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The Impact of Private Equity on Organizational Design:
The Case of Gruppo Coin and the Application of the Burton Model

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Table of Contents

Introduction 1

1. Theory and Literature Review 5

1.1. The Role of Private Equity in Corporate Transformation 5

1.1.1. Introduction to Corporate Transformation and Private Equity 5

1.1.2. The Operational Levers of Private Equity: Financial, Governance, and Operational Engineering 8

1.1.3. Evidence of Impact 11

1.1.4. Risks and Critical Issues of Private Equity Intervention 12

1.1.5. Conclusion 14

1.2. Organizational Change Following PE Acquisitions 15

1.2.1. Introduction to Organizational Change 15

1.2.2. Logics of Transformation 16

1.2.3. Areas of Intervention 18

1.2.4. Stages of Change 19

1.2.5. Empirical Evidence 21

1.2.6. Critical Issues and Ambiguities 23

1.2.7. Conclusion 25

1.3. Culture, Governance and Strategic Alignment 26

1.3.1. Introduction 26

1.3.2. Strategic Alignment 27

1.3.3. Governance in PE Contexts 28

1.3.4. Organizational Culture 29

1.3.5. Dynamic Fit 31

1.3.6. Organizational Implications 32

1.3.7. Conclusion 33

1.4. Review of Organizational Design Theories 35
1.4.1. Introduction to Organizational Design 35
1.4.2. Contingency Theory 36
1.4.3. Classical and Contemporary Models 38
1.4.4. Networks and Informality 40
1.4.5. Psychological and Behavioral Approaches 41
1.4.6. Implications for the PE Context 43
1.4.7. Conclusion 44
2. Methodology 46
2.1. Research Design and Methodological Approach 46
2.2. Case Study Selection: Coin Group 47
2.3. Data Sources and Collection Methods 49
2.4. Analytical Framework: Application of the Burton, DeSanctis and Obel Model 52
2.4.1. Step 1 – Objectives and Scope of the Organization 54
2.4.2. Step 2 – Strategy and Organizational Environment 57
2.4.3. Step 3 – Structure and Organizational Configuration 65
2.4.4. Step 4 – Processes, People, Leadership, and Organizational Climate 71
2.4.5. Step 5 – Systems: Coordination, Control, Information and Incentives .. 77
2.4.6. Step 6 – Dynamics and Complex Organizational Forms 86
2.5. Validity, Limitations and Ethical Considerations 89
3. Results and Discussion 92
3.1. Overview of the Transformation Process 92
3.2. Organizational Transformation through the Burton Model 93
3.2.1. Strategy & Structure 93
3.2.2. Processes, People & Leadership 95

3.2.3. Systems & Performance Outcomes 97
3.3. Critical Discussion of Results 99
3.3.1. Coherence and Fit 99
3.3.2. Misfits and Tensions 99
3.3.3. Value Creation and IPO 100
3.3.4. Comparison with Literature 100
3.4. Future Perspectives 101
3.4.1. Sustainability of the New Model 101
3.4.2. Strategic Challenges Ahead 102
3.4.3. Transferability of Findings 102
3.4.4. Link to the Contingency Approach 102
3.4.5. Managerial and Theoretical Implications 103
Conclusion 107
Bibliography 111

Introduction

In today's economic landscape, that is characterized by volatility, uncertainty, complexity, and ambiguity, the so-called VUCA environment, organizations are increasingly required to critically reassess their internal structure in order to adapt and survive. Within this context, Private Equity (PE) funds have emerged as key players capable of triggering deep organizational restructuring processes, primarily through acquisitions aimed at creating value within short timeframes.

In academic literature, the term Private Equity is often used as a synonym for leveraged buyout operations (LBO), which consist in acquiring control of a company through a combination of equity and debt financing. These operations represent one of the most established forms of financial and organizational intervention by institutional investors (Kaplan & Strömberg, 2009).

Traditionally, the scholarly focus has been placed on the financial and economic outcomes of PE transactions, such as: improved profitability, cost reduction, working capital optimization, and successful exit strategies including Initial Public Offerings (IPOs), that is, the process by which a private company offers its shares to the public for the first time by listing on a stock exchange, or secondary sales to other investors. However, while these results are well documented, the impact of such transactions on organizational design and internal transformation has been insufficiently examined. The changes that follow an acquisition do not concern ownership and financial structure alone; they often involve profound and structural reconfigurations of the organization itself. This includes reconsidering, and often redesigning, key elements such as: hierarchy, operational processes, control systems, organizational culture, and the management of human capital. In their pursuit of value creation, PE funds increasingly act as architects of organizational change, making decisions that directly affect the operational foundation of the acquired companies (Krüsta & Kanbach, 2022).

As highlighted by Burton, Obel, and Håkonsson (2011), sustainable organizational performance can only be achieved through a high degree of internal consistency, or "fit", between strategy, structure, processes, people, and control systems. This principle becomes especially relevant in post-acquisition restructuring phases, where the balance

between these organizational dimensions is tested and must be realigned in response to new ownership and governance dynamics.

Despite the extensive coverage of financial outcomes, there is a lack of studies that explore in an integrated manner the organizational dimensions affected by a Private Equity (PE) transaction. For this reason, topics such as strategy redefinition, structural reconfiguration, changes in decision-making processes and control systems, and the role of corporate culture and human capital are often addressed in a fragmented or sector-specific way.

Furthermore, the existing academic literature provides only limited longitudinal insights into how individual firms experience comprehensive organizational transformation following Private Equity acquisitions. In this regard, the case of Gruppo Coin, acquired by the PE fund BC Partners in 2011, represents a valuable empirical context in which to examine these dynamics within a strategically significant sector such as retail. The subsequent organizational restructuring, which culminated in the spin-off and IPO of OVS in 2014, represents a paradigmatic context of change driven by logics of efficiency and value enhancement.

Based on the theoretical and contextual premises outlined above, this thesis aims to address the following research question:

How does a Private Equity operation affect the organizational design of a retail company, and what changes emerge across the dimensions of strategy, structure, processes, people, and control in a post-acquisition restructuring context?

The overall objective is to investigate how, and through which levers, the PE fund intervenes in the transformation of the organizational configuration of the target firm — going beyond a purely financial view of value creation. Specifically, the analysis seeks to understand the active role of PE in reshaping the internal structure of the organization, highlighting both discontinuities introduced and efforts toward systemic realignment. To answer the research question, the Coin Group case will be analyzed using an analytical framework inspired by the model of Burton, Obel, and DeSanctis (2011), which identifies five interdependent dimensions. The analytical approach will follow an interpretive logic, examining the organizational changes that occurred between 2011 and 2014.

In 2011, Gruppo Coin was acquired by the Private Equity fund BC Partners through a leveraged buyout aimed at reorganizing the company and enhancing its performance. This acquisition initiated a broader restructuring process across all organizational levels. By 2014, the restructuring culminated in the spin-off and Initial Public Offering (IPO) of OVS, the business unit at the core of the group's retail operations, reflecting a significant organizational reconfiguration driven by Private Equity ownership. These two milestones — the entry of PE ownership and the public listing of a core business unit — provide a clearly defined temporal boundary for examining how the PE intervention reshaped the internal configuration of the company over time.

The empirical analysis will be based on a wide range of secondary sources — such as financial reports, industry analyses, case studies, and academic literature — all examined in relation to the model. The aim is to identify recurring patterns, points of discontinuity, mechanisms of adaptation, and overall internal consistency (fit). Ultimately, the objective is to assess both the extent and the nature of the PE fund's role as a catalyst for deep organizational change, and whether such change can be interpreted as a deliberate realignment of key components of organizational design.

The theoretical approach adopted in this thesis is based on the framework developed by Burton, Obel, and DeSanctis (2011), which offers an integrated view of the organization as a system composed of interdependent dimensions. This model is grounded in the logic of contingency theory, which suggests that organizational effectiveness depends on the organization's ability to adapt its internal configuration to the specific external context in which it operates.

In the case of an acquisition by a Private Equity fund, the intervention of investors is not limited to financial restructuring; rather, it aims to generate value through a systematic rethinking of the organization's design. The model proposed by Burton et al. therefore provides a consistent analytical framework to examine how each of these dimensions has been modified during the post-acquisition restructuring process.

The decision to examine the case of Gruppo Coin is grounded in both the empirical significance of the transaction and its relevance within the retail sector, as well as in the availability of publicly accessible sources and strategic documentation. This case offers a valuable opportunity to investigate how organizational levers are mobilized in a post-

buyout restructuring context, and how such transformations are shaped by objectives of efficiency and competitive repositioning.

1. Theory and Literature Review

1.1. The Role of Private Equity in Corporate Transformation

1.1.1. Introduction to Corporate Transformation and Private Equity

In recent years, radical corporate transformations have become increasingly frequent. This process has acquired growing relevance within both academic and managerial fields. In particular, it has highlighted the urgency for companies to adapt to economic environments influenced by phenomena such as globalization and competition. The term corporate transformation refers precisely to these change processes, understood as structural, strategic, and operational changes, with the aim of revitalizing corporate performance and orienting it toward a new strategy or renewing the organizational configuration of the company. In particular, these processes are distinguished as either "reactive"—that is, when the change process is a response to a crisis situation—or "proactive"—that is, when the change processes are aimed at anticipating market shifts in order to maintain or gain competitive advantages.

Within this context, the phenomenon known as Private Equity (PE) emerges as one of the most influential agents in corporate transformation processes. The term *Private Equity* refers to equity investments made in unlisted companies.

Fenn, Liang, and Prowse (1997) describe this form of investment as distinguished by a high level of professionalized management and a direct role in the governance of the target companies.[1]

Private equity operations aim to acquire substantial equity stakes with the ultimate goal of gaining control over the company. These investors contribute not only capital but also managerial know-how and strategic capabilities that are essential for enhancing the firm's value over the medium to long term.

They play a key role in shaping corporate strategy, appointing or reshaping top management, and driving carefully planned initiatives focused on restructuring or accelerating growth.

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[1] Fenn, G. W., Liang, N., & Prowse, S. (1997). *The Private Equity Market: An Overview*. *Financial Markets, Institutions & Instruments*, 6(4), 1–106. https://doi.org/10.1111/1468-0416.00021

The levers through which PE activates transformation include: redefinition of governance, operational optimization, incentive alignment, process digitalization, and the enhancement of human capital.

The private equity industry has undergone rapid evolution. Originally focused on start-up investments (venture capital), it now encompasses a wide range of instruments, from leveraged buyouts (LBOs) to growth equity and sponsor-to-sponsor exits. According to the definition provided by AIFI[2], private equity is "the activity of investing in the risk capital of unlisted companies, with the aim of increasing their value and subsequently exiting the investment."

Exit can take place through various methods, such as an Initial Public Offering (IPO)[3], which allows the fund to monetize its stake, or through trade sales or secondary buyouts. The IPO represents not only an exit mechanism, but also an indicator of the strategic success of the investment, as it enables the private equity fund to liquidate its initial investment by realizing a capital gain, and it confirms the strength and attractiveness of the firm in the public capital market.

The motivations underlying PE fund interventions are both financial and industrial in nature. On one hand, the goal is to generate economic returns through increased efficiency and profitability; on the other, the aim is to promote structural transformation that ensures the sustainability of performance over the long term.

In this way, private equity acts as a catalyst for change, operating in a targeted and selective manner on managerial, organizational, and strategic structures that require revitalization or repositioning.

Through the phenomenon of Private Equity, multiple functions are fulfilled: it constitutes a source of capital and at the same time it is identified as a transformative agent, that is, an agent capable of significantly affecting the strategic, operational, and organizational structure of the portfolio companies. In fact, it intervenes directly in the definition of

[2] Associazione Italiana del Private Equity, Venture Capital e Private Debt (AIFI).
[3] An IPO (Initial Public Offering) is the process by which a company offers its shares to the public for the first time by listing on a regulated market. For private equity funds, it represents a monetization opportunity and a validation of the value creation achieved during the investment period.

governance, in the design of incentives, in the configuration of management, and in the allocation of resources, with the aim of maximizing the company's value over a defined time horizon.

On this basis, some distinctive traits of Private Equity funds can be identified. One of these traits is their ability to activate systemic changes, thanks to a well-structured set of design tools. In fact, the first step is to completely revise governance. Funds generally introduce streamlined decision-making structures, in which a board made up of competent individuals is appointed, along with more stringent control systems that can ensure constant and results-oriented supervision.[4]

Then, incentive mechanisms are identified and often restructured to align the interests of management with those of investors. In this case, equity-based instruments are adopted, such as co-investments and stock options, which expose management to the risk and potential return of the company.[5]

Alongside the governance dimension, PE funds make available to target companies' patient capital and industrial know-how, which represent two complementary levers. Patient capital allows the financing of restructuring processes, growth investments, or extraordinary operations without the pressure of public markets. Industrial know-how materializes in the ability to attract experienced managerial figures, implement advanced management practices, and introduce technologies and operational methods already tested in other portfolios.[6]

The transformation objectives pursued by PE funds are structured around three main goals:

- the operational efficiency of the company, meaning the optimization of costs, processes, and resources used;

[4] Kaplan, S. N., & Strömberg, P. (2009). Leveraged buyouts and private equity. Journal of Economic Perspectives, 23(1), 121–146

[5] Acharya, V. V., Gottschalg, O., Hahn, M., & Kehoe, C. (2013). Corporate governance and value creation: Evidence from private equity. Review of Financial Studies, 26(2), 368–402.

[6] Guo, S., Hotchkiss, E. S., & Song, W. (2011). Do buyouts (still) create value?. Journal of Finance, 66(2), 479–517

- the growth of the company, which may occur through internal means, such as commercial development, new investments, or innovation; or through external means, via targeted acquisitions and sector consolidation strategies;[7]
- the strategic rethinking of the company, which may involve a change in competitive positioning, entry into new markets, or a redefinition of the business model.

It can therefore be stated that Private Equity is a phenomenon that operates in a selective and incisive manner with respect to all relevant organizational dimensions. Its action is guided by logic aimed at value creation. At the same time, its activity is based on a design-oriented approach aimed at strengthening the internal coherence of the business system, making it more solid, high-performing, and active.

1.1.2. The Operational Levers of Private Equity: Financial, Governance, and Operational Engineering

When analyzing the activities carried out by Private Equity funds that lead to change in portfolio companies, it is possible to identify the main levers these funds adopt. The literature identifies three main approaches: financial engineering, governance engineering, and operational engineering.[8]

Through financial engineering, the funds redesign the company's financial structure, introducing levels of financial leverage that impose greater discipline in cash management and reduce information asymmetry between shareholders and management, thereby mitigating agency problems.[9]

Governance engineering concerns the redefinition of decision-making processes: smaller and more competent boards are implemented, the frequency of monitoring is increased, and incentive systems based on equity-linked instruments (stock options, co-investment)

[7] Wilson, N., Wright, M., Siegel, D., & Scholes, L. (2012). Private equity portfolio company performance during the global recession. Journal of Corporate Finance, 18(1), 193–205
[8] Kaplan, S. N., & Strömberg, P. (2009). Leveraged Buyouts and Private Equity. *Journal of Economic Perspectives*, 23(1), 121–146. https://doi.org/10.1257/jep.23.1.121
[9] Ibid., pp. 125–128.

are introduced to strengthen the alignment between corporate objectives and managerial behavior.[10]

Finally, operational engineering takes the form of direct interventions in the company's operations, such as efficiency plans, process reviews, commercial expansion, or strategic repositioning.

Funds tend to support this process by working alongside experienced management or by introducing key figures to accelerate the transformation. Empirical evidence confirms that the coordinated use of these levers can lead to a significant improvement in financial and operational performance, including metrics such as EBITDA, productivity, and growth in operating cash flow.[11]

This type of intervention implies a structural reorganization of the company, which may include activities such as the review of the organizational configuration, the simplification of hierarchical levels, and the introduction of new coordination mechanisms. All these activities must be in line with the turnaround or growth strategy outlined by PE funds. In particular, when supporting transformation processes of this kind, an increasingly relevant element is the strategic management of human resources. Defined as talent management, it constitutes a central element for ensuring the effectiveness and sustainability of organizational change. PE funds tend to act with speed and decisiveness at the managerial level, intervening directly in the selection, evaluation, and, if necessary, replacement of top executives.[12]

According to some estimates, in over 50% of buyouts, significant changes in top management occur within the first 12 months after the acquisition.[13]

To incentivize qualified personnel to increase their contribution, funds tend to implement compensation strategies based on performance criteria and equity-linked instruments (stock options, co-investment, bonuses tied to shared objectives). These mechanisms are

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[10] Ibid., pp. 129–132.
[11] Ibid., pp. 132–136.
[12] Kaplan, S. N., & Strömberg, P. (2009). *Leveraged Buyouts and Private Equity*. *Journal of Economic Perspectives*, 23(1), 121–146. https://doi.org/10.1257/jep.23.1.121
[13] Acharya, V. V., Gottschalg, O. F., Hahn, M., & Kehoe, C. (2013). *Corporate Governance and Value Creation: Evidence from Private Equity*. *Review of Financial Studies*, 26(2), 368–402. https://doi.org/10.1093/rfs/hhs113

designed with the goal of aligning the interests of management with those of investors, encouraging responsibility, ownership, and a results-oriented mindset.[14]

HR transformation also extends to operational levels. Funds promote practices oriented toward efficiency and meritocracy, adopting advanced systems of performance management, potential analysis, succession planning, and retention strategies for critical talent. At the same time, there is growing attention to the continuous training of human resources. This is considered essential for adapting skills to new strategic and technological structures.[15]

Some studies document an increase in investments in professional development and up-skilling programs post-acquisition, especially in knowledge-intensive sectors. However, the effects are not entirely positive. These activities, aimed at achieving increasingly rapid results, can exert psychological pressure and consequently generate cognitive overload, burnout, and unplanned employee turnover. In some cases, restructuring processes involve a reduction in workforce size or a standardization of HR functions, resulting in the loss of tacit knowledge and the weakening of internal relational dynamics.

Another emerging aspect concerns diversity and inclusion policies. Although still marginal, there is growing awareness among more structured funds of the importance of promoting inclusive and diverse environments, also from the perspective of sustainable performance. Some PE operators, especially in Anglo-Saxon countries, have begun to integrate ESG metrics into the processes of human resource selection and evaluation, indirectly influencing the organizational culture of portfolio companies.[16]

In conclusion, the activity of talent management represents a key dimension in the PE transformation process. In fact, the ability to attract, motivate, and retain high-potential individuals is often decisive for the success of the intervention. At the same time, the

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[14] Bacon, N., Wright, M., Meuleman, M., & Scholes, L. (2013). *The Impact of Private Equity on Management Practices in European Buy-outs: Short-termism, Anglo-Saxon, or Host Country Effects? Industrial Relations*, 52(s1), 605–626. https://doi.org/10.1111/irel.12026

[15] Wright, M., Gilligan, J., & Amess, K. (2009). *The Economic Impact of Private Equity: What We Know and What We Would Like to Know*. *Venture Capital*, 11(1), 1–21. https://doi.org/10.1080/13691060802151887

[16] Appelbaum, E., & Batt, R. (2014). *Private Equity at Work: When Wall Street Manages Main Street*. New York: Russell Sage Foundation.

effectiveness of these practices depends on the ability to balance performance and sustainability, control and autonomy, discipline and engagement.

1.1.3. Evidence of Impact

The interventions carried out by Private Equity funds represent significant transformations of companies, whose impacts are generally visible both in terms of economic and financial performance and in terms of the organizational and strategic configuration of the firm. Various empirical studies show that companies backed by PE tend to experience improvements in their operational performance, particularly in terms of EBITDA, operating cash flow, and return on invested capital.[17] Among the most recurring effects is restructuring, a process that may involve both the organizational structure and the allocation of resources. This includes, for example, the simplification of the hierarchical chain, the reduction of inefficient business units, or the introduction of new information and control systems.[18]

These interventions are designed to optimize efficiency, reduce fixed costs, and increase the organization's responsiveness to market changes.

At the same time, the entry of PE funds can stimulate corporate innovation. In fact, through the availability of capital, the support of experienced management, and a performance-oriented mindset, portfolio companies are often encouraged to invest in new technologies, launch new products, or enter international markets.[19]

Another effect is growth, which can occur through internal means—via the expansion of core business activities—or through external means, via strategic acquisitions (buy-and-build strategies). These operations are often facilitated by the fund's network and its ability to provide financial and strategic support to the company throughout its development path.[20]

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[17] Kaplan, S. N., & Strömberg, P. (2009). *Leveraged Buyouts and Private Equity*. *Journal of Economic Perspectives*, 23(1), 121–146. https://doi.org/10.1257/jep.23.1.121
[18] Clark, G. L. (2020). *Management control and organizational change in PE buyouts*.
[19] Berg, A., Gottschalg, O., & Hinz, H. (2021). *Value creation in private equity portfolio companies: A structured review of evidence and proposed framework*. *Journal of Corporate Finance*, 66, 101875.}
[20] Guo, S., Hotchkiss, E. S., & Song, W. (2011). *Do Buyouts (Still) Create Value? The Journal of Finance*, 66(2), 479–517.

An additional area of impact is human resource management, as previously mentioned. PE funds introduce performance management practices, sometimes reorganize the executive team, and invest in talent development. Recent contributions also highlight, in some cases, the adoption of diversity and inclusion policies as a lever for enhancing human capital.[21]

In summary, through their activities, Private Equity funds—beyond intervening in and optimizing the financial structure—tend to steer companies in a strategic and organizational direction that can prove decisive for their competitive revitalization. The observed impacts are multiple and multi-level, thereby reflecting the systemic nature of PE intervention and its ability to influence the full range of productive and managerial factors.

1.1.4. Risks and Critical Issues of Private Equity Intervention

Despite the transformative potential of Private Equity, through the transformation process triggered by the activity of Private Equity, a series of risks and critical issues have been identified that may emerge during and after the intervention by the funds. These side effects may depend not only on structural aspects, but also on factors such as the context, the investment time horizon, and the management style of the fund.
Among the risks identified, one of the most frequent is that arising from financial leverage exerting pressure on business activity; this is introduced through leveraged buyouts (LBOs). The leveraged buyout (LBO) is an acquisition strategy in which a private equity firm takes control of a target company using a combination of limited own capital and a significant share of debt, with the aim of creating value through financial leverage, targeted managerial incentives, and more effective corporate governance (Kaplan & Strömberg, 2009). Although leverage can incentivize managerial efficiency and discipline in the use of capital, it exposes the company to financial vulnerabilities in the event of market downturns or underperformance. In fact, in stressful situations, the need to service the debt can constrain the company’s ability to invest in innovation, human capital, or long-term development.[22]

[21] Wright, M., Gilligan, J., & Amess, K. (2009). *The economic impact of private equity: What we know and what we would like to know*. *Venture Capital*, 11(1), 1–21.
[22] Kaplan, S.N., & Strömberg, P. (2009). Leveraged Buyouts and Private Equity. *Journal of Economic Perspectives*, 23(1), 121–146

A second critical element concerns the risk of short-termism, namely the adoption of short-term strategies at the expense of future sustainability. In some cases, funds may prioritize cost-cutting, the disposal of non-core assets, or workforce reduction in order to maximize profitability and facilitate the exit within the planned investment horizon.[23] Although these activities may prove profitable in the short term, they may compromise the resilience of the company and its organizational capital.

