centres

If the organisation under review wishes post-certification transformation support, any of the RenDanHeYi Research Centres will be happy to provide training, coaching, or consulting services. The Centres are listed on the Business Ecosystem Alliance website: About us - Business Ecosystem Alliance (<https://www.business-ecosystem-alliance.org>).

Fujitsu Western Europe (fujitsu.com) was the first organisation that got RDHY certification, and MAQE (maqe.com) was the second. Both started their transformation journey, following the principles of RenDanHeYi, with the aim to overcome their specific management and organisational challenges which were quite different. In both cases, the certification process turned out to be very helpful in clarifying the way forward.



About the Author

Martin Moehrl is a Management Consultant and Director of Corporate Services at EFMD.

