

Proactively design your organisation structure

This toolkit includes:

- Useful questions to interrogate whether your structure is appropriate
- Alternative organisation structures to consider

01 Your current structure

To first assess if your existing structure is appropriate, ask the following questions.

How many direct reports do the C-suite team have?

Are they evenly split, does anyone have more than five, can the C-suite member support personal development of their line reports?

How long has the same structure been in place and has strategy changed in that time?

Is this an organisation structure that positively supports strategy or is it continuity by default?

Is the balance between compliance and independence supporting resilience?

How is this balance changing as the size of businesses increases, stimulating the need for greater co-ordination without losing personal ownership and motivation?

How many dotted line reports exists?

Always a warning sign that the structure is inappropriate.

Is structure aligned with culture and values and does it drive better performance?

How do functional departments interact, is there an appropriate level of support and balance of power or a dominant core?

Alternative structures

The scale-up phase is a great time to assess what organisation structure is required for the future and make a positive decision to change from the past, whether that is immediately or based on hitting specific

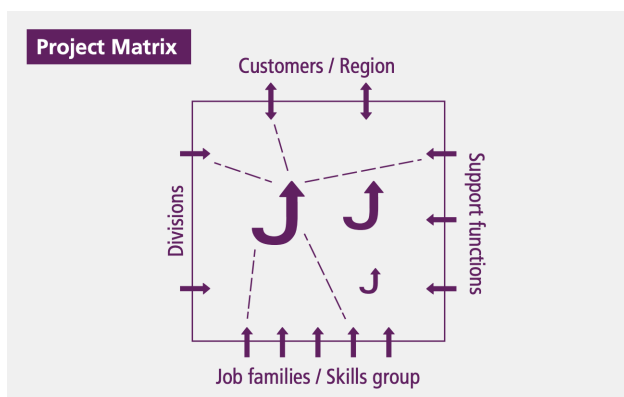
milestones that trigger new requirements. John Sutherland from [Strategic Resource](#) provides the following six alternative organisation structures to the family grouping or default hierarchical approach.

1. The project matrix

Focus on larger scale projects that are required to deliver for customers.

Four organisational strands of; customers, support functions, skills groups and divisions. The latter three are drawn together to service the former for discrete projects.

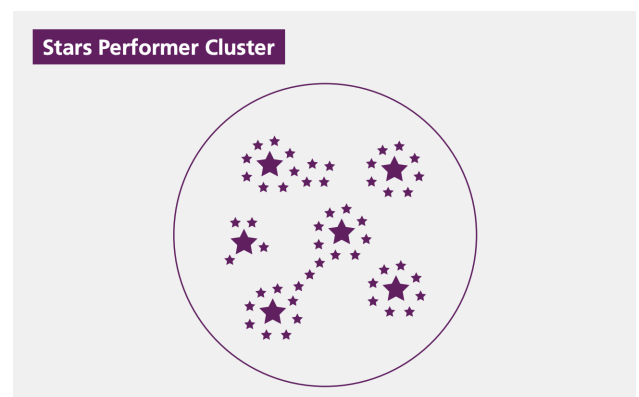
Practical solution but can have mixed success when inappropriately applied without a large project focus.



2. The star performer cluster

A variation of the matrix focused on key employees.

Works well in small, agile software businesses but struggles to scale especially across a multi-location business.

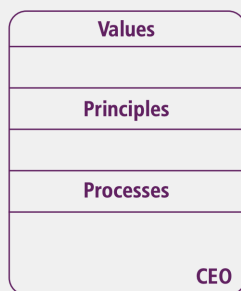


3. The constitution

Clearly articulated values and guidelines provide the principles that empower employees to act freely within them.

Can be successful but hard for leadership to commit wholly to this ideal and if partially done alongside hierarchy, people may default to reliance on reporting lines.

The Constitution

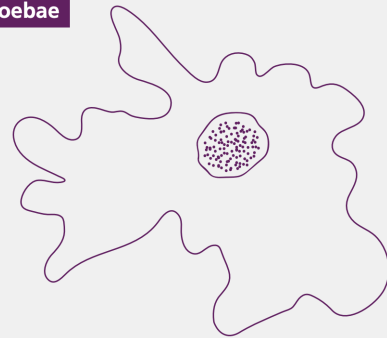


4. The amoebae

Offers flexibility to adapt steadily to new requirements and environment without losing structure completely.

Requires the nucleus (leadership team) of the business to clearly articulate its requirements to allow the structure to move towards those needs.

The Amoebae

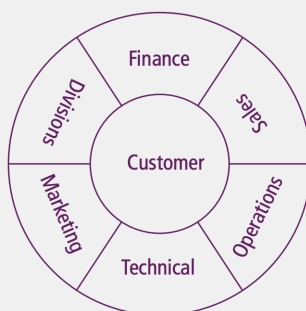


5. The customer doughnut

Customers at the centre with functions around and in some versions, all relations (such as inter-departmental) viewed as customer orientated.

Often cited as an ideal concept but rarely used in practice.

Customer Doughnut



6. The binary star

Dual focus of IP and customer with support function in the middle trying to balance the requirements.

Danger that strength of personalities not business need could unduly influence the attention given by support functions to each star. A product-focused founder could easily allocate resources disproportionately in this structure.

See more at www.frogcapital.com/scale-up-methodology

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