Another particularly delicate aspect is the effect on employment. In fact, several studies have reported different outcomes: in some cases, there is an increase in labor efficiency and productivity; in others, post-acquisition restructuring leads to workforce reductions or changes in contractual conditions.[24] The literature has observed that the employment dimension and its effects largely depend on the strategy chosen by the fund and on the phase of the economic cycle.

Moreover, effects on the ethical and social sphere have also been identified. The entry of PE may also alter the balance between the interests of investors and corporate stakeholders (employees, suppliers, customers). In fact, the strong emphasis on shareholder value creation can lead to decisions that neglect environmental sustainability, employment stability, or worker well-being, and thus partly conflict with the interests of corporate stakeholders. In addition to this, some authors refer to an intrinsic tension between the short-term logic typical of PE and the relational and reputational perspective typical of family-owned or publicly managed firms.[25]

Finally, this transformation activity has generated arguments that have given rise to a growing debate in political and academic spheres concerning the informational opacity that may characterize PE operations—especially in less regulated contexts. Limited transparency may hinder the independent assessment of impacts and raise questions regarding the accountability of operators.[26]

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[23] Appelbaum, E., & Batt, R. (2014). *Private Equity at Work: When Wall Street Manages Main Street*. Russell Sage Foundation.
[24] Guo, S., Hotchkiss, E.S., & Song, W. (2011). Do Buyouts (Still) Create Value? Journal of Finance, 66(2), 479–517.
[25] Wright, M., Gilligan, J., & Amess, K. (2009). The economic impact of private equity: what we know and what we would like to know. Venture Capital, 11(1), 1–21.
[26] Braun, R., Jenkinson, T., & Stoff, I. (2017). How Persistent is Private Equity Performance? Evidence from Deal-Level Data. Journal of Financial Economics, 123(2), 273–291.

In conclusion, although Private Equity can represent a powerful agent of transformation, its effectiveness and legitimacy depend on a careful balance between performance objectives and social responsibility. In fact, the quality of the governance adopted, the nature of the relationship with management, and the respect for both internal and external stakeholders are key factors that determine the outcome of the intervention.

1.1.5. Conclusion

In conclusion, based on this overview, it is evident that Private Equity constitutes an effective tool for promoting deep and targeted transformations within companies, as its actions unfold across a variety of dimensions. Through advanced governance tools, performance-oriented incentive systems, and knowledge-intensive managerial practices, PE funds can activate transformation processes that lead to corporate restructuring, or even to a business relaunch and growth that many companies would not be able to implement independently.[27]

However, the transformative potential of Private Equity is not without critical issues. Risks of various kinds have been observed, which can have a negative and significant impact on both the process and the outcome. In light of this, it becomes necessary to evaluate each PE intervention based on several factors, such as the specific context, the strategic objectives, and the quality of the operational methods adopted. Indeed, only through coherent project-based approaches that are capable of balancing financial discipline and sustainable development can Private Equity serve as a viable lever for corporate transformation aimed at increasing competitiveness.

If this does not occur, there is a risk of discontinuity, polarization, and systemic imbalances.[28] Depending on the capabilities of these Private Equity funds, corporate value can be either created or destroyed. Everything lies in the ability to combine technical efficiency with organizational sensitivity in an evolutionary perspective.[29]

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[27] Kaplan, S. N., & Strömberg, P. (2009). Leveraged Buyouts and Private Equity. Journal of Economic Perspectives, 23(1), 121–146.
[28] Appelbaum, E., Batt, R., & Clark, I. (2013). Implications of financial capitalism for employment relations research: Evidence from breach of trust and implicit contracts in private equity buyouts. British Journal of Industrial Relations, 51(3), 498–518.
[29] Guo, S., Hotchkiss, E. S., & Song, W. (2011). Do Buyouts (Still) Create Value? Journal of Finance, 66(2), 479–517.

1.2. Organizational Change Following PE Acquisitions

1.2.1. Introduction to Organizational Change

Within the context of acquisition operations carried out by Private Equity (PE) funds, organizational change represents one of the most sensitive and strategic areas of intervention. Although the acquisition process is financial in nature, its consequences extend beyond the capital structure, profoundly influencing the operational, decision-making, and cultural logics of the target company. For this reason, the change process constitutes an intrinsic component of the broader transformation triggered by PE.

The post-acquisition phase represents a critical opportunity for internal reorganization. During this phase, the organization's structure is defined in terms of governance, processes, and culture. The literature on the topic suggests that the organizational change introduced by PE tends to follow a predominantly intentional logic oriented toward value creation. [30] PE funds differ from other types of investors in that they take an active role in redefining strategic priorities and the company's operational mechanisms. Thanks to this approach, it is possible to implement even profound transformations within relatively short timeframes.

Empirical studies show that the way in which change is implemented can vary according to multiple factors. Among these, the following can be highlighted:

- the fund's strategy;
- the initial condition of the acquired company;
- the pressure exerted by stakeholders;
- the quality of the relationship established with the pre-existing management team.

In some cases, change takes the form of radical discontinuity, involving rapid restructuring and managerial replacements. In other cases, an incremental evolution can be observed, based on learning logics and progressive adaptation.

In the literature, some authors consider post-acquisition change to be an evolutionary process, which unfolds in multiple phases and requires adaptive capabilities both on the

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[30] Gottschalg, O. (2007). Value Creation in Private Equity: A Dynamic Capability Perspective. In Bruining, H., Bonnet, M., & Wright, M. (Eds.), *Entrepreneurial Orientation and Performance in Private Equity-Backed Firms*. London: Palgrave Macmillan.

part of the fund and the portfolio company.[31] This approach departs from a deterministic view of restructuring. Instead, it proposes a model that integrates top-down design elements with emerging bottom-up dynamics. In this perspective, the organization is not simply "restructured," but undergoes a continuous redefinition of its operational logics and identity, often in response to signals of misfit between existing structures and new strategic objectives.[32]

1.2.2. Logics of Transformation

In addition to constituting a financially based operation, the intervention of a Private Equity (PE) fund in a portfolio company gives rise to a set of transformations guided by well-defined logics. These include:

- economic-financial logic;
- strategic-operational logic;
- behavioral logic.

These logics act jointly with the aim of reorienting the company toward new structures that are more efficient, competitive, and coherent, aligned with the investor's value creation objectives.

The economic-financial logic focuses on improving profitability and capital discipline. Companies acquired by PE funds are frequently subjected to a rigorous rationalization process. This process aims to optimize the company's cost structure, cash management, and returns on invested capital. The introduction of financial leverage, typical of leveraged buyouts, constitutes a functional tool within this logic. In fact, financial leverage amplifies expected returns for investors, but imposes strict performance constraints on management, acting as a mechanism of financial discipline.[33]

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[31] Clark, G. L. (2011). Post-acquisition restructuring as evolutionary process. *Journal of Economic Geography*, 11(4), 589–615. https://doi.org/10.1093/jeg/lbr003
[32] Wright, M., Hoskisson, R. E., Busenitz, L. W., & Dial, J. (2000). Entrepreneurial growth through privatization: The upside of management buyouts. *Academy of Management Review*, 25(3), 591–601.
[33] Kaplan, S. N., & Strömberg, P. (2009). Leveraged Buyouts and Private Equity. *Journal of Economic Perspectives*, 23(1), 121–146. https://doi.org/10.1257/jep.23.1.121

The strategic-operational logic, in the case of companies acquired by PE funds, translates into targeted interventions aimed at repositioning the company in the market. Among these:

- redefinition of the product portfolio;
- focus on the core business;
- divestiture of non-strategic or unprofitable assets;
- entry into new high-potential business areas.

These actions are often aimed at preparing the company for a future exit (for example, an IPO or a sale to another operator), maximizing its attractiveness and perceived value in the market.[34] Furthermore, the PE approach tends to support not only organic growth, but also external growth, through strategic acquisitions (add-on acquisitions) that make it possible to increase scale and market penetration in a short time.[35]

The behavioral and cultural logic assumes particular relevance, especially in cases of intervention by PE, since the transformation process is generally accompanied by a specific behavioral approach and a well-defined organizational culture. Funds promote a logic based on principles such as:

- meritocracy;
- accountability;
- results orientation.

Based on this mindset, incentive systems are redesigned to align management's interests with those of shareholders, often through equity-linked tools such as stock options or co-investments. Roles also change, with greater autonomy for business units, and internal relationships evolve thanks to leaner and faster decision-making models. In many cases, the entry of PE determines a real cultural "shock transformation," which redefines the

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[34] Gilligan, J., & Wright, M. (2020). *Private Equity Demystified: An Explanatory Guide*. 4th ed. ICAEW Corporate Finance Faculty.
[35] Hammer, B., Knauer, A., Pflücke, M., & Schwetzler, B. (2017). Inorganic growth strategies of private equity firms: The role of add-on acquisitions. *Journal of Corporate Finance*, 45, 31–63. https://doi.org/10.1016/j.jcorpfin.2017.04.004

symbolic and operational codes of the organization, introducing new models of leadership, performance management, and communication.[36]

These three logics act jointly within a complex transformation process that reshapes the economic metrics, structure, competencies, and the very identity of the organization.

1.2.3. Areas of Intervention

The transformation intervention focuses on four main areas:

- The formal structure,
- Control systems,
- Organizational culture,
- Human resource management.

Each of these dimensions represents a critical aspect through which the EP aims to generate efficiency, alignment and accountability.

One of the first actions undertaken concerns the redefinition of the organisational structure. Funds are involved in the mapping of functions, the reallocation of responsibilities and the simplification of hierarchical levels. This "flattening" process aims to improve decision-making speed, reduce areas of overlap between roles and promote greater clarity in reporting processes.[37] In many operations, we see a re-design of the macro-organizational structure, with the separation of business units, the creation of new strategic functions or the outsourcing of non-core activities.

At the same time, private equity introduces more sophisticated and rigorous control systems. The logic established within governance is that of continuous monitoring: quantitative and qualitative performance indicators (KPI), performance management systems and short-term reporting mechanisms are adopted. All this is implemented with the objective of making transparent and measurable the contribution of each unit and

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[36] Wright, M., Gilligan, J., & Amess, K. (2009). The economic impact of private equity: what we know and what we would like to know. *Venture Capital*, 11(1), 1–21. https://doi.org/10.1080/13691060802151887

[37] Bacon, N., Wright, M., Ball, R., & Meuleman, M. (2012). Private Equity, HRM, and Employment. *Academy of Management Perspectives*, 26(1), 7–21. https://doi.org/10.5465/amp.2012.0008

function to the achievement of strategic objectives. These tools not only increase managers' accountability, but also facilitate the early identification of critical areas.[38]

In addition to the structural and procedural aspects, PE intervention triggers significant cultural changes. Acquired organisations are oriented towards a result culture, based on performance, accountability and limited tolerance for discretion. In many cases, there is increasing pressure on objectives, more formalised decision-making procedures and a valorization of merit over seniority.[39] This process can result in greater efficiency, but also in increased work pressure and internal tensions against pre-existing cultural patterns.

Finally, a crucial lever for change concerns people management. PE funds are directly involved in the selection and replacement of management, especially in the first 12-18 months after acquisition. The turnover of top management is often high and motivated by the need to introduce figures more aligned with new strategic objectives.[40] At the same time, incentive systems are being revised with the introduction of equity-based mechanisms, performance bonuses and collective awards for key teams. The culture of meritocracy and empowerment is thus incorporated into the HR system, strengthening coherence between financial objectives and individual behaviour.

In summary, the organizational transformations triggered by Private Equity are not marginal, but structural and pervasive. They concern the "heart" of the enterprise: its form, its processes, its values and the way in which people act within it. If well orchestrated, these interventions can significantly increase the operational effectiveness and resilience of the organization in the long run.

1.2.4. Stages of Change

The organizational change induced by private equity is not limited to the definition of objectives or the introduction of new management practices: it develops according to temporal and psychological dynamics that profoundly affect the effectiveness of the intervention. Understanding the stages and processes through which change manifests

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[38] Guo, S., Hotchkiss, E. S., & Song, W. (2011). Do Buyouts (Still) Create Value? *Journal of Finance*, 66(2), 479–517. https://doi.org/10.1111/j.1540-6261.2010.01639.x

[39] Wright, M., Gilligan, J., & Amess, K. (2009). The economic impact of private equity: what we know and what we would like to know. *Venture Capital*, 11(1), 1–21. https://doi.org/10.1080/13691060802151887

[40] Jensen, M. C. (1989). Eclipse of the Public Corporation. *Harvard Business Review*, 67(5), 61–74.

itself within acquired companies is crucial to grasp the real and lasting impact of PE operations.

In literature it is often distinguished between two approaches to organizational change: evolutionary and revolutionary. The first is based on a gradual and incremental process, in which changes are introduced progressively to facilitate adaptation and reduce internal resistance. The second, on the contrary, is characterized by drastic and discontinuous interventions aimed at breaking with past practices to start a new strategic cycle. [41]Private equity funds tend to favour a more revolutionary approach in the early stages of acquisition, especially when the target company presents situations of structural inefficiency or competitive crisis. However, once the transformation has started, there is often a return to more evolutionary modalities, focused on consolidation and operational adaptation.

The observation of numerous empirical cases suggests that there is a real cycle of change in acquired enterprises. Based on these observations, three main phases have been identified:

- Initial shock: the entry of the fund is perceived as a potential critical event that destabilizes the internal balance and at the same time generates uncertainty among employees. In this initial phase, emotions of negative connotation such as anxiety, disorientation and concern for the future prevail. Change is seen as a threat rather than an opportunity.
- Adaptation: subsequently the organization begins to assimilate the new operational logics, control systems and leadership models introduced. This second phase is a delicate moment, in that the success of change depends on the ability to create a shared sense of direction, communicate effectively and build supportive coalitions among key domestic actors.[42]
- Normalization: if the second phase is successful, and therefore the change is perceived as coherent, useful and sustainable, the organization tends to

[41] Greenwood, R., & Hinings, C. R. (1996). Understanding radical organizational change: Bringing together the old and the new institutionalism. *Academy of Management Review*, 21(4), 1022–1054. https://doi.org/10.5465/amr.1996.9704071862

[42] Kotter, J. P. (1995). Leading Change: Why Transformation Efforts Fail. *Harvard Business Review*, 73(2), 59–67.

incorporate it into its daily practices. So change takes on the connotation of routine. The new routines are institutionalized, that is the company culture adapts to the new objectives and the behaviors initially imposed from outside become an integral part of the whole organization.

In this process, middle management plays a key role. These actors are the connector between strategic leadership and the rest of the organization. They can directly influence adoption or resistance to change. In many cases, middle management is torn between the expectations of the new shareholder and loyalty to existing models. Their ability to translate strategic objectives into concrete behaviour, to reassure operational teams and to act as "ambassadors" of change is often decisive for the success of the intervention.[43]

Similarly, informal practices - networks of relationships, implicit codes, shared languages - can hinder or facilitate the transformation process. In contexts with high cultural cohesion, the introduction of external managerial logics risks generating silent resistance, latent conflicts or forms of passive adaptation. For this reason, the most effective funds do not neglect the social dimension of change, combining technical measures with initiatives to involve, listen to and recognise internal relational capital.

1.2.5. Empirical Evidence

The analysis of empirical evidence regarding organizational change in companies acquired by private equity funds has given rise to a wide and articulated literature. The studies carried out in this area converge in recognising that the effects of PE on the organisational system are significant, but highly heterogeneous according to sector, institutional context and investment model adopted.

Numerous studies document how buyouts are often associated with substantial changes in the structure, control systems and culture of participating companies. The EP's intervention aims to increase the formalization of decision-making processes, introduce a performance-oriented culture and strengthen internal reporting through KPIs, benchmarking and performance management.[44] In addition, many studies highlight an

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[43] Balogun, J., & Johnson, G. (2004). Organizational Restructuring and Middle Manager Sensemaking. *Academy of Management Journal*, 47(4), 523–549. https://doi.org/10.5465/20159600
[44] Bruining, H., Verwaal, E., & Wright, M. (2013). Private equity and entrepreneurial management in management buy-outs. *Small Business Economics*, 40(3), 591–605. https://doi.org/10.1007/s11187-011-9373-0

intensification of work and a greater focus on short- and medium-term objectives, in line with the goals of valorization in view of the exit.

At the organisational level, changes include formal restructuring - such as simplification of the hierarchy and reduction of intermediate functions - as well as interventions in human resource incentive and evaluation systems. In some cases, especially in Anglo-Saxon contexts, there has been a greater meritocracy, but also increased employment volatility and pressure on employees.[45]

Evidence varies significantly between industrial and knowledge-intensive sectors. In traditional manufacturing, change is often oriented towards efficiency and cost containment; in knowledge-intensive sectors, on the other hand, transformations focus more on innovation, organisational flexibility and human capital exploitation.[46] Moreover, the level of change and its acceptance also vary according to the pre-existing organisational culture and the company's ability to absorb innovations without destabilising itself. Another important distinction concerns the comparison between private equity models. The Anglo-Saxon model is generally associated with more aggressive trading, with a greater focus on maximising shareholder value and using leverage. On the contrary, the European model, while pursuing performance objectives, tends to promote a more gradual and collaborative involvement by integrating more institutional and cultural specificities of the context in which the enterprise operates.[47]

The most widely used indicators to assess the effectiveness of post-buyout change include:

- Financial performance: increase in EBITDA, growth in operating margin, improvement in cash flow.
- Organizational performance: increased efficiency, improved decision-making capacity, reduced response times.

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[45] Appelbaum, E., & Batt, R. (2014). *Private Equity at Work: When Wall Street Manages Main Street*. Russell Sage Foundation.
[46] Guo, S., Hotchkiss, E. S., & Song, W. (2011). Do Buyouts (Still) Create Value? *Journal of Finance*, 66(2), 479–517. https://doi.org/10.1111/j.1540-6261.2010.01639.x
[47] Wright, M., Gilligan, J., & Amess, K. (2009). The economic impact of private equity: What we know and what we would like to know. *Venture Capital*, 11(1), 1–21. https://doi.org/10.1080/13691060802151887

- Internal climate and satisfaction: these elements are more controversial. Some studies report an increase in the motivation of management teams thanks to equity-based incentive systems; others report an increase in stress and a deterioration of the climate in the absence of cultural accompaniment.[48]
- Retention and turnover: top management turnover is frequent after acquisition. Less clear is the evidence on the retention of operating staff, which seems to depend heavily on the strategy of the fund and the stage of development of the company.
- Learning and adaptive capacity: there are positive signs where change is accompanied by training programmes, knowledge exchange and the development of new skills. However, in the absence of these conditions, there is a reduction in innovation capacity due to an excessive focus on efficiency.

In conclusion, the evidence suggests that organizational change induced by private equity does not automatically produce virtuous effects: the quality of intervention, context sensitivity and the ability to integrate economic and human levers are crucial in defining long-term outcomes.

1.2.6. Critical Issues and Ambiguities

Although numerous evidences attest to the transformative potential of Private Equity, it is also necessary to dwell on the grey areas that accompany the intervention of funds in acquired companies. The changes induced by MEPs are never neutral: they produce advantages but also tensions and ambiguities. Especially in the organizational and relational dimensions, delicate trade-offs between operational efficiency and social sustainability emerge, which raise important questions on the ethical, strategic and management level.

One of the main issues concerns the balance between achieving economic and financial results—often pursued through restructuring processes, rationalization, and the introduction of new performance systems—and preserving internal relationships within the company. In several cases, the implementation of strict metrics, frequent monitoring, and reward-based logics can generate psychological pressure on employees. The latter

[48] Bacon, N., Wright, M., Meuleman, M., & Scholes, L. (2008). Assessing the impact of private equity on industrial relations. *British Journal of Industrial Relations*, 46(2), 266–288. https://doi.org/10.1111/j.1467-8543.2008.00636.x

may feel overwhelmed by the new dynamics, leading to a weakening of trust, cooperation, and sense of belonging.[49]

Based on these observations, it can be stated that the operational efficiency achieved in the short-term risks undermining the quality of internal relationships in the medium to long term.[50]

The EP's governance model is based on the principle of individual accountability and incentive mechanisms (bonuses, co-investment, options) that should align the interests of management with those of investors. However, in many cases, this logic is accompanied by an intensification of work rhythms, a reduction of operational discretion and an increase in the pressure to reach targets, resulting in what some authors call the "carrot-and-stick" effect.[51] Change becomes so ambiguous: it stimulates innovation and performance, but can generate stress, uncertainty and alienation in employees.

An additional critical level concerns the indirect effects on human capital, which are often less visible. In fact, top management turnover, strong talent selection, and a focus on results can promote elitist and competitive logics, at the expense of internal cohesion and perceived equity. In some cases, the lack of genuine organizational dialogue and the speed of change generate cultural resistance and identity disorientation, especially in high professional-density contexts.[52] Another aspect concerns the fact that pressure to deleverage, combined with the need to generate returns within a short time frame, can result in staff cuts, outsourcing decisions, or operational choices driven more by financial objectives than by sustainability logic.

In conclusion, the change process triggered by PE should be interpreted both in terms of the economic results achieved and in relation to the quality of the transformation process that was carried out. Its effectiveness depends on the ability to integrate economic logics with attention to people, culture, and the social complexity of the company. Indeed, if this

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[49] Appelbaum, E., & Batt, R. (2014). *Private Equity at Work: When Wall Street Manages Main Street*. Russell Sage Foundation.
[50] Appelbaum, E., & Batt, R. (2014). *Private Equity at Work: When Wall Street Manages Main Street*. Russell Sage Foundation.
[51] Bacon, N., Wright, M., Meuleman, M., & Scholes, L. (2008). Assessing the impact of private equity on industrial relations. *British Journal of Industrial Relations*, 46(2), 266–288. https://doi.org/10.1111/j.1467-8543.2008.00636.x
[52] Bruining, H., Bonnet, M., & Wright, M. (2005). Management control systems and strategy change in buyouts. *Management Accounting Research*, 15(2), 155–177. https://doi.org/10.1016/j.mar.2003.10.004

does not occur, there is a risk of generating ephemeral performance or latent organizational costs.

1.2.7. Conclusion

The analysis of the organizational transformation process following acquisition by Private Equity (PE) funds reveals a complex reality. In fact, the structural, strategic, and cultural changes observed in portfolio companies confirm both the intention and the ability of PE funds to act as catalysts for transformation. However, economic and financial performance alone cannot be the sole parameter for assessing the quality of the change. Research shows that, thanks to the intervention of the funds, it is possible to achieve significant improvements in efficiency, profitability, and clarity in roles and responsibilities..[53] Typical tools such as financial leverage, governance accountability, and equity-based incentives contribute to creating an environment more strongly focused on results and managerial discipline.

Nevertheless, these very tools can generate underlying tensions, eroding the relational capital of the company. Indeed, accelerated management turnover, constant performance pressure, increased workload, and reduced organizational autonomy raise concerns about the long-term sustainability of the transformation.[54] The transformative effectiveness thus risks turning into an unstable equilibrium, where indicators of success mask potential latent issues in terms of organizational climate, culture, and motivation.

Based on this, PE emerges as an ambivalent agent of transformation. It is indeed capable of generating value for shareholders, but sometimes at the expense of internal cohesion and organizational balance. This aspect shifts the focus to how change is implemented, and not only to the measurable financial outcomes.

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[53] Kaplan, S. N., & Strömberg, P. (2009). Leveraged Buyouts and Private Equity. *Journal of Economic Perspectives*, 23(1), 121–146. https://doi.org/10.1257/jep.23.1.121

[54] Appelbaum, E., & Batt, R. (2014). *Private Equity at Work: When Wall Street Manages Main Street*. Russell Sage Foundation.

1.3. Culture, Governance and Strategic Alignment

1.3.1. Introduction

Within the context of organizational transformations promoted by Private Equity (PE) funds, the relationship between organizational culture, governance structures, and strategic orientation represents a fundamental element for success. Internal coherence among these three factors is essential for the success of the transformation process. Any change in governance impacts corporate culture; similarly, a new strategic orientation is sustainable only if it is aligned with the values and operational norms that guide daily behaviors within the organization.

Specifically, organizational culture refers to the set of shared meanings, implicit norms, behavioral routines, and common language that determine "how things are done" in an organization.[55] Governance, on the other hand, concerns the system of rules, processes, and relationships through which decision-making power is exercised and managerial responsibility is defined.[56] Lastly, strategy can be understood as the intentional direction along which the organization channels its resources to pursue sustainable competitive advantages.[57]

When addressing the topic of acquisitions by PE funds, these three elements are simultaneously called into question. In fact, the new ownership may introduce changes to the board, implement stricter control systems, redefine strategic priorities, and impose new cultural standards—such as an emphasis on performance, decision-making speed, or the centrality of economic results.[58] In this context, the principle of coherence (*fit*) becomes particularly relevant. According to the literature, a high degree of alignment—and thus coherence—between culture, governance, and strategy not only facilitates change but also determines its depth and long-term sustainability.[59]

The relationship between these three dimensions represents a cornerstone of post-acquisition organizational design. Its strength—or conversely, its friction—can influence

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[55] Schein, E. H. (1985). *Organizational Culture and Leadership*. Jossey-Bass
[56] Aguilera, R. V., & Jackson, G. (2003). The cross-national diversity of corporate governance: Dimensions and determinants. Academy of Management Review, 28(3), 447–465.
[57] Porter, M. E. (1996). What is strategy? Harvard Business Review, 74(6), 61–78.
[58] Bruining, H., Boselie, P., Wright, M., & Bacon, N. (2005). The impact of private equity on HRM in the UK and the Netherlands. Human Relations, 58(11), 1471–1493.
[59] Zahra, S. A., & Pearce, J. A. (1989). Board of director involvement in restructuring: Effects on extra-role behaviors in strategic decision making. Academy of Management Journal, 32(3), 554–576.

the outcome of change either positively or negatively and therefore compromise or reinforce the effectiveness of the transformations promoted by Private Equity funds.

1.3.2. Strategic Alignment

One of the distinctive aspects of private equity (PE) fund activity is the ability to directly intervene in the strategic alignment of the target company. The rationale behind the acquisition of a portfolio company by PE funds is not only to increase short-term financial performance but also to reorient the company's strategic direction. This reorientation process typically involves revising the corporate mission, the company's competitive positioning, and the restructuring of the business model. In many cases, PE funds are able to identify untapped or poorly exploited potential and to develop a new "value creation scheme" for the portfolio company.[60]

This scheme often takes the form of a value blueprint. A value blueprint is a kind of transformative architecture that clearly defines:

- the value drivers,
- performance targets,
- operational priorities,
- key areas of intervention.

The value blueprint is not a rigid plan but rather a structured vision that guides the redesign of the company at strategic, organizational, and cultural levels. It generally includes a selective focus on the core business, improvements in operational efficiency, market repositioning, and a redefinition of the offering from a more competitive perspective.[61]

In the transformation process implemented by a Private Equity (PE) fund, one of the first steps taken after the acquisition is generally the elaboration of the value blueprint. Through market analysis, benchmarking and strategic due diligence, the PE fund is able to quickly identify opportunities for value creation and build a plan consistent with the

[60] Kaplan, S. N., & Strömberg, P. (2009). Leveraged buyouts and private equity. Journal of Economic Perspectives, 23(1), 121–146.
[61] Loos, M. (2021). Private equity and strategic transformation: An empirical review of value creation mechanisms. Strategic Management Journal, 42(4), 832–856.

investment's time horizon. This process often involves a deep revision of the strategic identity of the company, going beyond incremental improvement: in many cases it is a real redefinition of the value proposition of the organization.[62]

This process of strategic realignment has direct impacts on the organizational structure, the governance system, and corporate culture. The new direction requires changes in the distribution of decision-making power, human resource management, and accountability systems. For this reason, the value blueprint becomes a central element in the PE fund's transformative management, capable of guiding and justifying even radical organizational decisions.

The strength of the PE model lies in its speed of execution and strategic discipline. In fact, it differs from traditional managerial companies in that PE funds tend to act with a focused, exit-oriented logic. This approach strengthens the coherence between the designed strategy and the organizational behaviors implemented in the short to medium term.

1.3.3. Governance in PE Contexts

Following the acquisition, one of the first areas most affected by the restructuring process is corporate governance. This process involves top management, who are generally replaced, but it also includes changes to decision-making mechanisms, the composition and functioning of the board, and the methods used to monitor performance.[63]

Among the most common interventions we can mention the reduction of the size of the board and its reconfiguration with experienced and independent members. These figures are often selected directly by the investor fund. A revision of this type aims to strengthen the effectiveness of strategic control, increasing decision-making speed and reducing inefficiency or internal conflicts.[64] At the same time, more stringent accountability mechanisms are introduced, with clearly defined responsibilities and frequent performance evaluations.

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[62] Clark, G. L. (2022). Strategic blueprinting in private equity-backed firms: Governance, alignment, and execution. Corporate Governance: An International Review, 30(2), 108–125.
[63] Kaplan, S. N., & Strömberg, P. (2009). Leveraged buyouts and private equity. Journal of Economic Perspectives, 23(1), 121–146.
[64] Guo, S., Hotchkiss, E. S., & Song, W. (2011). Do buyouts (still) create value? The Journal of Finance, 66(2), 479–517.

Another important element is the restructuring of decision-making processes. These processes shift from consensual or bureaucratic logics to more agile and focused models. In several cases, the PE fund introduces performance-based governance practices, in which resource allocation and the continuity of managerial positions are directly linked to the achievement of well-defined objectives.

This new governance architecture gives rise to certain tensions. Among these tensions is the one related to the balance between central control and local autonomy. Indeed, portfolio companies — especially those structured into multiple business units and operating in diverse markets — may experience this type of conflict: namely, a conflict between the pressure for uniformity imposed by the fund and the need for operational flexibility within individual units. In particular, centralized control systems may weaken the ability of peripheral units to respond effectively to the specificities of their respective markets.[65]

Beyond this issue, there is the strengthening of the control function, which in some cases can lead to a conformist organizational climate. This tendency may generate ambiguities regarding innovation and learning.

Some evidence suggests that such models, if not counterbalanced by adequate managerial autonomy, risk inhibiting managerial proactivity and local adaptability.[66] In conclusion, the effectiveness of the governance redesign implemented by PE funds depends on their ability to dynamically manage the tension between centralization and flexibility, discipline and initiative, control and learning. At the same time, it remains a key tool for aligning the organizational structure with the strategic goals of the investment.

1.3.4. Organizational Culture

Within the transformation processes promoted by Private Equity (PE) funds, cultural change represents a critical and often underestimated lever. Organizational culture is defined as the set of values, norms, shared beliefs, and implicit practices that guide the

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[65] Acharya, V. V., Gottschalg, O., Hahn, M., & Kehoe, C. (2013). Corporate governance and value creation: Evidence from private equity. Review of Financial Studies, 26(2), 368–402.
[66] Wright, M., Gilligan, J., & Amess, K. (2009). The economic impact of private equity: What we know and what we would like to know. Venture Capital, 11(1), 1–21.

daily behavior of members within an organization. It forms a deep substrate that influences individuals' reactions to change, their risk orientation, and the collective capacity for strategic adaptation.

The entry of a PE fund often entails a discontinuity from the pre-existing culture. The transformational approach adopted typically aims to foster a performance-oriented culture, financial discipline, and individual accountability. According to Wright et al. (2009), PE funds promote an organizational ethos based on the measurability of results, meritocracy, and accountability, in which managerial autonomy is balanced by strong pressure to achieve economic and operational goals.[67]

Cultural change may occur through formal channels—such as the introduction of new procedures, performance management systems, and reward/incentive models—but also through informal mechanisms, such as the example set by new leaders, the alteration of corporate rituals and narratives, and the co-optation of desired behaviors. The cultural influence of PE funds is therefore not only structural but also symbolic and identity-shaping.[68]

One of the distinctive features observed in companies acquired by PE funds is the spread of a "culture of discipline," in which speed of decision-making, reduced discretion, and individual accountability for expected results are emphasized.[69] This is often accompanied by a "zero tolerance" attitude toward mediocrity, which can generate tensions between efficiency and internal cohesion.

In some cases, PE funds also promote management training and development practices aimed at strengthening execution capacity, leadership, and results orientation. In more advanced contexts, there is growing attention to diversity and inclusion as strategic cultural dimensions—especially in knowledge-intensive or multinational environments, where diversity of background constitutes a competitive asset.[70]

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[67] Wright, M., Hoskisson, R. E., Busenitz, L. W., & Dial, J. (2000). Private equity and corporate governance: Retrospect and prospect. Journal of Corporate Finance, 6(3), 343–365
[68] Bruining, H., Bonnet, M., & Wright, M. (2004). The impact of private equity on the management control systems in the buy-out context. Management Accounting Research, 15(2), 155–179
[69] Bacon, N., Wright, M., Meuleman, M., & Scholes, L. (2012). The effects of private equity and buyouts on wages and employment in the UK. British Journal of Industrial Relations, 50(3), 498–522
[70] Biesinger, M., Bircan, C., & Ljungqvist, A. (2022). Private equity and human capital management. Working Paper, European Bank for Reconstruction and Development

The cultural configuration does, however, involve risks. Indeed, if it is set up according to a top-down logic and implemented too quickly, the process of cultural integration may encounter resistance. This can cause the deterioration of the organizational climate and compromise talent retention. In contrast, literature suggests that the effectiveness of cultural change is greatest when it is accompanied by participatory processes, enhances existing skills and is rooted in a shared narrative of meaning and future vision.

1.3.5. Dynamic Fit

The effectiveness of the transformation operations promoted by Private Equity (PE) funds depends to a large extent on the degree of alignment between the constituent elements of the organization: culture, governance and strategy. This principle, known in the organizational literature as dynamic fit, underlines the importance of building coherence between formal and informal arrangements, between strategic vision and daily behaviors, between economic objectives and decision-making structures.[71]

In the context of PE acquisitions, strategic alignment is not a pre-existing condition but an objective to be built. The funds introduce significant changes in corporate strategy - redefining competitive priorities, positioning and business model - that require a consistent adaptation of organizational practices and governance systems. For example, an aggressive growth strategy requires a risk-oriented culture and flexible governance; conversely, an efficiency strategy needs a culture of operational rigour and stringent control mechanisms.

When this alignment does not take place, it is called organizational misfit. Misfit can take several forms: resistance to change on the part of management, conflicts between centre and periphery, inconsistencies between incentives and expected behaviour, or deterioration in the organizational climate. As demonstrated by Meuleman et al. (2009), the misfit between the strategy imposed by the PE fund and the pre-existing culture can reduce the effectiveness of the transformative intervention, generating inefficiencies or losses of critical human capital. However, the misfit is not always negative.[72] In some

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[71] Burton, R. M., DeSanctis, G., & Obel, B. (2015). Organizational Design: A Step-by-Step Approach. Cambridge University Press

[72] Meuleman, M., Amess, K., Wright, M., & Scholes, L. (2009). Private equity involvement and strategic change in buyouts: The impact of the institutional context. Journal of Management Studies, 46(7), 1343–1371

cases, it can be a lever for organizational learning and a trigger for cultural evolution. If managed correctly, it can stimulate adaptation, identity renewal and the construction of new strategic routines.[73]

In summary, strategic alignment is both a condition of organizational balance and a dynamic process that requires constant monitoring, diagnostic skills and transformative leadership. PE funds, in their role as agents of change, must be able to balance strategic vision and organizational sensitivity, to avoid that the transformational action is translated into destabilizing discontinuities.

1.3.6. Organizational Implications

The analysis of the culture–governance–strategy triangle in the context of private equity (PE) operations highlights how these three elements are not only interdependent but also decisive for the success (or failure) of the post-buyout transformation process. In particular, their consistency — the so-called “design fit” — is a necessary condition for building a resilient, high-performing, and learning-capable organization.[74] Following an acquisition by a PE fund, organizational design cannot be limited to a review of formal structures. It is essential to consider how strategic choices — such as the redefinition of the business model, the reorientation of competitive positioning, and the introduction of new performance metrics — are consistently reflected in governance systems (decision-making mechanisms, control frameworks, accountability structures) and in organizational culture (values, norms, and prevalent behaviours).[75] This perspective has important implications for three key areas of organisational design:

- Human Resource Management (HR): a strategic alignment process requires:
    - the introduction of incentive systems aligned with the new objectives;
    - greater focus on the selection and training of managers;

[73] Postma, T. J. B. M., Terjesen, S., & van der Bij, H. (2022). Management control and organizational change in PE buyouts: A configuration approach. Journal of Business Research, 143, 572–584
[74] Burton, R. M., DeSanctis, G., & Obel, B. (2015). Organizational Design: A Step-by-Step Approach (3rd ed.). Cambridge University Press.
[75] Postma, T. J. B. M., Roosenboom, P., & van Doorn, R. (2022). Management control and organizational change in PE buyouts. Qualitative Research in Accounting & Management, 19(2), 167–193. https://doi.org/10.1108/QRAM-12-2020-0207

- and, in many cases, a change in the required skill mix. PE funds often promote performance-based compensation and leadership development practices aimed at supporting transformation.[76]

- Internal Communication: in the presence of cultural discontinuity and significant strategic change, it is essential to design communication flows that are clear, transparent, and engagement-oriented. The narrative of change—delivered through town halls, formal communications, and internal storytelling—becomes a key tool for legitimacy and cohesion.[77]
- Change Management: achieving coherence between culture, governance, and strategy requires a deliberate approach to change. PE funds must equip themselves with tools and practices to:
  - anticipate resistance to change,
  - map internal stakeholders,
  - support transitions,
  - and measure the effectiveness of transformation initiatives.[78]

Ignoring the triangulation between culture, governance and strategy means exposing the organization to risks of misalignment, which can generate negative effects on the business climate, on talent retention and on the sustainability of the value created. On the contrary, an integrated design that takes into account the correlation between these three dimensions makes it possible to root strategic transformations within the organizational system, transforming change from a sporadic event to an evolutionary process.

1.3.7. Conclusion

The role of Private Equity (PE) funds in organizational transformation processes does not end with the economic and financial sphere, but also extends to the institutional and

[76] Biesinger, M. E., Bircan, C., & Ljungqvist, A. (2022). Private equity and human capital management. CEPR Discussion Paper No. 16967.
[77] Bruining, H., Bonnet, M., & Wright, M. (2004). The impact of private equity on the management control systems in the buy-out context. Management Accounting Research, 15(2), 155–177. https://doi.org/10.1016/j.mar.2003.10.003
[78] Wright, M., Hoskisson, R. E., Busenitz, L. W., & Dial, J. (2000). Private equity and corporate governance: Retrospect and prospect. Journal of Corporate Finance, 6(3), 251–285. https://doi.org/10.1016/S0929-1199(00)00003-5

symbolic dimensions. Increasingly, in fact, PE funds act as "institutional architects", designing not only structures and strategies, but also shared norms, behaviors, and systems of meaning.[79] In this perspective, the culture–governance–strategy triangle represents the true field of transformative action.

The intervention of PE funds aims to generate functional alignment between decision-making structures, strategic orientation, and organizational behavior.

However, the construction of coherence involves power choices, redefinitions of priorities, and sometimes cultural impositions that may come into tension with the pre-existing identities of the acquired organizations.[80]

PE funds promote a management culture oriented toward performance, discipline, and efficiency which, when aligned with the adopted strategy, can generate tangible benefits in terms of execution speed, accountability, and market responsiveness. However, this same culture may also lead to reduced relational flexibility, erosion of internal social capital, and a perception of invasive control — especially in highly professionalized contexts or those with a strong cultural legacy.[81]

The literature suggests that the effectiveness of the PE transformation process depends on its ability to act as a facilitator of cultural developments that are consistent with strategic objectives. Based on this, the success of PE is measured by:

- financial performance,
- the quality of organizational alignment achieved,
- the ability to strengthen internal cohesion,

[79] Bruining, H., Bonnet, M., & Wright, M. (2004). The impact of private equity on the management control systems in the buy-out context. Management Accounting Research, 15(2), 155–177. https://doi.org/10.1016/j.mar.2003.10.003
[80] Wright, M., Hoskisson, R. E., Busenitz, L. W., & Dial, J. (2000). Private equity and corporate governance: Retrospect and prospect. Journal of Corporate Finance, 6(3), 251–285. https://doi.org/10.1016/S0929-1199(00)00003-5
[81] Bacon, N., Wright, M., Meuleman, M., & Scholes, L. (2012). The effects of private equity and buyouts on wages and employment in the UK. British Journal of Industrial Relations, 51(3), 498–522. https://doi.org/10.1111/j.1467-8543.2012.00905.x

- the sustainability of the induced transformations over time.[82]

In conclusion, PE can take on a dual role: either as a catalyst for organizational learning or as an agent of destabilizing discontinuity. The role it assumes depends on design sensitivity, change management skills, and the willingness to adapt the intervention model to the specific context of the target company. In this perspective, the culture–governance–strategy triangle represents not only a constraint to be respected, but also a resource to be cultivated to enable transformations that are sustainable, coherent, and generative

1.4. Review of Organizational Design Theories

1.4.1. Introduction to Organizational Design

Organizational design is an area of significant relevance within organization theory. It deals with how to intentionally structure and configure an organizational system in order to improve its effectiveness and adaptability. In particular, organizational design aims to guide conscious and systematic interventions on the structural, decision-making, and relational mechanisms that regulate collective functioning.

Reflection on organizational design has its origins in the rational models of the classical school, supported by the studies of authors such as Henri Fayol, Frederick Taylor, and Max Weber, who saw the organization as a machine to be optimized through the specialization of functions, the clear definition of roles, and respect for hierarchies.[83]

However, starting in the 1960s, increasing environmental instability and managerial complexity highlighted the inadequacy of mechanistic models, encouraging the emergence of more adaptive and relational approaches, such as contingency theory and open systems theory.[84]

In this perspective, organizational design is no longer seen as a single and universally valid choice, but rather as a situated process, influenced by environmental, technological, and cultural variables. It is therefore understood as an attempt to create a fit—a coherent

[82] Meuleman, M., Amess, K., Wright, M., & Scholes, L. (2009). Private Equity Involvement and Strategic Change in Buyouts: A Comparative Study of European Cases. Corporate Governance: An International Review, 17(3), 173–193. https://doi.org/10.1111/j.1467-8683.2009.00738.x

[83] Weber, M. (1947). The Theory of Social and Economic Organization. New York: Free Press.

[84] Lawrence, P. R., & Lorsch, J. W. (1967). Organization and Environment. Harvard University Press

alignment—between the different elements of the system: strategy, structure, processes, people, culture, and environment.[85]

Organizational design thus acquires strategic value, as it plays the role of a mediator between vision and action. A well-designed organization is able to transform strategic intentions into effective operational practices, facilitating adaptation to both internal and external challenges. In this way, design becomes a fundamental lever for addressing the trade-offs between efficiency and flexibility, control and innovation, stability and change.[86]

In the contemporary context, characterized by technological discontinuities, fragmentation of work, globalization, organizational design has taken on new and increasingly significant roles.

It is no longer just a matter of defining organizational charts, but of configuring distributed organisational ecosystems, capable of operating in complex networks, with cross-functional teams, agile practices and participative governance models.[87] Another aspect which has become increasingly important concerns intangible factors such as organizational culture, climate and the meaning of work. This requires an extension of the design logic also to the symbolic and cognitive dimensions of the organization. Today, studying organizational design means knowing how to manage the systemic complexity of modern organizations, integrating quantitative and qualitative approaches, technical and social elements, structural logics and relational dynamics. Design is, in this sense, a strategic function and a critical competence for anyone called to lead transformation processes in contexts characterized by deep uncertainty.

1.4.2. Contingency Theory

One of the pillars of the discipline of organizational design is contingency theory. The main assumption, presented by scholars such as Burns and Stalker since 1961, is that *"there is no single best way to organize"*, but that the structural effectiveness of an organization depends on the consistency between its internal characteristics and the

[85] Burton, R. M., DeSanctis, G., & Obel, B. (2015). Organizational Design: A Step-by-Step Approach. Cambridge University Press.

[86] McKinsey & Company (2023). "Tackling Design Anew: Getting Back to the Heart of Organizational Theory"

[87] McKinsey & Company, "Beyond the Matrix Organization".

conditions of the external environment. This means that organizations must adapt their structure to the contingencies in which they operate. The ultimate goal is to maximize performance and ensure the organization's long-term survival.

The main contingent variables identified in the literature include:

- the external environment (stable or turbulent),
- the competitive strategy adopted,
- the degree of technological complexity,
- the size of the firm,
- the characteristics of human capital.

According to Lawrence and Lorsch (1967), for example, organizations operating in unstable environments tend to be more internally differentiated and require greater integration mechanisms, while those in more stable environments can function with simpler and more formal structures.

The ideal condition, in which there is a high degree of alignment between the organizational structure and the contingent variables, is referred to as *fit*. This condition is associated with high performance and greater adaptability. If this does not occur — as Donaldson reports — and a situation of misalignment between structure and context arises, it is referred to as *misfit*. This condition can lead to inefficiencies, internal conflicts, and loss of competitiveness.

In particular, the contingent approach is particularly relevant in business transformation contexts, such as those triggered by private equity transactions, in which the organization’s ability to quickly adapt to new strategies, governance models, and corporate cultures becomes decisive for the success of the intervention. Organizational design, in this case, assumes an instrumental function. In fact, the design aims to create a dynamic alignment between the different components of the organizational system based on the new strategic needs.

1.4.3. Classical and Contemporary Models

Over time, there has been an evolutionary process in organizational design theory. It has moved from mechanistic and hierarchical approaches to increasingly dynamic, adaptive, and hybrid models. It is essential to understand the theoretical trajectory in order to grasp how organizations can structure themselves to respond effectively to environmental complexity.

The classical models, established in the first half of the twentieth century, are based on a bureaucratic conception of organization. As elaborated by Max Weber, efficiency is guaranteed by:

- well-defined roles,
- a strict chain of command,
- the impersonal application of rules.

These models have been extended and formalized in the managerial literature through the dichotomy between mechanistic and organic structures[88], where the former are suited to stable contexts, while the latter are appropriate for unstable and innovative scenarios.

One of the first modern systematizations of organizational structure was proposed by Henry Mintzberg, who identified five structural configurations:

- simple structure,
- machine bureaucracy,
- professional bureaucracy,
- divisionalized form,
- adhocracy.

Mintzberg distinguished these configurations according to the dominant part of the organization (e.g., strategic apex, technostructure) and the prevailing coordination mechanism (e.g., direct supervision, standardization)[89].

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[88] Burns, T., & Stalker, G. M. (1961). The Management of Innovation. London: Tavistock Publications.
[89] Mintzberg, H. (1980). Structure in 5's: A Synthesis of the Research on Organization Design. Management Science, 26(3), 322–341.

Another author, Jay Galbraith, proposed the "Star" model, which links organizational decisions to five key dimensions:

- strategy,
- structure,
- processes,
- reward systems,
- people.

The basic idea of the model is that an effective organization requires a coherent fit between these elements in order to successfully implement its strategy[90].

At the same time, Lawrence and Lorsch (1967) have contributed, as previously noted, to consolidating contingency theory, arguing that organizational effectiveness comes from the ability to differentiate and integrate various units according to environmental specificities.[91] This means that a company's performance is not determined by the adoption of a universally "optimal" structure, but by the degree of adaptation to its context.

In recent decades, these paradigms have been updated to cope with increasing environmental instability, globalization, and the phenomenon of digitalization. A variety of contemporary models have emerged—often modular or hybrid—in which firms combine elements of classical structures with more fluid solutions. For example, there are ambidextrous forms, which combine the efficiency of core processes with the flexibility of innovation, or collaborative networks based on horizontal relationships and digital platforms.[92]

Some studies highlight the need to move beyond traditional matrix structures, emphasizing the importance of cross-functional collaboration flows and shared

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[90] Galbraith, J. R. (1995). Designing Organizations: An Executive Briefing on Strategy, Structure, and Process. San Francisco: Jossey-Bass.
[91] Lawrence, P. R., & Lorsch, J. W. (1967). Organization and Environment: Managing Differentiation and Integration. Boston: Harvard Business School Press.
[92] Cummings, T. G., & Worley, C. G. (2014). Organization Development and Change (10th ed.). Stamford: Cengage Learning.

accountability.[93] Other contributions, on the other hand, stress the need to rethink hierarchical structures in favor of more agile configurations capable of leveraging transversal skills and informal networks.[94]

In conclusion, the contemporary approach to organizational design focuses on creating adaptive organizations that are internally coherent and capable of learning and transforming themselves in response to their context.

1.4.4. Networks and Informality

Nowadays, the activity of organizational design is no longer focused on the search for channels based exclusively on formal structures, understood as the only means through which to exercise coordination and generate value. On the contrary, the increasing complexity and fluidity of the competitive environment have made the role of informal networks, digital platforms, and organizational forms based on cross-functional collaboration increasingly central. This approach is based on the idea that knowledge and innovation do not develop solely through hierarchical authority, but also thrive on horizontal relationships, interpersonal trust, and spontaneous knowledge exchanges.

Informal networks mean the set of personal relationships not codified in official documents of the organization. These networks are often the hidden engine of collective coordination and learning. These networks can act as alternative channels for problem solving, information dissemination and emotional support in contexts of uncertainty and change. When networks are recognised and consciously managed, they enhance the adaptability of the organisation and foster a climate of organic collaboration.

At the same time, more radical structured models are emerging, such as platform or crowd-based organizations, which allow companies to restructure their internal and external boundaries in favor of a reticular logic

In these contexts, value is generated at the center but is also co-created through the interaction of autonomous actors, connected by digital systems that enable constant flows of data, feedback, and distributed decisions. These configurations are based on

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[93] Goold, M., & Campbell, A. (2002). Do you have a well-designed organization? Harvard Business Review, 80(3), 117–124.
[94] Foss, N. J., & Klein, P. G. (2012). Organizing Entrepreneurial Judgment: A New Approach to the Firm. Cambridge University Press.

technological architectures and relationships that favor openness, interdependence, and modularity.

A significant example is the overcoming of the traditional hierarchical structure in favor of networked arrangements, where leadership is exercised in a widespread manner and responsibilities are shared. These models focus on distributed knowledge and the ability of individuals to self-organize for collective goals. In their article "The Truth About Hierarchy", Bret Sanner and J. Stuart Bunderson stress that hierarchy—while still necessary in some cases—must be complemented by parallel systems that promote responsiveness and flexibility, leveraging informal connections between people.

This organizational approach poses certain challenges: these forms require high levels of trust, adaptive governance systems, and the ability to orchestrate interdependence without descending into chaos. However, evidence suggests that, if properly managed, such structures can enhance organizational resilience, stimulate innovation, and strengthen member engagement—especially in knowledge-intensive and highly dynamic sectors.

1.4.5. Psychological and Behavioral Approaches

The effectiveness of organizational design depends not only on the structural configuration of enterprises, but also on how people perceive, experience, and respond to change. The design of structures, roles, and systems is closely intertwined with psychological dimensions such as trust, sense of security, motivation, and learning. In this sense, the behavioral component of organizational design becomes an essential interpretative key in contemporary contexts marked by high uncertainty.

Based on this, an approach was developed by Keller and Aiken in the volume *The Psychology of Change Management* (McKinsey & Company, 2009), in which four necessary conditions for effective change were identified:

- a rational understanding of the “why” behind the change;
- the emergence of consistent behaviors in leaders;
- the availability of the required skills;
- the activation of organizational reinforcement systems.

In the absence of these levers, even the best structural arrangements risk producing only superficial changes. In this sense, design processes must incorporate from the outset a systemic vision that includes the emotional, cognitive, and relational dynamics of the people involved.

A key contribution in this direction is the eight-step model developed by John Kotter (2005), who in his work identifies a sequence of steps to drive organizational change in a sustainable way, namely: building a sense of urgency, forming a leadership coalition, developing and communicating the vision for change, removing obstacles, achieving short-term successes, consolidating results, and anchoring new behaviours in the corporate culture. [95]Kotter explains these steps through an allegory, effectively showing that resistance to change is not only rational, but also emotional, and can be addressed only through progressive engagement strategies and a shared sense of the future.

This perspective is supported by reflection on cognitive uncertainty, meaning the idea that organizations are made up of individuals who make decisions based on partial interpretative frameworks, often influenced by biases such as anchoring, selective confirmation, or overconfidence[96]. These systematic errors in the perception and evaluation of information can compromise the success of planned change, especially if managers ignore the role of individual and collective narratives in shaping organizational reality. Hence the need to foster a culture of constructive doubt, continuous learning, and reflexivity, in order to design structures and mental and cultural conditions conducive to change.

Another point of view is presented by Rebecca Zucker and Darin Rowell, who state that there is a critical factor for organizational resilience, defined as *change readines[97]s*, or the psychological predisposition to change. This predisposition is built over time through participatory processes, active listening, and coherence between vision, behavior, and incentives.

This implies that organizational design must integrate readiness assessment tools, support

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[95] Kotter, J. P. (2005). Our Iceberg is Melting: Changing and Succeeding Under Any Conditions. St. Martin's Press.
[96] Meta Bulletin (2023). How to Be Less Wrong.
[97] McKinsey & Company (2022). 6 strategie for leading through uncertainty.

pathways, and targeted training interventions, capable of transforming change from a perceived threat into an internalized opportunity.

In conclusion, a mature approach to organizational design requires the awareness that an organization is made up of people—cognitive and emotional agents who negotiate the meaning of change. Designing organizational structures effectively therefore means combining structured models with relational and psychological competence that fosters engagement, learning, and authentic transformation.

1.4.6. Implications for the PE Context

In the context of Private Equity (PE) operations, organizational design is not a neutral or ancillary variable, but a fundamental lever for implementing the post-acquisition strategy. PE funds, in their role as agents of transformation, must not only understand but sometimes profoundly rewrite the organizational architecture of target companies, with the aim of improving performance, ensuring control, and enhancing human capital.

The organization—understood as a structured set of roles, processes, incentives, relationships, and shared meanings—is the means through which the strategy is concretely implemented. As illustrated by Burton, Obel, and DeSanctis, design is never purely technical or neutral: it is a political, cognitive, and relational exercise that shapes how an enterprise learns, coordinates, and adapts.[98] This is particularly relevant after a buyout, when the organization's strategy changes drastically in a short period, often shifting from a more traditional setup to one focused on performance, value, and operating margin creation.

In the case of PE funds, the most complex challenge is to ensure a dynamic fit between the new value strategy (*value blueprint*) and the organization's formal and informal structures. Empirical evidence shows that top-down implementation attempts that fail to consider pre-existing organizational logics may encounter cultural obstacles, resistance, and structural inefficiencies. A formally coherent structure can prove fragile if it is not

[98] Burton, R. M., DeSanctis, G., & Obel, B. (2015). Organizational Design: A Step-by-Step Approach (3rd ed.). Cambridge University Press.

accompanied by a compatible organizational culture and operational mechanisms capable of supporting change.[99]

In particular, three tensions are central in the post-buyout phase:

- Efficiency vs learning: the pressure for efficiency can limit opportunities for exploration, experimentation, and innovation, which are crucial for the long-term sustainability of the business;
- Control vs empowerment: the greater accountability required by the funds can rigidify structures, discouraging autonomy and widespread ownership;
- Speed vs absorption of change: the timelines imposed by the typical PE exit horizon can compress the organization's capacity to absorb and internalize the proposed transformations.[100]

In addition, many funds have developed operational playbooks that include not only financial or strategic interventions, but actual organizational redesign toolkits: redefinition of decision-making processes, simplification of hierarchical levels, strengthening of performance management systems, changes in leadership teams, and formalized change management initiatives.[101]

In light of these considerations, it can be argued that organizational design is a critical tool for value creation in the PE context—both as a means of aligning strategy and operations, and as a mechanism for managing the tensions that inevitably arise in high-intensity transformation processes.

1.4.7. Conclusion

The theoretical and applied path of organizational design highlights the growing complexity that modern companies must face in order to structure themselves effectively. From the mechanical and hierarchical models of the classical tradition to adaptive, modular, and network-oriented paradigms, the organization has evolved into a fluid

[99] Wright, M., Hoskisson, R. E., Busenitz, L. W., & Dial, J. (2001). Finance and Management Buyouts: Agency versus Entrepreneurship Perspectives. Venture Capital, 3(3), 239–261.
[100] Bruining, H., Bonnet, M., & Wright, M. (2004). Management Control Systems and Strategy Change in Buyouts. Management Accounting Research, 15(2), 155–177.
[101] Kaplan, S. N., & Strömberg, P. (2009). Leveraged Buyouts and Private Equity. Journal of Economic Perspectives, 23(1), 121–146.

system, capable of adapting alongside the strategic, technological, and cultural context in which it operates.

Contingency theory represented a fundamental watershed, establishing that there is no universally “right” organizational structure, but that performance depends on the consistency (fit) between internal and external variables. This principle has been further developed in the models of authors such as Galbraith and Burton, who have created integrated frameworks for analyzing and designing complex organizational systems[102].

The implications in the context of private equity are particularly relevant. Indeed, funds operate in decision-intensive environments with compressed time horizons, where the success of post-buyout strategies also depends on the ability to reconfigure the organizational structure in a rapid, coherent, and sustainable way. In this sense, design becomes a concrete enabler.

From this perspective, a number of challenges emerge, including: ensuring the balance between control and autonomy; fostering flexibility without compromising efficiency; or building an organizational culture that supports innovation while ensuring accountability.

Studying organizational design therefore allows us to understand not only how organizations work, but also how they can change effectively. This approach is crucial for decision-makers in the PE world, who are called upon to lead complex and high-impact transformations in uncertain and competitive contexts.

[102] Galbraith, J. R. (2002). Designing Organizations: An Executive Briefing on Strategy, Structure, and Process. Jossey-Bass; Burton, R. M., DeSanctis, G., & Obel, B. (2015). Organizational Design: A Step-by-Step Approach. Cambridge University Press.

2. Methodology

2.1. Research Design and Methodological Approach

This thesis examines how a Private Equity (PE) transaction may impact a retail company's organizational structure using a qualitative and interpretive approach based on a single case study. The study specifically examines the changes that occurred within the Coin Group following its 2011 acquisition by the BC Partners fund, which resulted in the stock exchange listing of its subsidiary OVS in 2014. The goal of this work is to understand the organizational transformations that took place along key organizational dimensions, such as strategy, structure, processes, people, and control systems, using the conceptual model developed by Burton, DeSanctis, and Obel.

The study uses an inductive logic and is grounded in the observation of phenomena. Due to the complexity of post-acquisition transformation processes and the different contextual factors involved, the qualitative approach enables a comprehensive analysis of organizational dynamics.

The case study methodology is particularly suitable when the objective is to understand how and why particular phenomena occur in real-world settings (Yin, 2018). Using the Coin Group case as a rich and theoretically relevant informational opportunity, this study investigates the effects of PE involvement on organizational structure and internal alignment mechanisms.

The strategic significance of this specific case led to its selection. Although situated within the Italian market, it serves as an example of the transformative nature induced by the entry of a PE fund, as well as by the availability of accessible secondary sources that have allowed the documentation of the change process. The selected analytical framework is based on the organizational design model developed by Burton, Obel, and DeSanctis (2015), which sees the organization as a dynamic system composed of interdependent dimensions. These consist of leadership and climate, structure and configuration, people and processes, strategy and environment, and coordination systems like information, control, and incentives.

The model is grounded in the assumption that organizational effectiveness depends on internal consistency, defined by the authors as fit—that is, the coherence among these elements, and their alignment with the external context. For this reason, the selected case

proves effective for analyzing organizational reconfigurations in the post-acquisition phase, where such consistencies are often challenged and subsequently reconstructed according to new strategic logics.

In this thesis, the model is used as an evaluative tool that enables the identification and analysis of the degree of alignment or misalignment (fit/misfit) resulting from the restructuring following the acquisition. Each documented organizational change is analyzed through secondary sources such as financial statements, public interviews, industry analyses, academic literature, and press releases.
The aim of this work is to offer a comprehensive analytical account of the various mechanisms through which PE funds act as agents of organizational transformation.

2.2. Case Study Selection: Coin Group

The choice to delve deeper into this type of analysis through the case of the Coin Group was based on several motivations, such as the fact that it represents an empirically relevant example, theoretically consistent with the objective. In fact, the acquisition by the BC Partners fund and the subsequent structural and strategic transformations offers a suitable context for observing dynamics of realignment between the fundamental components of the organizational structure, as analyzed through the theoretical reference model (Burton, Obel, and DeSanctis, 2015).

From an empirical point of view, the choice is based on three main elements:

- Sectoral relevance: the Coin Group operates in the retail sector, a highly competitive environment exposed to profound changes linked to digitalization and growing pressure on operating margins.
- Transformative intensity: the intervention of BC Partners triggered a deep restructuring process on multiple organizational levels, culminating in the strategic separation of OVS and its listing on the stock exchange, marking a change of direction in the group’s architecture.
- Information accessibility: the public nature of the operation and the availability of reliable documentary sources (e.g., press releases, financial reports, Harvard case studies, IPO prospectuses) allow for a rigorous reconstruction of evolutionary dynamics, even in the absence of primary data.

At the time of the acquisition, the Coin Group was the largest Italian retailer in the clothing sector, with over 500 directly operated stores and around 320 franchised affiliates, distributed across three distinct brands: Coin (department stores), OVS (fast fashion), and UPIM (target discount). The structure was highly articulated and characterized by multi-level governance, with strategic, operational, and commercial competencies distributed in a heterogeneous way. The organization showed traits of bureaucratization and limited cross-functional integration, as well as a control system based on traditional budgeting logics, with low internal KPI transparency. The operation, conducted in 2011 through the special purpose vehicle Icon S.p.A., involved the initial acquisition of 78.7% of the capital for approximately 930 million euros (BC Partners, 2011), supported by a complex LBO financing package with over 600 million euros in structured bank debt. The fund's strategy was based on a transformative approach, aimed at enhancing the untapped potential of OVS and restructuring the group according to performance and value creation logic. In the three-year post-acquisition period (2011–2014), which also constitutes the time frame in which the analysis of this paper is developed, BC Partners implemented a series of key interventions:

- Leadership and governance: CEO Stefano Beraldo was confirmed, considered an element of both continuity and innovation; in parallel, the decision-making organizational chart was reorganized.
- Structure and configuration: the separation of the Coin, OVS, and UPIM business units was carried out, with the creation of autonomous responsibility centres for operational management.
- Processes: a process of digitalization of supply and reorganization of the supply chain was launched, with an omnichannel and efficiency-oriented perspective.
- People and skills: new managers with international profiles were introduced, strengthening the performance-oriented culture.
- Control and incentives: a managerial control system based on profitability indicators by brand and channel was implemented, integrated with incentive tools linked to results (Ivashina, 2016; Bottari de Castello, 2015).

These dynamics correspond directly to the dimensions analyzed by the model of Burton, Obel, and DeSanctis: from the redefinition of strategy and the competitive environment of reference to the reconfiguration of structure, internal processes, and coordination systems. The concept of fit between organizational components was, in fact, pursued and progressively achieved along the path that led to the IPO of OVS in 2014, an event that also marked the beginning of the fund's divestment (exit) strategy.
The case is therefore used as an "analytical window" to observe how a PE fund can act as a catalyst for the systemic realignment of organizational components, with the aim of optimizing performance and enhancing invested capital.

2.3. Data Sources and Collection Methods

This research is based solely on secondary data. The choice to use documentary sources is motivated by the objective of rigorously and verifiably reconstructing the post-acquisition transformation processes of the Coin Group, in the absence of direct access to internal company data or interviews.

The data corpus is composed of different types of sources:

- Official documents produced by the Coin Group and OVS S.p.A., including financial statements, IPO prospectuses, investor presentations, and press releases;
- Academic sources, including the Harvard case *BC Partners: Coin Group* (Ivashina, 2016) and relevant master's theses (e.g., Bottari de Castello, 2015) analyzing the transaction;
- Articles from the economic and financial press, coming from authoritative outlets such as *Il Sole 24 Ore*, *BeBeez*, *Bloomberg*, and other specialized publications, which offer a complementary perspective on the context, structure of the deal, and IPO phase;
- Sectoral and market analyses carried out by trade associations, consultancy firms, or investment banks involved in the process.

The decision to rely exclusively on secondary data is also motivated by the temporal distance from the case under investigation. The restructuring process of Gruppo Coin, initiated in 2011 and concluded with the IPO of OVS in 2015, took place more than ten years prior to the writing of this thesis. This time gap makes the collection of primary

data through interviews or direct observations problematic. On the one hand, the reliability of retrospective accounts would be undermined by the limited accuracy of memories regarding the technical and emotional dimensions of the change process. On the other hand, the significant managerial turnover and personnel replacement that occurred over the years would further restrict access to actors directly involved in the transformation. As a result, primary data would be both difficult to obtain and of questionable validity. Secondary sources, instead, offer a more consistent and traceable basis for reconstructing the organizational changes, ensuring the analytical rigor required for this study.

The material was collected through the consultation of digital databases (e.g., press archives, academic portals, institutional websites), access to university libraries for academic sources, and the analysis of public documentation available from supervisory and regulatory authorities (e.g., Consob, Borsa Italiana).

To ensure the validity and reliability of the information collected, only official and traceable sources were included. A triangulation technique was used to compare several independent sources when disparities between versions of the same event or data were discovered.
Each piece of content was then classified according to the five organizational dimensions identified by the model of Burton, Obel, and DeSanctis (2015): strategy, structure, processes, people, and control systems.

This systematic procedure of data collection and categorization ensures consistency between the empirical evidence and the adopted conceptual framework, providing a solid basis for the qualitative interpretation of the organizational transformations that occurred following the entry of the PE fund.

Table 2.1 summarizes all the sources used in this thesis, classified by category. This overview complements the narrative description above by providing a structured representation of the data collection strategy and ensures full transparency on the origin and nature of the information employed.

Table 2.1 – Classification of sources used in the thesis

Category	Type of Source	Examples in the Thesis	References
Official company documents	Financial statements, IPO prospectus, investor presentations, press releases	IPO Prospectus OVS (2014)	OVS S.p.A. (2014)
Academic sources – Case studies and theses	Teaching case, master thesis	Harvard Case "BC Partners: Gruppo Coin"; Bottari de Castello thesis	Ivashina (2016); Bottari de Castello (2015)
Academic sources – Peer-reviewed journals and working papers	Peer-reviewed journal articles, working papers on PE, employment, governance	Studies on PE impact on work, employment, wages, governance	Appelbaum & Batt (2014); Appelbaum, Batt & Clark (2013); Bacon et al. (2012); Bacon et al. (2013); Biesinger et al. (2022); Braun et al. (2023); Bruining et al. (2004); Clark (2009); Fenn et al. (1997); Guo et al. (2011); Kaplan & Strömberg (2009); Lopez-de-Silanes et al. (2015); Meuleman et al. (2009); Postma et al. (2022); Montemarano & Meoli (2022); Wright et al. (2000a); Wright et al. (2000b)
Academic sources – Organizational design and theory	Foundational and analytical articles on incentives, ambidexterity, dynamic capabilities	Organizational theory and managerial implications	Kerr (1975); Gibson & Birkinshaw (2004); Teece, Pisano & Shuen (1997); Siggelkow & Rivkin (2005)
Academic sources – Meta-analysis / reviews	Meta-analysis of PE effects	Synthesis of evidence on economic effects of buyouts	Braun, Jenkinson & Stoff (2023)
Press and media	Financial/economic news articles	Press coverage of Coin/OVS transactions	BeBeez (2018)
Industry and market reports	Consulting reports and working papers	Industry analysis on PE, transformation, digital adoption	Baik (2024); KPMG (2018)

	on PE and digital transformation		
Theoretical and methodological literature	Books and classic texts on organizational design, strategy, and research methodology	Used to build theoretical framework and methodology	Burton & Obel (2004); Burton, DeSanctis & Obel (2015); Burns & Stalker (1961); Chandler (1962); Daft (2001); Galbraith (2009); Lawrence & Lorsch (1967); Mintzberg (1979); Mintzberg (1980); Obel (1993); Yin (2018)
Theoretical and methodological literature – Leadership and change	Consulting insights on leadership and change management	Leadership in PE-backed contexts	H.I. Executive Consulting (2023)

2.4. Analytical Framework: Application of the Burton, DeSanctis and Obel Model

The model created by Burton, DeSanctis, and Obel (2015) was used as the analytical framework to conduct the case analysis.[103] One of the most thorough and well-known theories in the field of organizational design is represented by this model. In the context of assessing internal coherence between strategy, structure, processes, people, and control systems in relation to the external environment, it serves as a fundamental tool.

As a multi-contingency model, it enables an integrated and dynamic reading of the organization, perceived as an open system oriented toward strategic adaptation and uncertainty management. For this reason, it is particularly well-suited to the analysis of discontinuity situations—such as those triggered by an LBO operation—where structural and strategic realignment becomes necessary.[104]

[103] Burton, R. M., Obel, B., & DeSanctis, G. (2015). *Organizational Design: A Step-by-Step Approach* (2nd ed.). Cambridge University Press.

[104] Bottari de Castello, A. (2015). *Private Equity Valuation: BC Partners acquires Gruppo Coin*. Master's thesis, Università degli Studi di Padova.

In this paper, the model is used not only descriptively, but also as an interpretive and evaluative tool to observe the degree of *fit* (alignment) or *misfit* (misalignment) between organizational variables, before and after the intervention of the BC Partners fund.

The model unfolds in a logical sequence of steps, each corresponding to a critical area of organizational design:

1. **Objectives and scope of the organization**: clarifying mission, vision, and performance criteria (efficiency vs. effectiveness);
2. **Strategy and competitive environment**: understanding strategic positioning and the turbulence of the external environment;
3. **Organizational structure and configuration**: analyzing the type of structure adopted (functional, divisional, matrix, etc.) and the level of formalization;
4. **Operational processes and information flows**: examining internal operations, decision-making routines, and information-processing capacity;
5. **People, skills, and leadership**: assessing the alignment between roles, competencies, organizational culture, and leadership styles;
6. **Control and incentive systems**: evaluating the effectiveness of coordination mechanisms and performance control.

The model is based on the principle of organizational fit[105], which refers to the need for all internal components to be consistent with one another and aligned with the external environment. When this coherence breaks down, a *misfit* arises, which can compromise organizational performance and call for corrective action.

The analysis will follow the main steps of the model, applying them progressively to the Coin Group case, based on the available documentary sources and focusing on the 2011–2014 period, which is crucial for understanding the post-acquisition transformation process.

[105] Burton et al., 2015, pp. 53–66.

2.4.1. Step 1 – Objectives and Scope of the Organization

In the organizational design model developed by Burton, DeSanctis, and Obel (2015), the first step consists in clearly analyzing the nature of the organization and precisely defining the strategic objectives it intends to pursue. Underlying this approach is the information-processing view of the organization. According to this perspective, the organization can collect signals from the external environment, interpreting them, and responding strategically through structural and operational decisions that are internally coherent[106].

Within this framework, organizational design aims to balance the demand for information processing with the internal capacity to manage it. The organization can reduce its information needs by dividing activities into autonomous units or by increasing available resources; at the same time, it can strengthen its processing capacity by investing in technology, staff training, and cross-functional communication.

Following the analysis of the organization's nature, a second key element is the definition of organizational objectives, which are examined along two main dimensions:

- Efficiency: the optimal use of resources, cost reduction, and process standardization.
- Effectiveness: the organization's ability to adapt, innovate, and create value in response to changes in the external environment.

Although organizations rarely explicitly state a preference for one of the two dimensions, it is possible to infer their strategic orientation by observing their mission, operational choices, and managerial behavior. Burton et al. propose a two-axis matrix that classifies organizations into four quadrants, based on the combination of efficiency and effectiveness:

- Quadrant A: characterized by low efficiency and low effectiveness. This type of organization generally operates in critical or transitional contexts, such as start-ups in the exploratory phase or companies in protected markets.

[106] Burton, R. M., Obel, B., & DeSanctis, G. (2015). *Organizational Design: A Step-by-Step Approach* (2nd ed.). Cambridge University Press, pp. 27–39.

- Quadrant B: characterized by high efficiency but low effectiveness. These organizations aim at cost optimization but tend to be rigid and lacking in innovation due to their narrow focus on efficiency (e.g., low-cost companies in stable sectors).
- Quadrant C: characterized by low efficiency but high effectiveness. These are typically creative organizations, distinguished by a strong capacity for innovation but weak cost control (e.g., R&D-driven firms).
- Quadrant D: characterized by both high efficiency and high effectiveness. This is considered the optimal configuration, but it is difficult to maintain over time, as it requires systemic coherence and continuous investment.

The idea of fit, which is defined as the alignment of the organization's elements (strategy, structure, processes, people, and control systems), is central to this classification. A misfit arises when this equilibrium is lost, which may indicate the need to start the redesign process and jeopardize performance[107].

The model suggests a progressive and iterative approach, starting with an understanding of the organization’s objectives and then analyzing, step by step, each element of its architecture, with the aim of ensuring consistency between purpose, strategy, and structure.

A significant turning point in the organization's restructuring and redefining of strategic goals was the Coin Group's 2011 leveraged buyout by the BC Partners fund. Coin had a multi-brand portfolio (OVS, Coin, UPIM), complex governance, and deteriorating performance prior to the acquisition.

This configuration, while maintaining a strong presence in the national market, showed signs of internal misfit in relation to the challenges posed by the competitive environment[108].

The intervention of BC Partners aimed to:

- simplify the organizational architecture of the group.

[107] Ibidem, pp. 45–52.
[108] Bottari de Castello, A. (2017). *Private Equity Valuation: BC Partners acquires Gruppo Coin*. Università degli Studi di Padova, pp. 20–25.

- rationalize the brand structure.
- and enhance OVS as a central asset in view of a future divestment through IPO.

From a model perspective, BC Partners' intervention supported a progressive transition toward Quadrant D (high efficiency and high effectiveness), through a coordinated series of structural, strategic, and managerial actions.

In particular, the following key interventions were carried out:

- Separation of the main business units, with a focus on the OVS brand and disposal of UPIM, which was considered non-strategic in relation to growth and positioning objectives[109]. This decision allowed the company to concentrate financial and operational resources on a single, high-potential brand identity, while also facilitating clearer decision-making and internal coordination. The elimination of secondary assets made the organization leaner and more focused.
- Implementation of a new management control system, based on centralized budgeting, monthly reporting, and continuous monitoring of financial and operational performance[110]. This system improved management transparency and responsiveness, equipping top management with timely tools to detect variances and ensure alignment with strategic goals.
- Confirmation of Stefano Beraldo as CEO, a figure seen as essential for ensuring operational continuity and internal legitimacy during the sensitive ownership transition. At the same time, a variable incentive system was introduced, linked to the achievement of key objectives, including the stock market listing[111]. This combination of leadership continuity and results orientation fostered a corporate culture centred on performance, accountability, and strategic alignment.
- Launch of a digitalization program for retail and logistics processes, along with the development of new managerial skills, more aligned with the evolving organizational configuration[112]. This modernization path addressed both

[109] Ibidem, pp. 25–29.
[110] Ivashina, V. (2016). *BC Partners: Gruppo Coin*. Harvard Business School Case 9-217-024, pp. 5–7.
[111] Ibidem; see also OVS IPO Prospectus (2015), "Corporate Governance" section.
[112] BeBeez (2018). *BC Partners vende Gruppo Coin a Centenary S.r.l.*

operational tools (e.g., omnichannel integration, supply chain optimization) and human capital, introducing transversal, data-driven skills aligned with international standards.

These interventions helped the group move gradually from Quadrant B (efficiency without effectiveness) to Quadrant D of the Burton et al. model, which is defined by a high degree of systemic coherence between efficiency and adaptive capacity. They also represented a clear operational translation of the strategic objectives that were reformulated after the acquisition.

These initiatives contributed to:

- reducing information complexity, through organizational simplification and redefinition of the value chain (e.g., integrated supply chain for OVS);
- increasing decision-making capacity, by reducing layers of control and centralizing responsibilities in key figures;
- generating a new balance between operational efficiency (costs, productivity, logistics) and strategic effectiveness (brand value, investor attractiveness, performance-oriented governance).

In 2015, with the listing of OVS on the stock exchange, the fund completed the first phase of its investment cycle, demonstrating how a coherent redefinition of corporate objectives can serve as the foundation for a successful structural transformation.

2.4.2. Step 2 – Strategy and Organizational Environment

The second step of the organizational design model developed by Burton et al. (2015) concerns the definition of the strategy adopted by the organization and the understanding of its external environment. The theory underlying this step follows the classical approach proposed by Alfred D. Chandler, according to which *"structure follows strategy"* (1962): organizational configuration represents the operational translation of strategic choices and must be shaped to support the objectives defined upstream.

In his study on large U.S. corporations, Chandler argues that corporate structure must be adapted to the strategies pursued. This means that companies equipped with a structure consistent with their strategy tend to achieve better economic results. This principle forms

one of the theoretical foundations of the Burton et al. model, which emphasizes the relationship between strategic decisions and organizational design.

The model suggests that strategy be examined along two primary axes:

- Exploration: this dimension shows how well the company can look for new opportunities, encourage creativity, take chances, and try out different approaches. Openness to the outside world, a readiness to learn from change, and an investment in novel technologies, goods, procedures, or markets are the cornerstones of exploration-oriented strategies. However, this approach frequently entails significant expenses and uncertain returns. It is common in dynamic environments where competitiveness is greatly influenced by innovation.
- Exploitation: this dimension emphasizes process optimization, standardization, continuous improvement, and the effective use of currently available resources. Stability, cost containment, and operational effectiveness are given top priority in exploitation-oriented strategies, which seek to optimize value by improving on existing capabilities.
  This strategy works better in predictable settings where operating models' scalability and consistency provide a competitive edge[113].

Although these two aspects don't have to conflict, they frequently call for a dynamic balance, which is known as organizational ambidexterity in the literature. Integrating exploration and exploitation within the same structure without one aspect undermining the other is a challenge for many contemporary organizations.

The distinction is used by Burton et al. (2015) to categorize organizational strategies along a continuum, emphasizing how various degrees of exploration and exploitation produce unique strategic profiles that have an immediate impact on organizational culture, control systems, and structural design.

[113] Chandler, A. D. (1962). *Strategy and Structure: Chapters in the History of the American Industrial Enterprise*. MIT Press, p. 14.

Specifically, they distinguish five categories of strategy:

- Reactor: this strategy is characterized by the absence of formal strategic planning. The organization reacts passively to external stimuli, in a disorganized and fragmented manner. This type is typical of transitional or post-merger phases.
- Defender: this strategy focuses on core business protection, efficiency, and standardization. There is little inclination toward change, which can lead to strategic rigidity.
- Prospector: this strategy emphasizes continuous innovation, with a strong focus on exploration and experimentation. While highly effective, it often sacrifices efficiency.
- Analyzer without innovation: the core of this strategy lies in imitation. The organization adopts solutions already tested by competitors, avoiding risk but also forgoing the opportunity to lead as an innovator.
- Analyzer with innovation: this strategy seeks an ambidextrous balance between exploration and exploitation. It requires flexible structures and experienced leadership to successfully integrate innovation with operational execution[114].

In this step, strategic fit is achieved when the chosen strategy is consistent with both the organization's stated objectives and its internal capabilities.

At the same time, it is necessary to analyze the external environment, understood as the set of external forces that influence organizational performance (e.g., markets, customers, suppliers, regulatory bodies, etc.).

This dimension includes two key variables:

- Complexity: this refers to the number of external elements the organization must monitor and their degree of interdependence. A highly complex environment involves numerous stakeholders, regulatory frameworks, distribution channels, and technologies that must be coordinated or anticipated. As complexity increases, so does

[114] Burton, R. M., Obel, B., & DeSanctis, G. (2015). *Organizational Design: A Step-by-Step Approach* (2nd ed.). Cambridge University Press, pp. 67–74.

the cognitive and decision-making load placed on the organization, necessitating more sophisticated structures and information systems.

- Unpredictability: this describes the difficulty of forecasting the behavior and future developments of environmental variables. In highly unpredictable environments, events occur discontinuously, changes are abrupt and nonlinear, and cause-effect relationships are often ambiguous. This reduces the organization's ability to plan long term and calls for increased flexibility, adaptive capacity, and organizational learning[115].

From the combination of these two factors, four types of environmental scenarios emerge:

- Calm environment: characterized by low complexity and low unpredictability. This context is generally stable and predictable, requiring limited information processing. The main risk is organizational inertia in the face of unexpected changes.
- Varied environment: characterized by high complexity but low unpredictability. Multiple variables are present, but they can be managed using accurate forecasting models. This environment requires strong analytical capabilities.
- Locally turbulent environment: defined by low complexity but high unpredictability. A few variables dominate, but they are unstable and difficult to predict. This type of environment demands flexibility and rapid organizational responsiveness.
- Turbulent environment: marked by both high complexity and high unpredictability. The context is unstable and highly competitive, characterized by nonlinear feedback and rapid shifts. It requires flexible structures, adaptive processes, and resilient leadership[116].

In particular, environmental fit becomes critical in turbulent contexts, as even minor strategic misalignments can significantly impair performance.

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[115] Ibidem, pp. 75–82.
[116] Ibidem; see also Chandler, A. D. (1962). *Strategy and Structure: Chapters in the History of the American Industrial Enterprise*. MIT Press.

In the case of the Coin Group, the period following the acquisition by BC Partners (2011–2014) placed the company in a highly competitive and unstable environment, which made a radical strategic redefinition necessary. The LBO operation, in fact, led to a deep transformation both in terms of the company's positioning and in its response to environmental dynamics.

In particular, the intervention by BC Partners introduced an orientation attributable to the *Analyzer with innovation* typology, that is, an ambidextrous strategy combining exploratory capabilities with the exploitation of existing resources.

On the one hand, the fund operated on the exploitation side, focusing on cost rationalization, operational efficiency, and improved governance:

- A functional separation of the business units was implemented, with a focus on the OVS brand and the progressive divestment of UPIM, considered non-strategic in view of asset valorization[117].
- A centralized management control system was introduced, featuring centralized budgeting, monthly reporting, and systematic monitoring of financial and operational KPIs.
- The leadership of Stefano Beraldo as CEO—a key figure for managerial continuity and the strengthening of internal legitimacy—was maintained; in parallel, a variable incentive system linked to performance was introduced, including the achievement of the stock market listing objective[118].

On the other hand, the fund activated important exploration levers, oriented toward competitive repositioning and organizational innovation:

- Investments were launched in the digitalization of the supply chain and retail processes, with the aim of making OVS a more agile and data-driven operator[119];

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[117] Ivashina, V. (2016). *BC Partners: Gruppo Coin*. Harvard Business School Case 9-217-024, pp. 5–7.
[118] Bottari de Castello, A. (2015). *Private Equity Valuation: BC Partners acquires Gruppo Coin*. Master's Thesis, Università degli Studi di Padova, pp. 25–29.

[119] OVS S.p.A. (2014). *IPO Prospectus*, sections "Business Strategy" and "Omnichannel Development".

- The omnichannel strategy was strengthened, through the integration of physical and digital channels to improve the customer experience and adapt to new purchasing behaviors;
- New managerial skills were introduced, including at the international level, capable of driving change and responding to the new challenges of the fashion retail sector[120].

These actions reflect a conscious balance between stability and change, in line with the principles of the model: the leadership of Stefano Beraldo, confirmed by the fund, guaranteed internal continuity while also facilitating the transition toward a more dynamic and value-focused organizational structure.

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[120] BeBeez (2018). *BC Partners sells Gruppo Coin to Centenary S.r.l.*, online source, PDF archive.

The strategic choices yielded significant results:

- OVS net sales grew from approximately €1,136 million in 2014 to €1,227 million in 2015 (+8%) *(Figure 1)*.

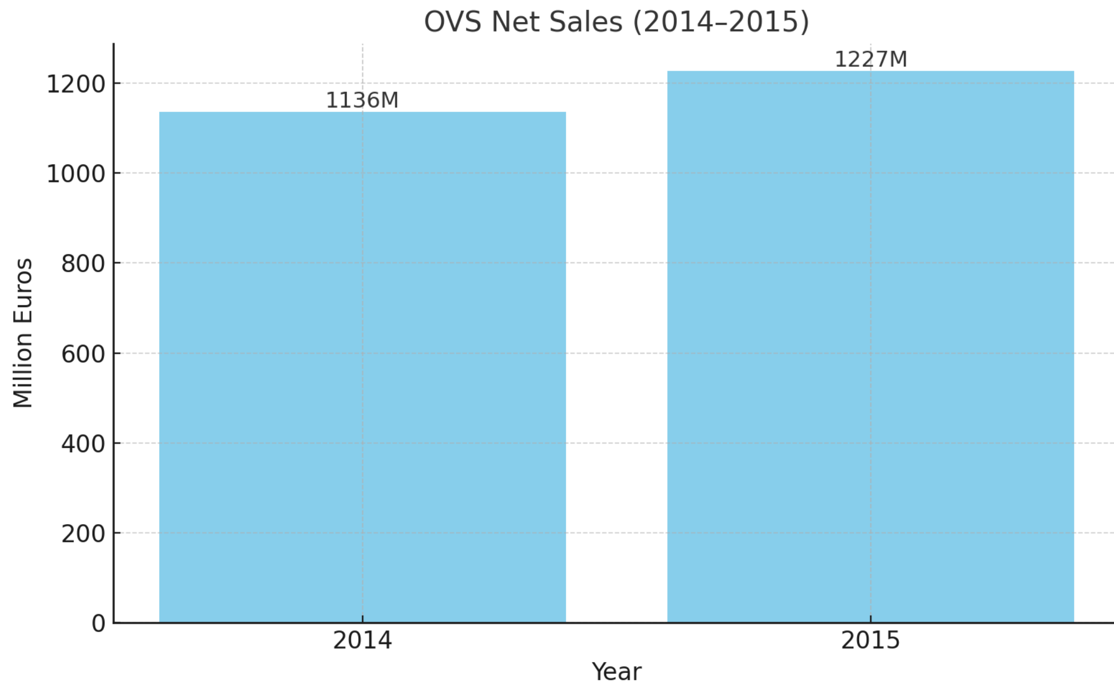

Figure 1: OVS Net Sales 2014–2015 (in million euros). Author's elaboration based on data from OVS S.p.A. IPO Prospectus (2014) and Bottari de Castello (2015).

- EBITDA increased by 19.5%, from €131.5 million (margin 11.6%) to €157.1 million (margin 12.8%) *(Figure 2)*[121].

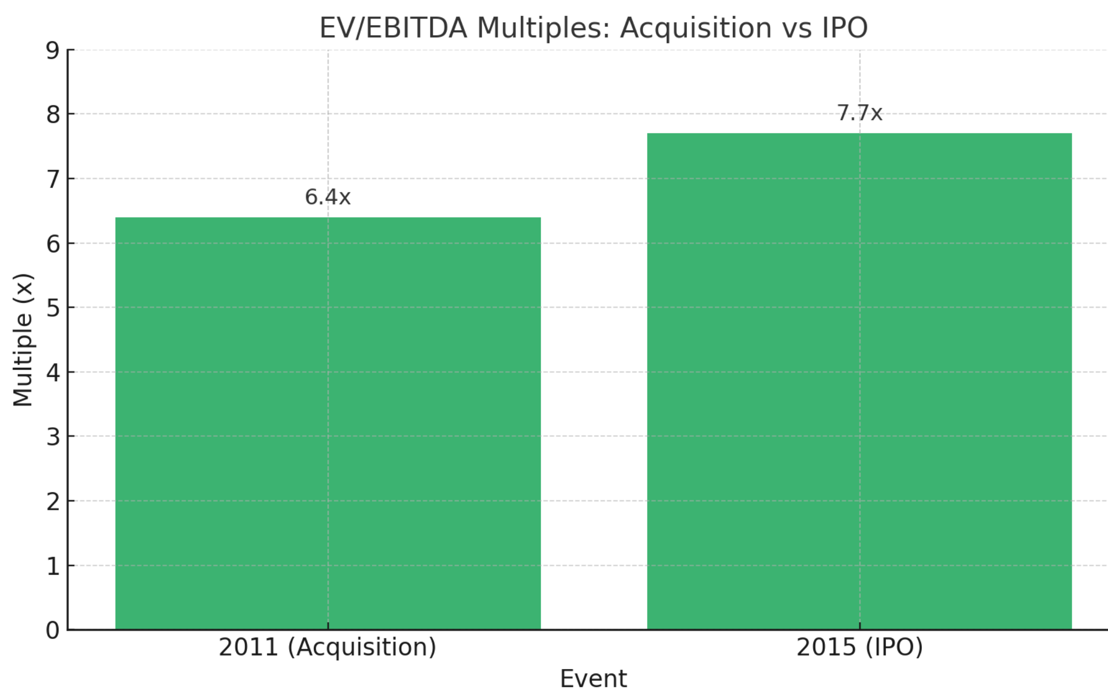

Figure 2. EV/EBITDA Multiples: Acquisition vs IPO: EV/EBITDA Multiples at Acquisition (2011) and IPO (2015). Author's elaboration based on Bottari de Castello (2015) and OVS S.p.A. IPO Prospectus (2014).

- The integrated strategy of efficiency and innovation improved both profitability and competitiveness in preparation for the IPO.

This strategic approach allowed the Coin Group to overcome its previous state of strategic misfit and progressively position itself in Quadrant D of the model (high efficiency and high effectiveness), thanks to a combination of internal optimization and openness to innovation.

In particular, the Italian clothing market between 2011 and 2014 was characterized as a turbulent environment, both in terms of complexity and unpredictability. The key elements of instability included:

[121] OVS S.p.A. (2014). *IPO Prospectus*, sections "Business Strategy" and "Omnichannel Development".

- the growing competitive pressure exerted by international players (Zara, H&M) and emerging digital platforms.
- the decline in domestic demand linked to the post-2008 economic crisis.
- the spread of new, more selective, and price-conscious consumer behavior.
- the urgency of adapting to new digital channels and omnichannel strategies[122].

In this scenario, the Coin Group was compelled to develop adaptive capabilities, both in governance and commercial strategy, focusing on structural simplification and greater decision-making agility. The strategic focus on OVS as a vehicle for growth enabled the company to respond quickly to market demand for affordability and innovation, combining the exploitation of existing assets (logistics, retail know-how) with exploratory initiatives (international expansion, IPO).

In 2015, the IPO of OVS marked the culmination of the company's strategic repositioning. The offering attracted demand equal to twice the available shares, with a free float of 48% of the share capital. The stock was priced at an EV/EBITDA multiple of approximately 7.7×, higher than the 6.4× multiple paid by BC Partners for the entire Coin Group in 2011, indicating a significant increase in value.

Considering this evidence, the Coin case clearly demonstrates the importance of strategic and environmental fit. The coherence between the new strategic direction and the turbulent market conditions was a critical success factor. The intervention by BC Partners generated a progressive realignment between strategy and environment, which culminated in the IPO of OVS. This conclusion serves as a signal of the effectiveness of the repositioning process.

2.4.3. Step 3 – Structure and Organizational Configuration

The organization's structure, which is defined as how tasks are delegated and activities are coordinated among teams and functions, is the subject of the following step in the model created by Burton et al. (2015). The organization's operational architecture is represented by the structure, which needs to align with the external environment's features as well as the strategy being pursued.

[122] BeBeez (2018). *BC Partners sells Gruppo Coin to Centenary S.r.l.*

The authors suggest using two primary dimensions to analyze structure in their model:

- Functional specialization: the degree to which work is organized into functional units, such as marketing, production, or finance, based on technical or professional expertise is known as functional specialization. Although this arrangement improves technical depth and internal efficiency, it may also result in "organizational silos", or compartmentalizations that impede communication and make it more difficult for the company to react to changes outside of its control.
- Product/customer orientation: the inclination to organize the company around product lines, customer segments, or particular markets is reflected in the product/customer orientation dimension. Numerous organizational features, including responsiveness, flexibility, and closeness to the customer, are enhanced by such a setup. Higher management expenses and resource duplication could result from it as well.

Four basic organizational configurations result from combining these two dimensions:

- Simple structure: low specialization and a limited focus on products and customers are characteristics of a simple structure. This structure is typical of small businesses, start-ups, or autonomous units. Direct communication is necessary for coordination, roles are flexible, and power is centralized. Although it works well in straightforward and stable settings, it is ineffectual in more complicated ones.
- Functional structure: high specialization and low product/customer orientation are characteristics of the functional structure. Organizational units are separated according to their functions, such as production, marketing, and finance. Although this configuration encourages technical depth and operational efficiency, it may also lead to silos and impair market responsiveness. Mechanisms for cross-functional coordination are necessary to guarantee integration.
- Divisional structure: characterized by a low level of specialization and a strong focus on the product or customer. Product lines, geographical regions, or client segments are used to arrange resources. Every division has some degree of autonomy. Although this structure encourages adaptability and market responsiveness, it may result in redundant work and inefficient operations.
- Matrix structure: strong product/customer orientation and a high degree of specialization are combined in a matrix structure. Because each employee reports to

two managers—one for the product or project and one for the functional—it is the most complicated setup. This structure strikes a balance between responsiveness and technical efficiency when properly managed. But if it's not handled well, it can lead to authority disputes and role ambiguity.

Burton et al. (2015) state that three factors influence the rise in organizational complexity:

- the quantity of levels in a hierarchy (vertical complexity);
- the quantity of functions and units (horizontal complexity);
- territorial distinction and geographic reach.

Since complex structures necessitate sophisticated control tools, cross-functional teams, advanced information systems, and multi-level decision-making processes, the need for integration and coordination grows as these factors do.

Adopting a logic of structural fit becomes crucial considering these factors: efficiency-oriented strategies work best in environments that are stable or moderately variable, and simple, functional structures tend to be more effective in these settings. Divisional and matrix structures, on the other hand, work better in tumultuous situations where strategy calls for more adaptability and flexibility.

The geographical dispersion of operations should also be considered when designing a structure. Many contemporary businesses use branches, subsidiaries, remote teams, or local offices to conduct business both domestically and abroad. This adds new design factors, particularly in the area of distance management.

Burton et al. (2015) state that geographic distribution influences:

- the extent of subunits' autonomy in making decisions;
- the requirement for digital tools for coordination (such as ERP systems and video conferencing);
- the effectiveness of cross-location communication, which is frequently hampered by time zones, language barriers, and cultural differences.

Knowledge circulation is another important factor, in addition to geography. Excessive fragmentation can impede knowledge transfer, increase redundancy, and compromise information consistency. Organizations that create organized knowledge management

systems that can take advantage of local learning and transform it into transferable knowledge are the most successful. Communities of practice and internal networks are strategic in this respect.

Burton et al. distinguish three models of distributed organization based on the level of autonomy and unit integration:

- Centralized but dispersed: local units carry out operations, while headquarters maintains decision-making authority.
- Decentralized and dispersed: every unit is free to operate and make its own decisions.
- Highly integrated: shared organizational culture and cutting-edge digital infrastructures help to overcome geographic distance.

Different design requirements for structure, technology, and procedures are associated with each of these configurations. As a result, geographic distribution affects organizational complexity and configuration directly and is not just a logistical concern.

The fit principle is essential even in this step: the organizational structure needs to be in line with the environment, strategy, processes, and human resources. Misfit, or the misalignment of design elements, is not always a bad thing. Burton et al. (2015) claim that misfit can be a positive design tension that promotes learning, change, and ongoing development.

Because of this, the authors suggest defining what they refer to as a "coherent archetype"—an organizational structure that, despite internal inconsistencies, acts as a useful roadmap for redesign. This archetype aids in mapping structural problems and identifying the most pertinent and urgent intervention levers.

Following its acquisition by the BC Partners fund in 2011, the Coin Group embarked on an extensive organisational restructuring aimed at increasing internal coherence and adapting to a rapidly evolving retail environment. The objective was to realign the structure with the previously introduced ambidextrous strategic orientation, balancing operational efficiency and innovation capacity.

Structural Reconfiguration

Prior to the acquisition, the group had a complex multi-brand structure (OVS, Coin, UPIM), characterised by functional overlaps, slow decision-making processes, and limited coordination between units. BC Partners promoted a transition towards a leaner, more integrated, and performance-oriented structure. The main structural transformations included:

- Separation of business units: the three main brands were formally separated, each with its own operational and strategic responsibility. OVS was identified as a central asset for growth, while UPIM was progressively phased out to concentrate resources on high-potential brands[123].
- Adoption of a hybrid functional-divisional model: the new configuration integrated specialised central functions (such as supply chain, IT, finance) with divisions organised by brand and format, each capable of autonomously managing different sales channels (direct stores, franchising, e-commerce). This allowed the company to combine internal efficiency with customer proximity, reducing overlaps and improving operational coordination[124].
- Centralised management control system: managerial oversight was strengthened through centralised budgeting, a monthly reporting system, and systematic monitoring of financial and operational KPIs, supporting both governance and performance evaluation[125].
- Digital integration and cross-functional collaboration: the introduction of integrated IT tools improved the synchronisation of workflows between previously fragmented areas (logistics, retail, e-commerce). The digitalisation of the supply chain and the enhancement of the omnichannel platform contributed to faster market responsiveness and better alignment across functions[126].

[123] Bottari de Castello, A. (2015). *Private Equity Valuation: BC Partners acquires Gruppo Coin*. Master's Thesis, Università degli Studi di Padova, pp. 25–29.
[124] Ibidem, pp. 30–35.
[125] OVS S.p.A. (2014). *IPO Prospectus*, sections “Management Control” and “Governance”.
[126] Bottari de Castello, A. (2015). *Private Equity Valuation*, pp. 36–38.

- Centralised decision-making and hierarchical simplification: decision-making power was centralised in the figure of the CEO (Stefano Beraldo) and the top management team. This made the structure more vertical and responsive, reducing horizontal organisational complexity and increasing clarity in roles and responsibilities[127].

Geographic Distribution and Operational Configuration

Although primarily operating in the domestic market, the group developed elements of a distributed structure, thanks to the adoption of digital tools for coordinating and managing retail activities. The organisation took the form of a "distributed but centralised" model, in which strategic and financial decisions remained concentrated at headquarters, while local units (stores) enjoyed greater operational autonomy[128].

The introduction of digital platforms (ERP, CRM, omnichannel tools) also improved the flow of information and coordination between sites, laying the groundwork for future international expansion[129].

Evaluation of Structural Fit

Overall, the structural reorganisation represented a clear improvement in the fit between structure, strategy, and the competitive environment. The shift from a bureaucratic and misaligned structure to a hybrid, flexible, and integrated configuration led to:

- greater clarity in governance;
- improved decision-making and objective-driven management;
- reduced coordination costs;
- increased responsiveness to market changes.

This evolution created the organisational conditions that enabled the success of OVS's IPO in 2015, marking the conclusion of a structural realignment process consistent with the principles of the Burton, Obel, and DeSanctis model[130].

[127] Ivashina, V. (2016). *BC Partners: Gruppo Coin*. Harvard Business School Case 9-217-024, pp. 5–7.
[128] OVS S.p.A. (2014). *IPO Prospectus*, section "Business Overview".
[129] BeBeez. (2018). *BC Partners sells Gruppo Coin to Centenary S.r.l.*
[130] Burton, R. M., Obel, B., & DeSanctis, G. (2015). *Organizational Design: A Step-by-Step Approach* (2nd ed.). Cambridge University Press.

2.4.4. Step 4 – Processes, People, Leadership, and Organizational Climate

The fourth step of the model proposed by Burton, Obel, and DeSanctis (2015) introduces a reflection on the more dynamic and human dimensions of organizational design: operational processes, people management, leadership, and organizational climate. These elements constitute the interface between the formal structure of the organization and its capacity to translate strategy into concrete actions. Their design requires systemic coherence and careful attention to the principle of fit.

Processes

The starting point concerns the design of tasks (task design) and the interdependencies among activities. The organization's mission must be reflected in daily workflows, and processes are the operational translation of strategic intentions. According to Burton et al., there are two main ways to analyze task design: divisibility (the degree to which tasks can be divided among multiple actors) and repetitiveness (the degree of standardization and potential for automation of tasks).[131]

The combination of these two dimensions generates four archetypes:

- Orderly tasks: these tasks are easily divided and very repetitive. They are common in routine settings where efficiency is the main objective, such as automated workflows or assembly lines. Mass production and process automation are made possible by their ability to be standardized and fragmented. This model works well in environments that are stable and require little flexibility because it promotes cost reduction and strict control.
- Complicated tasks: despite being repetitive, these tasks are difficult to divide. They frequently call for consistency, in-depth knowledge, and contextual awareness. Engineering maintenance and medical diagnostics are two examples. Even though they are predictable, their quality cannot be compromised by fragmentation. They are therefore best suited to professional bureaucracies or functional structures since they require specialized staff and centralized control.
- Fragmented tasks: these are frequently changing tasks that can be divided up among several actors. They are frequently seen in marketing campaigns, consulting, and

[131] Burton, R. M., Obel, B., & DeSanctis, G. (2015). *Organizational Design: A Step-by-Step Approach*. Cambridge University Press, p. 78.

creative industries. Coordination mechanisms need to be flexible and agile due to their low repetition and high divisibility. Decentralized decision-making and modular organization are necessary for these tasks, which enable the parallel execution of various activities.

- Knotty tasks: these tasks—such as crisis management, strategic turnaround planning, or radical innovation projects—are distinct, unpredictable, and inseparable. They necessitate a high degree of mutual trust, understanding, and internal communication.[132] Interaction, not delegation, is the foundation of coordination, and a culture of learning and unified leadership are essential for success. These kinds of tasks are common in situations that are very unpredictable or turbulent.

A task design that is in line with the context, strategy, and structure of the organization is said to be coherent. Inefficiencies, work overload, subpar service, or unit misalignment can all be consequences of misfit in this area.[133]

Individuals

The management of people, viewed as active participants in information processing rather than merely executors, is the subject of the second dimension. The number of employees (i.e., the workforce size) and the level of professionalization (autonomy, credentials, and capacity to manage complex tasks) are the two basic variables that Burton et al. (2015) suggest.[134]

Four archetypes are revealed by the intersection of these two dimensions:

- Shop: this type of organization occurs in start-ups or small businesses where a small number of people manage several basic tasks. The founder or manager typically exercises control, roles are flexible, and communication is straightforward. Despite being effective in straightforward situations, this model is not scalable and could overwhelm leadership as complexity increases.
- Factory: in this context, a large number of people carry out standardized, low-autonomy tasks. Routine, hierarchy, and well-defined rules are essential for coordination. It is perfect for logistics and mass production, where consistency and

[132] Ibid., pp. 80–82.
[133] Misfit in task design can lead to increased friction between departments and loss of productivity, especially in knowledge-intensive firms.
[134] Ibid., pp. 90–92.

order are essential. However, this model runs the risk of becoming overly inflexible and unreceptive to innovation in rapidly evolving environments.

- Laboratory: this archetype, which is prevalent in knowledge-driven or research-intensive settings (such as academia and biotech), values independence, creativity, and experience. Individuals operate on their own, with shared culture serving as a stronger guide than official regulations. Although this configuration encourages innovation, it might not be scalable and struggle to handle complexity in the absence of well-defined coordination mechanisms.
- Office: numerous workers with a high degree of professionalism are combined in this model. Common in multinational consultancies or big businesses, it necessitates strong cultural cohesion, hybrid management models, and sophisticated systems for collaboration. The intricacy of this system can cause information overload and delayed decision-making if it is not properly managed.

While expert profiles need environments that promote autonomy and responsibility, less specialized roles should be supported by clear processes and directive leadership, according to an effective people dimension design.[135] A mismatch in this area could lead to resource waste, high turnover, demotivation, or cognitive overload.

Leadership

Leadership represents a critical lever in organizational design, as it determines how power is exercised and significantly influences the internal coherence of the system. The key variables are the propensity to delegate responsibility, referred to as delegation, and the level of tolerance for uncertainty, referred to as uncertainty avoidance.[136] The combination of these two variables gives rise to four leadership styles:

- Maestro: the leader accepts ambiguity and fluidity while maintaining control and making the majority of decisions directly. This approach is typical in expert-led businesses where technical mastery is the source of authority, such as design studios and artisan firms. It can impede decision-making in complex or expanding environments, but it performs well in stable settings.

[135] The coherence between roles, skills, and formal procedures is a prerequisite for operational alignment in complex settings.
[136] Ibid., pp. 94–96.

- Manager: there is a lot of delegation, but only within well-defined structures that reduce ambiguity. Predictability, standardization, and risk reduction are important to the manager. This approach works well in sectors that are subject to regulations, like banking and healthcare, but it might not work well in situations that call for creativity and agility.
- Producer: this style is characterized by centralized control and a low threshold for ambiguity. It works well during times of crisis or when prompt, top-down decision-making is necessary. Long-term sustainability is at risk, though, as excessive use of this approach can undermine trust, discourage independence, and hinder teamwork.
- Leader: the leader places a strong emphasis on creativity, flexibility, and empowerment. There is a lot of delegation and acceptance of ambiguity as a growth-promoting factor. Fast-paced, tech-driven, or creative industries are ideal for this style, but to prevent chaos or a lack of accountability, it needs strong vision and alignment tools.

The leadership style that is most in line with the structure, strategy, and culture of the company is the most successful. Internal strife, unclear decision-making, and a drop in employee motivation can result from a leadership-context misalignment.[137]

Climate

The common view of the workplace is referred to as the organizational climate. Climate is dynamic and subject to change, in contrast to culture, which is more profound and stable. Perceived tension and change readiness are the two main dimensions that have been suggested.[138]

There are four distinct climate archetypes:

- Group Culture: low perceived tension and a high degree of adaptability. This environment is perfect for cohesive teams and creative settings because it encourages cooperation, trust, and casual communication. It encourages experimentation and learning, but if it isn't supported by specific objectives, it could lack focus or direction.

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[137] Leadership misalignment is especially detrimental in transformation phases, as it undermines coordination and motivation.
[138] Ibid., pp. 99–102.

- Developmental Culture: high levels of tension and openness. Organizations that are undergoing innovation or transformation frequently have a dynamic and stimulating atmosphere. Without the right guidance and support, it can cause stress and overload even though it promotes performance and change.
- Internal Process Culture: openness and low levels of stress. In this setting, stability, order, and adherence to rules are valued. It performs well in bureaucratic or regulated environments, but it may be resistant to innovation and slow to adapt to external changes.
- Rational Goal Culture: low openness with high tension. A performance-oriented climate where pressure to meet objectives is strong. It can boost productivity and efficiency but may become rigid and unsustainable under conditions of rapid change or uncertainty.

In conclusion, Step 4 serves as the link between the organization's macro-level structure and its day-to-day micro-level operations. The long-term viability of organizational design is determined by these "softer," but no less structural, components. [139]

Following its acquisition by BC Partners, the Coin Group undertook a comprehensive transformation process that encompassed not only its organizational climate, leadership style, operational procedures, and personnel management, but also its structure. The consolidation of a performance-oriented culture and organizational realignment were facilitated by these dimensions.[140]

Procedures

Simplifying and optimizing core procedures was one of the fund's primary goals. In order to achieve this, new supply chain management information systems were put in place, which enhanced logistical effectiveness, demand forecasting, and traceability.[141] Additionally, the introduction of digital tools decreased needless interdependencies and improved functional integration. In order to maintain orderly task design, operational

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[139] The authors emphasize that operational elements (tasks, people, leadership, and climate) are crucial to closing the strategy–execution gap.
[140] This comprehensive approach is consistent with Burton et al.'s (2015) model, which emphasizes the need to align soft and hard design elements.
[141] See OVS S.p.A. (2014), *IPO Prospectus*, sections on operations and logistics, for details on the digitalization of supply chain processes.

activities were redesigned with a high degree of standardization in the retail and logistics sectors, based on the principles of task repeatability and divisibility.[142] However, a more adaptable approach was used in strategic and innovation-focused roles like omnichannel strategy and product development, which were in line with complex and dispersed task types.[143]

People

Improving human capital was another key component of the transformation. In order to lead the company's modernization, new managerial profiles with global experience were introduced.[144] Through a more precise definition of roles and a strategic reallocation of competencies, the workforce was rationalized. In line with a laboratory model, highly specialized tasks like data analysis, omnichannel management, and strategic marketing were delegated to small, specialized teams. At the same time, a factory-type model based on efficiency, standardization, and hierarchical control was maintained in high-density, low-autonomy sectors, like retail.[145] The fit between strategy, environmental complexity, and human capital significantly improved as a result of this balance.

Leadership

The change process was given internal legitimacy and continuity when Stefano Beraldo was confirmed as CEO.[146] His leadership style was characterized by low uncertainty avoidance and high delegation. This strategy encouraged self-determination, goal-orientedness, and receptivity to new ideas. A more managerial approach became prevalent at middle management levels, with a focus on standardization and following protocols, especially in operational domains.[147] The transition was aided by the

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[142] The redesign reflects a typical *orderly task* model, with high standardization suitable for scalable retail operations.
[143] Omnichannel innovation and product development require *knotty* or *fragmented* task structures, with decentralized coordination.
[144] Ivashina, V. (2016). *BC Partners: Gruppo Coin*. Harvard Business School Case, pp. 5–7.
[145] This hybrid configuration enabled the organization to balance efficiency in retail with agility in strategic areas.
[146] Beraldo's tenure as CEO predates the acquisition and ensured leadership continuity throughout the transformation process.
[147] This dual leadership model—entrepreneurial at the top and managerial at the middle—is consistent with dynamic alignment during strategic change.

coexistence of these two styles, which allowed for a balance between control and innovation.

Organizational Climate

The three years after the acquisition were characterized by a high degree of adaptability and intense performance pressure. This is in line with a developmental culture.[148] With lofty goals connected to the IPO and internal reorganization, the group went through a period of intense change. People saw the need for change as a chance to advance their careers. A result-oriented culture centered on ongoing learning emerged as a result of the use of digital tools, variable incentive systems, and enhanced accountability.[149]

A significant realignment between the organization's formal structure and informal aspects was accomplished through BC Partners' intervention. The unity of these elements made Coin a cutting-edge organizational platform that could successfully support the IPO process and negotiate the complexities of the fashion retail industry.[150] The new configuration demonstrated a high level of internal fit and was in line with the competitive environment's demands for performance, adaptability, and creativity.

2.4.5. Step 5 – Systems: Coordination, Control, Information and Incentives

Burton et al. (2015) address the systemic dimension of organizational design through the fifth step of the model, which focuses on four basic levers: incentive systems, information systems, coordination, and control. These components serve as fundamental design pillars that govern interactions, behaviors, and decision-making. Their conformity to the environment, structure, and strategy determines how effective they are.

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[148] Burton et al. (2015) define this as a climate of high openness and tension, typical of organizations undergoing transformation.
[149] Variable incentives, digital collaboration tools, and cultural alignment were central to building engagement around change.
[150] Coin's transformation culminated in OVS's IPO in 2015, which marked the strategic and financial success of the repositioning.

Coordination and control

Burton et al. suggest using two primary axes to examine coordination and control mechanisms:

- The degree to which roles, protocols, guidelines, and conduct are clarified and standardized in papers, guides, or management systems is known as formalization. The standardization and predictability of behaviors increase with formalization;
- Decentralization is the degree of decision-making authority given to individuals or operational units. High decentralization enables distributed decisions along the organizational line, whereas low decentralization suggests that decisions are made at the top.

Five archetypes are produced by combining these two axes:

- Family: distinguished by a low degree of decentralization and formalization. Personal trust, unofficial connections, and direct leadership control are the foundations of coordination. This coordination mechanism is common in early-stage family businesses or simple contexts[1].
- Machine: distinguished by a low degree of decentralization and a high degree of formalization. This mechanism heavily regulates activities through rules and procedures and centralizes authority. This mechanism is appropriate for repetitive operational environments or manufacturing sectors[2].
- Market: known for its high degree of decentralization and low level of formalization. Units in this mechanism have autonomy and are coordinated through incentive-based systems, performance goals, and competitive mechanisms. This arrangement is common in division-structured, profit-driven businesses[3].
- Clan: distinguished by a moderate degree of decentralization and a high degree of formalization. Socialization, corporate values, and a common culture all contribute to control. When an organization is cohesive and has a strong internal identity (4), this mechanism works well.
- Mosaic: distinguished by a high degree of decentralization and formalization. This is the most sophisticated model since it blends global standardization with local

autonomy. Multinational and knowledge-based (5) complex organizations frequently use this mechanism.

Information Systems

Information systems, which make up the organization's cognitive network, are another essential component. Information systems are the collection of instruments, procedures, and practices used to collect, process, and disseminate data, knowledge, and experiences in order to facilitate decision-making and activity coordination.

Burton et al. (2015) suggest using two primary dimensions to analyze information systems:

- The volume, complexity, and frequency of data processing are all considered aspects of the amount of information to be processed. Compared to organizations in simple and repetitive environments, those operating in dynamic or large-scale contexts manage much more intense information flows[151].
- The difficulty of making information explicit and codifiable is referred to as the degree of information tacitness. While some knowledge is implicit—connected to experience, intuition, or social interactions—and must be transmitted through relational or experiential channels, others are readily digitizable and standardized[152].

Four archetypes are produced by the interplay of these two dimensions:

- Event-driven systems: are a subset of simple systems that rely on reactive and sporadic communications, like emails, phone calls, and sporadic meetings. They work well in linear settings with minimal environmental and informational complexity[153].

[151] The volume of information is closely tied to organizational complexity: the more articulated the organization (by products, markets, technologies), the greater the cognitive load to be managed (Burton et al., 2015, pp. 258–259).
[152] The concept of tacitness is based on Polanyi's work (1966), who stated that "we can know more than we can tell." Some skills are learned only through experience and cannot be easily codified.

[153] A classic example would be small family-run businesses or start-ups in the early development stages, where communication happens primarily in a direct and informal way.

When there is little or standardized information exchanged, they are unstructured but still useful.

- Data-driven systems: digital systems that are structured, like CRM (Customer Relationship Management), MIS (Management Information Systems), or ERP (Enterprise Resource Planning). Large volumes of codifiable data can be collected by these systems, enabling automated standard[154] decision-making procedures and ongoing performance monitoring.
- People-driven systems: informal systems that rely on the sharing of implicit knowledge through peer exchanges, mentoring, personal relationships, or communities of practice are known as people-driven systems. These systems are common in professional settings where trust and individual competence are crucial, such as research settings, consulting firms, and creative teams.[155]
- Relationship-driven systems: systems that combine a high degree of tacitness with a large amount of information are known as relationship-driven systems. They need social intranets, knowledge management systems, sophisticated collaborative platforms, and integrated digital tools. In cognitively complex environments, like multinational corporations or knowledge-intensive industries, these systems are crucial[156].

The competitive environment, strategy, and organizational structure must all be taken into consideration when designing information systems. Knowledge loss, delayed decision-making, operational inefficiencies, or unit misalignment can result from a structure and information system mismatch.

[154] The integration of ERP systems has revolutionized the ability to collect and analyze business data in real-time, improving interdepartmental consistency and operational efficiency.

[155] In knowledge-intensive organizations, sharing often occurs in unstructured but highly effective ways due to interpersonal trust and shared professional culture.

[156] Relationship-driven platforms (e.g., Microsoft Teams, Confluence, Notion, SAP KM) combine communication, archiving, and real-time collaboration tools, supporting distributed knowledge management.

Incentive Systems

A collection of basic design levers for directing people's actions toward the accomplishment of organizational objectives are incentives. These mechanisms of recognition can be material or symbolic, and they can be aimed at a group or an individual.

Burton et al. (2015) suggest using two primary variables to analyze incentive systems:

- The following evaluation criterion was used: This relates to the kind of conduct or outcome that the organization hopes to incentivize. Certain situations reward behavioral conformity by emphasizing adherence to roles, regulations, and procedures. In others, the accomplishment of tangible and quantifiable outcomes—like sales goals, operational efficiency, or financial returns[157]—is acknowledged.
- The organizational level to which the reward system is directed is indicated by the incentive's recipient. Certain incentives are specific to a manager's or employee's performance. Others are collective, targeting departments, teams, or the organization as a whole[158].

Four unique incentive system configurations are produced when these two variables are combined:

- Personal Pay: individuals receive the incentive, which is determined by their behavior, which includes following the rules, maintaining discipline, and playing their roles. It is common in operational and standardized settings where control, predictability, and order are crucial[159]. On the other hand, overuse can diminish creativity and intrinsic motivation.
- Skill Pay: the group's professionalization level—such as experience, seniority, or level of technical specialization—is referenced in the collective reward. This method

[157] This distinction reflects two management logics: the compliance logic and the achievement logic. Both are valid but respond to different organizational needs (Burton et al., 2015, p. 273).
[158] The individual dimension encourages responsibility and merit but can generate internal competition; the collective one reinforces group identity but may diminish the rewarding effect of personal recognition (Burton et al., 2015, p. 274).
[159] These incentives are often used in environments such as manufacturing or standardized services, where behavioral reliability takes precedence over creativity (e.g., retail chains or logistics departments).

strengthens technical consistency and teamwork within professional communities by promoting skill stability and a feeling of community.[160]

- Bonus-Based: individual incentives are linked to the accomplishment of predetermined, quantifiable, and specific goals in this model. It is frequently employed in competitive, performance-based settings like consulting or sales. Clear, shared performance indicators and trustworthy evaluation systems are essential for its proper operation[161].
- Profit-Sharing: the incentive is collective and based on the overall results of the entire team or organization (e.g., a share of profits or performance bonuses). It promotes integration among units, mutual trust, and identification with the company's success[6]. However, it requires transparency in communication, fairness in distribution criteria, and a corporate culture oriented toward collaboration.

Even in incentive design, the principle of fit applies individual incentives introduced in environments that require strong cooperation may generate opportunistic behavior, while collective incentives applied in highly competitive settings risk appearing ineffective or unfair. A coherent design of incentives strengthens strategy, supports organizational culture, and helps improve the internal climate.

Step 5 lays the groundwork for the organization's decision-making, coordination, learning, and motivation processes. Even with a strong structure or vision, poorly designed systems can compromise strategy. Coherent systems, on the other hand, serve as stimulants for ongoing innovation and organizational learning.

Following the acquisition of the Coin Group by the BC Partners fund, a thorough reorganization of the organizational system was launched. Particular attention was devoted to the infrastructural levers: coordination, control, information management, and incentives. These dimensions formed the foundation for supporting the strategic realignment and preparing the organization for OVS's stock market listing in 2015.

[160] In contexts such as healthcare organizations, universities, or tech companies, the team's value lies in the depth of shared expertise and the stability of knowledge.
[161] The major risk is that, in the absence of clear indicators, tensions or perceptions of unfairness arise that undermine motivation.

Through a selective and differentiated approach, the principle of fit was pursued in each area of the organizational systems, structure, and strategy[162].

Coordination and Control

The organizational structure that characterized the Group prior to the fund's entry was based on a low degree of formalization and limited clarity in decision-making responsibilities. Decisions were often made informally, and coordination among the various functions was weak, particularly between retail, logistics, and headquarters.

Following the restructuring process, a governance model was introduced based on a hybrid configuration between "Machine" and "Mosaic"[163].

Retail stores and logistics were among the operational areas that were restructured. A centralized managerial control system, new standardized procedures, and monthly reporting based on important KPIs were all part of the highly formalized system that was used to implement the process.

By using these tools, resource management became more efficient, operational errors decreased, and results became more predictable. Central budgeting and the standardization of procurement procedures improved coordination, which helped to rationalize inventory levels and shorten restocking cycles. At the same time, in knowledge-intensive areas such as product development, strategic marketing, and omnichannel operations, coordination was guided by more flexible and cross-functional logics. Cooperation between units was enhanced through the adoption of shared platforms, the creation of cross-project committees, and the introduction of digital tools that supported greater local autonomy while maintaining strategic coherence. This "Mosaic" configuration made it possible to combine control and learning, uniformity and adaptability[164].

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[162] Burton, R. M., Obel, B., & DeSanctis, G. (2015). Organizational Design: A Step-by-Step Approach. Cambridge University Press. The principle of fit lies at the core of the entire model, implying that every component of the organization must be consistent with the others to ensure effectiveness.
[163] The "Machine" and "Mosaic" models are positioned at opposite ends of the formalization and decentralization scale. The former favors efficiency, while the latter supports complexity.
[164] The integration of standardized control with local autonomy is a typical feature of organizations operating in turbulent yet structured environments.

Information systems

Information systems were essential in making the new operational and strategic framework possible. The implementation of an integrated ERP (Enterprise Resource Planning) system for the centralized management of corporate data was one of the most important initiatives. Key operational and economic metrics, including sales, inventory, stock turnover, and logistics expenses, could be tracked in real time thanks to this tool. The adoption of this software platform, which allows for unified planning and management of the various business processes within a single IT environment, provided top management with a solid information base for the decision-making process[165].

In addition to the ERP, an advanced CRM (Customer Relationship Management) system was implemented—namely, a platform for the integrated management of customer relationships—as well as an omnichannel integration system, that is, a technological infrastructure that connects and coordinates in real time the company's various sales and communication channels. The introduction of these solutions made it possible to achieve more accurate customer profiling, integration between physical and online channels, and a more targeted personalization of the commercial offering. This, in turn, enabled the analysis of purchasing behaviors, the activation of tailored campaigns, and the adaptation of the offering according to the customer lifecycle.

In strategic functions, the information system also assumed a relational dimension. Digital collaboration tools, knowledge management systems, and cloud platforms were used to facilitate the circulation of knowledge among cross-functional teams. In particular, in product development units, the continuous exchange of feedback was encouraged through practices such as micro-mentoring and internal briefings[166]. Overall, the Coin Group's information system can be described as a hybrid configuration between "Data-Driven" and "Relationship-Driven," in line with the typologies identified by Burton et al. (2015), capable of meeting both operational efficiency needs and the management of tacit knowledge in highly complex processes.

[165] The ERP system enabled a significant reduction in decision-making times and improved the accuracy of operational forecasts.
[166] The management of tacit knowledge through digital tools and informal relationships is a distinctive trait of "Relationship-Driven" information systems.

Incentive Systems

Similarly, the incentive structure underwent a thorough revision. The objective was twofold: to guide behaviors toward performance and to strengthen the sense of belonging to the new transformation project.

In retail and logistics departments, an individual Bonus-Based approach was adopted, focusing on operational performance such as productivity, sales per employee, and waste reduction. This approach fostered a strong results-oriented mindset and improved operational discipline, especially thanks to the introduction of transparent and shared performance indicators[167].

In strategic functions, such as marketing, e-commerce, and omnichannel innovation, collective Profit-Sharing mechanisms were instead implemented, with team-based bonuses linked to the achievement of project milestones or shared objectives. In some areas, a Skill Pay approach was also adopted, rewarding seniority, specialized expertise, and innovative contributions—particularly for key roles in data analysis and digital transformation[168].

Finally, for top and middle management, long-term incentives linked to the success of the IPO were introduced, following a logic of alignment between individual interests and the company's value creation objectives. This choice generated strong engagement, improved the stability of the management team, and supported their commitment during the most critical stages of the transition[169].

The new incentive architecture was designed in accordance with the fit principle between organizational structure, operational autonomy, and a merit-based culture, effectively supporting both individual performance and cross-functional cooperation. In addition, it contributed to improving the internal climate, strengthening motivation and the sense of responsibility among employees.

[167] Bonus-Based incentives are effective in low-discretion contexts where performance is easily measurable.
[168] The combination of Profit-Sharing and Skill Pay is consistent with professional environments characterized by high interdependence and complexity.
[169] IPO-linked incentives served both a motivational and a strategic function, fostering alignment between leadership and corporate objectives.

Through the transformation of systems in the case of the Coin Group, there was a significant advancement in the degree of internal integration and coherence within the organization. The progressive institutionalization of control mechanisms, the digitalization of information, and the customization of incentive systems supported the strategic evolution, enhancing the organization's ability to learn, adapt, and act in a coordinated manner.

The ability to design systems consistent with the context, strategy, and people proved to be a critical success factor. The new configuration made it possible to develop a scalable model, performance-oriented yet also capable of leveraging internal knowledge and fostering a strong organizational culture. This set of initiatives played a decisive role in preparing for the OVS IPO and in transforming the Coin Group into a modern and competitive player in the fashion retail industry.

2.4.6. Step 6 – Dynamics and Complex Organizational Forms

In the final step, Burton et al. (2015) explore the dynamic dimension of the organization and its ability to evolve over time. This phase represents the conclusion of the organizational design process, as an effective organization is consistent in the present but also able to anticipate, acquire, and manage change while maintaining a high level of internal fit[170].

The organization is viewed as a living, breathing system that is constantly interacting with the outside world and is under pressure to adapt. The achieved design coherence can be compromised and misfit can result from external factors like technological advancements, regulatory changes, competitive shifts, or entry into new markets. The internal organizational structure may also need to be revised as a result of internal strategic decisions like mergers and acquisitions, the introduction of new business models, or leadership changes.

To maintain the effectiveness of organizational operations, it is essential to promptly identify emerging signs of incoherence[171] and to intervene with progressive modifications

[170] In this step, fit is considered in a dynamic sense: coherence is not a static state but a condition to be preserved over time.
[171] Emerging misfit signals can manifest through quantitative indicators (e.g., performance decline) or qualitative ones (e.g., cultural tensions, reduced collaboration).

or, when necessary, radical changes to structure, processes, systems, and culture. It is also important to adopt an organizational experimentation logic[172], introducing controlled variations to observe their effects and learn before extending the change on a large scale. This approach fits within a continuous design perspective, in which phases of exploration and learning alternate with moments of stabilization.

Organizational evolution may lead to a transition from one archetype to another. Each configuration—simple, functional, divisional, or matrix—has its own internal logic of coherence but can become obsolete or limiting if the external context evolves. The shift from one configuration to another requires careful attention to the sequence of interventions, as changing too many variables simultaneously increases the risk of temporary misalignment and cultural resistance[173]. It is also necessary to maintain coherence among components, ensuring that strategy, structure, processes, people, systems, and incentives remain integrated, and to assess the organization's capacity to absorb complex transformations, which depends on the level of internal competencies and cultural openness[174].

The most advanced organizational forms develop primarily in global, knowledge-intensive contexts where the degree of internal articulation is high. Managing this internal variety requires coordinating units with different roles, cultures, and levels of maturity. Examples of advanced configurations include network structures, based on horizontal relationships among autonomous nodes; organizational platforms, which act as coordination hubs for partners, suppliers, and user communities; and ambidextrous models, capable of combining operational efficiency (exploit) and radical innovation (explore) through either the separation or the flexible integration of the two logics[175].

Designing from an evolutionary perspective means accepting that organizational design is a continuous process of adaptation. This entails constant monitoring of the context and of misfit signals, periodic evaluation of design coherence, experimentation and

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[172] Organizational experimentation reduces the risk of large-scale failures, allowing innovations to be tested in controlled contexts.
[173] Intervening simultaneously on multiple dimensions without a clear sequence can cause change overload, that is, an excessive amount of change that is difficult to manage.
[174] Absorptive capacity is influenced both by the stock of technical and managerial skills and by the organization's cultural openness.
[175] Ambidextrous models can be structural (separate units) or contextual (the same units adopting a dual approach).

prototyping of new solutions, as well as the ability to dismantle obsolete structures to integrate models better suited to emerging challenges. The long-term sustainability of such an approach derives from balancing stability—necessary to ensure efficiency and reliability—with transformation, essential for developing innovation and adaptation capabilities.

As Burton, Obel, and DeSanctis emphasize, a well-designed organization is one that works effectively today but is also ready for the changes of tomorrow.

In the post-acquisition period by BC Partners (2011–2014), the Coin Group underwent an organizational transformation aimed not only at operational rationalization, but also at building a dynamic system resilient to change. This evolution was strategic in responding to an unstable competitive context and in guiding the Group towards the OVS IPO in 2015.

The Italian fashion retail sector during those years was marked by rapid shifts: margin pressure, the acceleration of digitalization, and changes in consumer purchasing behaviors. In response to these factors, the Group instituted semi-annual strategic–operational review cycles to monitor economic indicators, qualitative feedback, and unit performance, with the goal of promptly identifying potential design misalignments[176].

On the organizational front, the restructuring led to a multi-unit configuration, with the brands OVS, Coin, and UPIM retaining commercial autonomy while sharing centralized functions (IT, supply chain, marketing), thereby ensuring a balance between differentiation and overall coherence[177].

Information systems played a pivotal role: the centralized ERP enabled the harmonization of data across stores, logistics, and headquarters; in the omnichannel domain, pilot models

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[176] The semi-annual strategic–operational review cycles acted as an early warning mechanism, enabling the rapid identification of inconsistencies between structure, processes, and strategy, thus reducing the risk of change overload.
[177] At the time of the acquisition, the Coin Group was primarily organized around three brands: OVS (fast fashion), Coin (department store), and UPIM (mid-market), each with a distinct market positioning in Italy.

were tested in selected stores to trial new distribution logics before scaling them across the network[178].

The coordination between stability and innovation was reinforced by the leadership of Stefano Beraldo, who supported the transformation by fostering a culture oriented towards change and encouraging the abandonment of obsolete practices in favor of more agile solutions.

Quantitative data confirms this evolution: in the 2012–2013 biennium, OVS generated €973.1 million in revenue out of the Group's €1.465 billion total, representing approximately 70% of total revenues and 95% of EBITDA[179]. In 2014, OVS operated 725 stores (592 in Italy and 133 abroad), with plans to open 80 new stores in Italy and 30–40 abroad[180].

In summary, between 2011 and 2014, the Coin Group achieved not only greater operational efficiency and integration, but also the structural capacity to learn and adapt over time, thereby successfully embodying the dynamic logic of Step 6 in the Burton, Obel, and DeSanctis model, and laying a solid foundation for the OVS IPO[181].

2.5. Validity, Limitations and Ethical Considerations

The validity of this study is grounded in the accuracy with which the methodological design has been applied and in the consistency between the adopted theoretical model and the research objectives. Although the analysis relies exclusively on secondary data, the sources used are official, reliable, and verifiable: consolidated financial statements, IPO prospectuses, corporate press releases, academic case studies, and sector reports produced by research institutes and consulting firms. The use of source triangulation—comparing multiple independent documents for the same event or indicator—has made it possible to reduce the risk of interpretative distortions and to strengthen the internal robustness of the findings (Yin, 2018; Eisenhardt, 1989).

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[178] The test and scale approach adopted for the omnichannel project allowed solutions to be validated in a controlled setting, minimizing the risk of investments misaligned with operational capacity.
[179] Coin Group Consolidated Financial Statements 2013.
[180] OVS IPO Prospectus 2015.
[181] The OVS IPO in 2015 confirmed the robustness of the new organizational set-up, demonstrating the Group's ability to combine operational efficiency with strategic adaptability.

Construct validity was further reinforced by the adoption of the multi-contingency model developed by Burton, Obel, and DeSanctis (2015), which provides an analytical framework capable of directly capturing the organizational dimensions under investigation. The decision to focus the analysis on a specific time frame (2011–2014) also responds to temporal validity criteria, as it concentrates on the period during which the most significant interventions of BC Partners' reorganization process took place, thus avoiding interference from earlier or later phases not directly related to the fund's acquisition.

Although coherent with the chosen methodological design, the research presents some limitations inherent to its nature. First, it would have been possible to conduct a more comprehensive examination of elements such as informal dynamics, organizational climate, and non-codified decision-making processes; however, the lack of primary data leads to a lack of internal qualitative data, such as manager interviews or direct observations. Even though it can be challenging to document these elements, knowing them can help anticipate and reduce organizational resistance, which can significantly affect how well change processes work.

The selection and interpretation of the available data may be biased if secondary documentary sources are the only ones used, particularly if the information was created for institutional, promotional, or compliance reasons. Although this risk was reduced through the use of triangulation techniques, it remains a significant limitation. It is important to clarify, however, that in line with the contingency approach, this study does not aim to provide a "one best way," but rather to derive insights consistent with the one best fit principle, according to which organizational effectiveness depends on the alignment between internal elements and the specific context. As a result, the results' external validity should be interpreted as transferability to contexts with similar characteristics to those under investigation rather than as absolute generalizability. This research offers valuable insights into the logics of organizational transformation in Private Equity operations, despite the limitations related to data availability and the single-case nature of the study, provided that the results are interpreted appropriately for the specific context in which they developed.

The study was conducted in full compliance with the ethical guidelines for academic integrity and transparency. Information traceability is ensured by the public availability of all cited sources and their adherence to APA guidelines. No proprietary or confidential information was used, and no content was changed in any way that would change its original meaning.

Particular care was taken in describing organizational changes that had a direct impact on people. The analysis was carried out without stigmatizing language or personal judgments, maintaining a descriptive approach and contextualizing each finding within the relevant environmental and strategic factors. When financial results or operational performance were reported, they were interpreted fairly, considering both the initial circumstances and the desired outcomes.

Additionally, data cross-verification and source triangulation were employed to reduce the potential risk of reporting bias, or the selective presentation of information. This methodological attention, in addition to theoretical coherence, aims to ensure that the conclusions are responsibly and impartially formulated and backed by verified data.

3. Results and Discussion

3.1. Overview of the Transformation Process

The acquisition of Gruppo Coin by the private equity fund BC Partners in 2011 marked the beginning of a profound organizational transformation that redefined the very nature of the company. Prior to the operation, the group displayed a complex multi-brand configuration, characterized by functional overlaps, fragmented governance, and declining operational performance.

With the entry of the fund, a systematic reorganization process was initiated, aimed at restoring internal coherence and creating the optimal conditions to enhance OVS as the group's strategic asset. The objective declared by BC Partners, as already outlined in the previous chapters, was to rationalize a complex group burdened by structural inefficiencies and, at the same time, to concentrate resources and managerial competences on the brand with the highest competitive potential — OVS — in order to increase its value in view of a future listing. In this perspective, the 2015 IPO was conceived not only as the fund's exit strategy, but also as tangible evidence of its ability to reposition the business on more solid and effective foundations.

Therefore, the 2011–2014 timeframe under analysis provides a well-defined window of opportunity to observe the dynamics of change, including the division of business units, the streamlining of the decision-making process, the implementation of sophisticated control systems, and the digitization of the supply chain.

These interventions outline a coherent and structured trajectory for observing and studying the reorganization process. Unlike other LBO cases mainly characterized by a financial approach, BC Partners' intervention took the form of an organizational redesign, in which the leverage of capital was accompanied by a thorough rethinking of strategy, structure, and managerial logics.

Within this framework, a detailed analysis of the outcomes of the transformation is proposed, with particular attention to how the various interventions affected the key dimensions identified by the Burton, DeSanctis and Obel model. The objective is to assess the extent to which these changes contributed to reconstructing a dynamic organizational fit — balancing strategy, structure, processes, people, and systems — thereby addressing the research question of this thesis:

“How does a Private Equity operation affect the organizational design of a retail company, and what changes emerge across the dimensions of strategy, structure, processes, people, and control in a post-acquisition restructuring context?”

3.2. Organizational Transformation through the Burton Model

3.2.1. Strategy & Structure

The input generated by the intervention of BC Partners was to trigger a process of substantial change in both the strategic orientation and the organizational architecture of Gruppo Coin, two of the interdependent dimensions identified by Burton et al. (2015).

The pre-acquisition phase was characterized by an evident condition of misfit, deducible from aspects such as the presence of multiple brands with poorly integrated operational logics, functional overlaps, and fragmented governance. These elements made the organization slow in decision-making and unable to effectively respond to the competitive pressures of a sector undergoing profound transformation.

With the acquisition by BC Partners in 2011, the strategic profile of the group was redefined, introducing an orientation attributable to the Analyzer with Innovation model, which combines logics of exploitation and exploration.

The fund’s action focused on two main paths. The first concerned the rationalization of resources, through the reduction of managerial complexity, the divestment of Upim, and the centralization of administrative and financial functions. These measures ensured greater operational efficiency and stricter cost discipline, outlining objectives that were essential in a leveraged buyout context.

At the same time, a path was initiated aimed at introducing elements of innovation and openness to change, functional to strengthening OVS’s competitive positioning. Specifically, the digitalization of the supply chain and the development of omnichannel strategies made it possible to enhance the customer experience and adapt to new emerging consumption models. The attention to balancing the exploitation of existing capabilities with the development of new opportunities reflects the ambidextrous nature of the transformation, consistent with the literature that emphasizes the need to integrate stability and innovation in turbulent contexts.

The decision to focus on OVS as the core brand represents the operational translation of this strategy. By concentrating resources on the brand with the greatest potential, the group pursued a logic of targeted value creation, aimed at maximizing the asset's attractiveness in view of the listing. In this sense, the strategy can be interpreted not only as a market choice but also as an integral part of the typical exit logic of private equity: value creation was functional to generating a positive differential between entry value and exit value at the time of the IPO.

Following the strategic redefinition, a process of structural redesign was undertaken, which allowed the strategic choices to be translated into new organizational forms. The pre-existing complexity and fragmentation were addressed through the formal separation of business units and the definition of autonomous responsibilities for each brand. This choice enabled greater accountability of brand managers and improved transparency of economic and financial results.

The outcome was a configuration based on a hybrid functional-divisional model: some critical functions (such as finance, IT, logistics, and management control) were centralized at headquarters to ensure efficiency, coherence, and control, while the brand-related divisions maintained autonomy in activities closer to the market and customers. This structure made it possible to overcome the rigidity of the previous configuration, combining the advantages of standardization with the necessary operational flexibility.

Another element that contributed to simplification was the strengthening of the decision-making chain: leadership was concentrated around the figure of the CEO, Stefano Beraldo, whose role was decisive in ensuring managerial continuity and, at the same time, legitimizing the changes introduced by the fund. Greater clarity in the distribution of decision-making powers reduced response times and made the process of strategic execution more streamlined.

The alignment between the new strategy and the new structure represented a critical turning point for the success of the transformation process. On the one hand, the strategy of focus and innovation required agility and speed of execution; on the other hand, the pre-acquisition structure hindered this capacity due to its complexity. The reconfiguration introduced by BC Partners made the organization consistent with the new objectives,

progressively moving Gruppo Coin towards Quadrant D of the Burton model (high efficiency and high effectiveness).

In this way, the intervention of private equity did not merely produce operational improvements but generated a true organizational realignment. Strategy and structure, two dimensions traditionally considered to be in strong interdependence, were realigned coherently, fostering a balance between financial discipline and competitive adaptability.

3.2.2. Processes, People & Leadership

Through the intervention of BC Partners, a strategic and structural redefinition was implemented that also involved operational processes, the management of people, and the style of leadership. These dimensions represent the interface between the formal configuration of the organization and its ability to translate strategy into concrete action. In the model of Burton et al. (2015), the coherence among processes, human capital, and leadership is essential to sustain the overall organizational fit.

One of the aspects most affected by the transformation process was that of operational and commercial activities. The supply chain was progressively digitalized, with the introduction of integrated information systems capable of improving demand forecasting, optimizing logistic flows, and reducing replenishment times. This transformation made the organization more responsive to market changes and increased the level of transparency in data management.

In order to integrate physical stores and digital platforms, an omnichannel strategy was created concurrently. A more consistent and customized customer experience was made possible by this strategy, which expanded the ways in which customers could interact with businesses. This invention was essential for bolstering OVS's positioning and closing the gap with foreign rivals in a market dominated by retailers like Zara and H&M. Internal processes were fundamentally changed by these interventions, moving from fragmented and segmented flows to a more integrated, data-driven system that could turn operational efficiency into a lever for competitive advantage.

The field of human resources experienced a significant revitalization, especially at the managerial level. Internationally experienced profiles were presented, each with

specialized skills in areas like omnichannel marketing, digitalization, and managing intricate retail networks.

This process of reinforcement helped to increase the structure's level of professionalism, which decreased reliance on primarily domestic logics and brought the business closer to the norms of international fashion retail.

In addition to the addition of new competencies, the organizational culture evolved, becoming more focused on results, performance, and accountability. A meritocratic mindset was promoted by the implementation of more stringent evaluation procedures coupled with variable incentives, which decreased tolerance for inefficiencies and actions that were at odds with the goals of value creation. Internal pressure was also brought on by this cultural shift, though, as staff members who were not used to such strict logics began to fear overload.

Within this process of profound change, some aspects maintained a key role, such as the confirmation of Stefano Beraldo as CEO. His leadership enabled the connection between the fund's requirements and the company's historical identity. Beraldo embodied a form of hybrid leadership, capable of combining managerial continuity with a drive for renewal.
His decision-making style contributed to legitimizing the transformations among internal stakeholders, reducing resistance and serving as a point of reference during a period of strong discontinuity. With the increased pressure on objectives and the spread of a change-oriented culture, an organizational climate emerged that can be characterized as a developmental culture (Burton et al.), that is, an environment marked by high tension but also by openness to innovation.

In this sense, the leader's role was decisive in transforming pressure into motivation, such that change shifted from being perceived as a potential threat to being considered an opportunity for professional growth.

The action on processes, people, and leadership thus contributed to strengthening the overall organizational fit. The digitalization of processes made the execution of strategy more fluid; the managerial turnover and the introduction of new competences raised the professional level and the capacity to manage complexity; and Beraldo's leadership

ensured continuity while at the same time facilitating the absorption of change. Together, these levers supported the evolution of the group towards a more dynamic and competitive model, capable of translating the new strategy into concrete results.

3.2.3. Systems & Performance Outcomes

The transformation process promoted by BC Partners leveraged the area of organizational systems – namely control, information, and incentive systems – which, according to Burton et al. (2015), constitute the glue that integrates the different dimensions of the organization and ensures their operational coherence.

Before the acquisition, Gruppo Coin was characterized by a predominantly traditional control system, based on annual budgeting logics and poorly transparent monitoring processes. With the intervention of the fund, a more rigorous system was introduced, based on monthly reporting, brand-specific KPIs, and the centralization of financial and operational decisions.

This choice made it possible to reduce areas of ambiguity and strengthen managerial accountability, as performance was now monitored continuously and according to comparable criteria. The standardization of decision-making processes and the reinforcement of procedures contributed to reducing internal complexity, creating a more orderly and performance-oriented framework.

Another pillar of the transformation was the strengthening of information systems. Through the implementation of an ERP (Enterprise Resource Planning), it became possible to integrate the main business functions into a single platform, ensuring data traceability and coordination among logistics, retail, and administration.

At the same time, the adoption of a CRM (Customer Relationship Management) system and the development of omnichannel integration tools enabled more sophisticated management of customer relationships and a more accurate analysis of consumer behavior.

These innovations contributed to the company's transformation, shifting from a fragmented and analog system to a data-driven organizational model, in which strategic and operational decisions were supported by timely and reliable information. This shift

not only improved internal efficiency but also allowed for greater personalization of the commercial offering and better alignment with customer expectations.

The human resources dimension was also transformed in its objectives, with a stronger focus on reinforcing the performance culture through the introduction of result-oriented incentive mechanisms.

At the operational level, bonuses were linked to quantitative indicators (sales per employee, store productivity, waste reduction); in project teams and strategic functions, collective incentives such as team bonuses and profit sharing were prioritized.

For top management, a system of long-term incentives was introduced, tied to the achievement of the IPO objective. This choice generated strong alignment between the interests of managers and those of the fund, reinforcing the stability of the top management team and its focus on value creation goals.

The implementation of these interventions produced measurable results during the 2011–2014 period. In particular:

- Growth in OVS revenues, which exceeded €1.2 billion in 2015, up compared to previous years;
- Increase in EBITDA, with a growing margin reflecting greater operational efficiency;
- Increase in the EV/EBITDA multiple at the time of the IPO (7.7x), higher than that recorded at acquisition (6.4x), providing concrete evidence of value creation;
- Expansion of the store network, with new openings both in Italy and abroad, confirming a growth strategy sustained by more solid organizational foundations.

In conclusion, the transformation of organizational systems represented the enabling factor of the new Coin–OVS model. Through stricter control tools, digitalized information systems, and incentive mechanisms aligned with objectives, the organization was able to integrate the dimensions of strategy, structure, and people into a unified design.

The improvement in economic-financial results and the success of the IPO empirically confirmed that the alignment between systems and other organizational dimensions

produced a dynamic fit capable of generating value not only in operational terms but also in terms of attractiveness for the capital markets.

3.3. Critical Discussion of Results

The analysis of the transformations initiated by BC Partners in Gruppo Coin highlights a complex process of organizational realignment, which generated internal coherence but also temporary tensions, culminating in improved performance and the successful IPO of OVS. This section critically discusses the main results, in relation to the concepts of fit and misfit, the logics of value creation, and the comparison with the literature on private equity and organizational change.

3.3.1. Coherence and Fit

The main contribution of the transformation process was the construction of a dynamic fit among the different organizational dimensions. The redefinition of strategy in an ambidextrous direction corresponded with a simpler and leaner structure, capable of combining centralization and divisional autonomy. At the same time, digitalized processes and the reorganization of the supply chain enabled the practical implementation of strategy, while control and incentive systems ensured that individual behaviors were aligned with overall objectives.

The concept of dynamic fit (Burton et al., 2015) helps to interpret this trajectory: it is not a static balance, but rather a condition to be preserved and renewed over time through successive adjustments. In this sense, Stefano Beraldo’s leadership played a crucial role, acting as an integrative factor between the fund’s interventions and the company’s historical identity, thereby reducing the risk of internal fracture.

The interdependence among dimensions was therefore reinforced: for example, without the introduction of new incentive systems, the strategy of focus and IPO-oriented value creation would have faced obstacles in aligning people; without structural simplification, digitalized processes could not have been effectively implemented. The success of the change lies precisely in this cross-dimensional coherence.

3.3.2. Misfits and Tensions

Alongside elements of coherence, the process also generated tensions and temporary misfits. The simultaneous implementation of multiple interventions – from the separation

of business units to the digitalization of processes and the introduction of new reporting systems – created situations of change overload. In particular, operational levels and the store network perceived an increase in pressure related to achieving objectives, with risks of demotivation and conflict between old habits and new managerial logics.

Another critical element concerns the trade-offs between efficiency and organizational sustainability. The centralization of governance and decision-making processes reduced the margins of local autonomy, generating friction with peripheral structures. Similarly, the strongly performance-oriented culture promoted meritocracy and accountability, but at the cost of increased internal tension and the risk of turnover among less aligned profiles.

These aspects confirm the idea that fit is never definitive, but rather a fragile equilibrium that can quickly turn into misfit if not constantly monitored. In the case of Coin, the success of the IPO should not overshadow the possibility that, once the fund's pressure is reduced, tensions may re-emerge if not adequately managed.

3.3.3. Value Creation and IPO

The IPO of OVS in 2015 represents the most tangible proof of the fit achieved. The growth of revenues, the increase in EBITDA, and the improvement of the EV/EBITDA multiple (from 6.4x at acquisition to 7.7x at listing) demonstrate how organizational realignment translated into economic and financial value.

However, the IPO cannot be interpreted solely as an economic outcome. From an organizational perspective, it represented a market test, that is, a moment of external legitimation of the new model. Investors recognized the solidity of the achieved configuration and the credibility of the transformation path. In this sense, value creation assumed a dual nature: on the one hand, financial returns for the fund; on the other, institutional recognition of the validity of the new organizational structure.

3.3.4. Comparison with Literature

The Coin–OVS case presents significant convergences with the literature on the role of private equity in organizational transformation processes. In line with the studies of Kaplan & Strömberg (2009), the intervention confirmed the importance of governance engineering, with the strengthening of control systems and the alignment of management

incentives with the fund's objectives. Furthermore, the focus on the core business and the divestment of non-strategic activities reflect the value creation logics identified in the literature (Jensen, 1989).

At the same time, some divergent elements emerge with respect to more critical positions. Part of the research (Wright et al., 2009; Meuleman et al., 2009) highlights the risks of short-termism and the loss of internal cohesion as typical effects of private equity interventions. In the case of Coin, however, the combination of the pressure exerted by the fund and the stable leadership of Beraldo mitigated these risks, creating a balance between financial discipline and organizational sustainability.

This suggests that the impact of private equity should not be interpreted in univocal terms, but rather according to a contingent logic: outcomes depend on the context, the characteristics of the target company, and the way in which the fund exercises its role. In this sense, the Coin case demonstrates that private equity can act not only as a financial catalyst but also as an organizational catalyst, provided it is able to integrate managerial rigor with sensitivity to the cultural dimension.

3.4. Future Perspectives

The analysis of the Coin–OVS case shows how the intervention of BC Partners generated a significant organizational realignment, culminating in the creation of a dynamic fit and the successful IPO of 2015. However, the results achieved do not exhaust the reflection, which must extend to the issue of the future sustainability of the model and to the theoretical and practical implications that derive from it.

3.4.1. Sustainability of the New Model

The new organizational configuration allowed the company to overcome pre-existing inefficiencies and strengthen internal coherence, but its ability to be sustained over time is not guaranteed. Some of the tensions that emerged – such as the risk of change overload, the cultural pressure linked to performance, and the trade-offs between centralization and autonomy – may reappear in the medium to long term, undermining the stability of the achieved fit.

Another risk is that of path dependency: the organization could remain too anchored to the model imposed by private equity, thereby reducing its future flexibility. To ensure

resilience, OVS will therefore need to develop an approach based on organizational learning, transforming imposed change into an autonomous capacity for adaptation.

3.4.2. Strategic Challenges Ahead

The fashion retail sector continues to be characterized by strong competitive discontinuities. Among the main challenges that OVS will have to face:

- Internationalization: growth in foreign markets entails adapting to different cultural and institutional contexts, testing the solidity of the organizational model.
- Ongoing digitalization: investments in e-commerce, big data, and artificial intelligence will become central to maintaining competitiveness, pushing the company towards a further rethinking of processes.
- Fast fashion competition: pressure from global players such as Zara and H&M will require increasingly rapid response times, imposing a strengthening of innovation capacity and organizational agility.

These challenges make it clear that the fit achieved during the private equity phase cannot be considered definitive but must be continually redefined and updated.

3.4.3. Transferability of Findings

The Coin–OVS case demonstrates that private equity can act not only as a financial lever but also as a catalyst for organizational redesign. However, the experience is not entirely generalizable: the positive results were favored by specific conditions, such as the presence of stable leadership (Beraldo), the availability of a brand with strong potential (OVS), and the choice of a fund oriented not only towards finance but also towards organizational transformation.

In this sense, rather than generalization, it is more appropriate to speak of transferability: other contexts with similar characteristics can draw useful lessons, but with the caveat that outcomes depend heavily on contingent conditions.

3.4.4. Link to the Contingency Approach

The analysis reinforces the validity of the contingency approach, according to which there is no single solution valid in every context. The success of the Coin–OVS case derives from the ability to identify a best fit between strategy, structure, processes, people, and

systems within a specific competitive and financial scenario. What worked in the 2011–2014 period may not be adequate in future conditions, nor necessarily replicable in other sectors or firms.

3.4.5. Managerial and Theoretical Implications

On the managerial level, the case provides some relevant lessons: the importance of aligning incentives and strategic objectives, the role of leadership as a factor of continuity during change, and the value of investments in digitalization as a tool of competitiveness. On the theoretical level, the case suggests moving beyond a purely financial interpretation of private equity, recognizing its function as an organizational actor capable of redesigning governance models and processes. This contributes to enriching the literature on the relationship between private equity and change, showing how outcomes may vary depending on the ability to integrate financial rigor with sensitivity to the organizational and cultural dimension.

Building on these foundations, the case of Coin–OVS allows us to explore in greater depth what a manager should prioritize during a private equity–driven transformation, and what instead tends to be less impactful. The role of the manager emerges as one of orchestrating dynamic fit across the organization—ensuring that strategy, structure, processes, people, and systems evolve in coherence, not through one-off redesigns but through continuous cycles of diagnosis, action, and review. This echoes Burton, DeSanctis and Obel's conception of fit as an ongoing managerial task rather than a static condition[182]. In practical terms, the Coin case demonstrates how deliberate pacing of interventions—sequencing restructuring phases and introducing "stability windows" after major changes, such as the implementation of ERP systems or organizational redesign—helped avoid change overload and enabled routines to consolidate before further adjustments were introduced.

Equally central is the design of incentives and KPIs that drive genuine goal congruence. The alignment of short-term efficiency measures (e.g., working capital discipline) with medium-term operational capabilities (e.g., supply-chain cycle times, assortment

[182] Burton, R., DeSanctis, G., & Obel, B. (2015). *Organizational Design: A Step-by-Step Approach*. Cambridge University Press.

accuracy) and long-term health indicators (e.g., brand equity, managerial depth) prevents the classic trap of "rewarding A while hoping for B"[183]. In the Coin–OVS transformation, the emphasis on performance measurement cascaded across organizational levels, ensuring that financial rigor was balanced with strategic renewal.

The case also underlines the importance of mobilizing the leadership spine. Visible sponsorship from the top team was necessary to signal continuity, yet insufficient without the activation of middle managers as "change owners". Empowering this layer with clear mandates and decision rights proved critical in sustaining alignment across functions and embedding new routines. This finding resonates with broader evidence that leadership must combine visibility with emotional intelligence, balancing accountability with trust to minimize resistance[184].

Another lesson concerns the role of digitalization. The implementation of ERP and CRM systems in Coin–OVS was not merely a technological upgrade, but a reconfiguration of processes, data governance, and decision-making routines. Managers treated technology as an enabler rather than an end in itself, recognizing that without parallel changes in processes and accountabilities, investments would have delivered limited impact. This perspective echoes research showing that digital transformation under private equity ownership must integrate people, processes, and culture alongside technology to deliver real competitiveness[185].

Furthermore, the Coin case highlights the managerial challenge of balancing differentiation and integration. While centralization was crucial in areas where economies of scale and risk control were paramount, decentralization created value where responsiveness to local customers was critical. Mechanisms such as cross-functional routines, joint KPIs, and shared planning processes provided the necessary integration across interdependent units. This aligns with the contingency theories of Lawrence and

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[183] Kerr, S. (1975). *On the folly of rewarding A, while hoping for B*. *Academy of Management Journal*, 18(4), 769–783.
[184] H.I. Executive Consulting, *The Secret Ingredient for Transformational Leadership in a PE-backed Environment*. Huntscanlon, 2023.
[185] Baik, B. K., *Private Equity and the Adoption of Digital Technologies*. Harvard Business School Working Paper, 2024; KPMG, *Why private equity firms must digitally transform to compete*, 2018.

Lorsch (1967) and Galbraith (2009), which stress the need for managers to tailor integration mechanisms to the complexity of their environment[186].

A further managerial implication is the cultivation of ambidexterity—protecting exploitation (running the existing business efficiently) while enabling exploration (building future capabilities). In the Coin–OVS case, structural separation of certain innovation projects allowed experimentation without disrupting core operations, while explicit linkages ensured eventual integration. This ambidextrous posture reinforced both efficiency and adaptability, confirming Gibson and Birkinshaw's (2004) argument that ambidexterity is a crucial capability in dynamic environments[187].

Beyond these high-impact levers, managers must also be wary of practices that are often overemphasized but deliver limited returns. The Coin–OVS case illustrates that cosmetic adjustments to the organizational chart, unaccompanied by real changes in processes or decision rights, did not materially alter performance. Likewise, the proliferation of KPIs risked diluting focus, while townhalls or one-off training sessions, if not coupled with workflow redesign and coaching, had little behavioral effect. Similarly, standardization that ignored local market conditions threatened to undermine responsiveness in retail operations, and excessive reliance on star hires or heavy reporting requirements risked crowding out managerial bandwidth needed for execution and learning. Finally, short-term cost-cutting measures that compromised analytical or supply-chain capabilities proved detrimental to long-term resilience.

Taken together, these managerial prescriptions suggest that what truly matters is not the radical novelty of interventions but their orchestration over time, their coherence across dimensions, and their anchoring in both systems and culture**.** By deliberately aligning incentives, leadership, processes, and technology, managers can transform private equity ownership into an opportunity for organizational renewal rather than mere financial engineering. Conversely, overinvestment in superficial or short-term measures risks

[186] Lawrence, P. R., & Lorsch, J. W. (1967). *Organization and Environment: Managing Differentiation and Integration*. Harvard Business School Press; Galbraith, J. (2009). *Designing Organizations: Strategy, Structure, and Process at the Business Unit and Enterprise Levels*. Jossey-Bass.
[187] Gibson, C. B., & Birkinshaw, J. (2004). *The antecedents, consequences, and mediating role of organizational ambidexterity*. *Academy of Management Journal*, 47(2), 209–226.

undermining both the rigor and resilience required for sustainable performance. In theoretical terms, this confirms the view of private equity as an organizational actor, one that can trigger not only financial restructuring but also deeper changes in governance, routines, and capabilities.

Conclusion

This thesis set out to answer the following Research Question: How does a Private Equity operation influence the organizational design of a retail company, and what changes emerge across the dimensions of strategy, structure, processes, people, and control systems in a post-acquisition restructuring context?

Through the analysis of the Coin–OVS case, it has been possible to observe in depth how a private equity intervention can affect not only the financial dimension of a company but also its organizational architecture. The acquisition of Gruppo Coin by BC Partners in 2011 did not represent a mere change of ownership, but rather the input for a complex process of organizational redesign, which involved the main managerial levers: the redefinition of strategy, the reconfiguration of structure, the digitalization of processes, the introduction of new managerial competences, and the strengthening of control and incentive systems. The result of this process was the creation of a dynamic fit, culminating in improved performance and the successful IPO of OVS in 2015.

The findings highlight how private equity, when supported by clear strategic focus and adequate governance engineering, can act as a true catalyst for organizational renewal. The reallocation of resources on the OVS brand, the simplification of structure through a hybrid functional-divisional model, the digitalization of the supply chain, and the development of omnichannel strategies enabled the company to strengthen its competitiveness. At the same time, the introduction of performance-based incentive systems and the continuity of Stefano Beraldo's leadership generated coherence between strategic objectives and individual behaviors, reducing the risk of internal fractures.

At the same time, the study also revealed the presence of tensions and temporary misfits. The excess of simultaneous interventions produced phenomena of change overload, while the strong cultural pressure linked to performance logics risked accentuating conflicts between local autonomy and centralized decision-making. All these elements confirm the conception of dynamic organizational fit: it represents a fragile balance that must be continuously monitored and renewed. The risk of path dependency – that is, the possibility that the organization remains too anchored to a model imposed from the outside, reducing its flexibility – remains a concrete threat if not accompanied by a constant process of organizational learning.

From a theoretical perspective, the research contributes to enriching the literature on private equity, highlighting how the role of funds should not be interpreted exclusively in financial terms. The Coin–OVS case demonstrates that private equity can also play the role of an organizational actor, capable of redesigning governance models and internal processes. In line with the contingency approach, the results depend on the specific context, the characteristics of the target company, and the modalities of the fund's intervention.

On a managerial level, several key lessons emerge. The first concerns the alignment between incentives and strategic objectives, which represents an essential condition for ensuring internal coherence. The second emphasizes the importance of investments in digitalization and system integration, which are fundamental tools for maintaining competitiveness in industries exposed to high turbulence. Finally, the third concerns the role of leadership, which proves to be decisive in legitimizing change and acting as a bridge between new strategic needs and the historical identity of the organization.

In conclusion, the study highlights the universal importance of organizational design as a lever for addressing change. If in the case of Coin–OVS the driving force was a private equity fund, the same principles can also be applied to other contexts. Large corporations, as well as small and medium-sized enterprises (SMEs), share the same challenge: maintaining a configuration capable of aligning strategy, structure, processes, people, and systems. In contexts marked by uncertainty and discontinuity, competitive sustainability increasingly depends on the ability to develop a dynamic fit capable of adapting over time.

The Coin–OVS case shows that organizational redesign is not an option but a necessity for all companies that aim to grow and prosper in complex markets. The principles of coherence, adaptability, and balance between efficiency and innovation apply in every context: from multinational retailers to small local firms. What changes is the scale of resources and the speed of execution, but not the essence of the problem.

Ultimately, the answer to the Research Question is twofold. On the one hand, private equity can profoundly influence organizational design by intervening across different dimensions in an integrated manner. On the other hand, the more general lesson that emerges is that organization always matters, regardless of size or ownership. Only

through the constant pursuit of dynamic fit can companies transform change from a source of discontinuity into an opportunity for renewal, generating value not only in economic terms but also in organizational and cultural ones.

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