

Company internal environment, part 3

Organizing for Growth



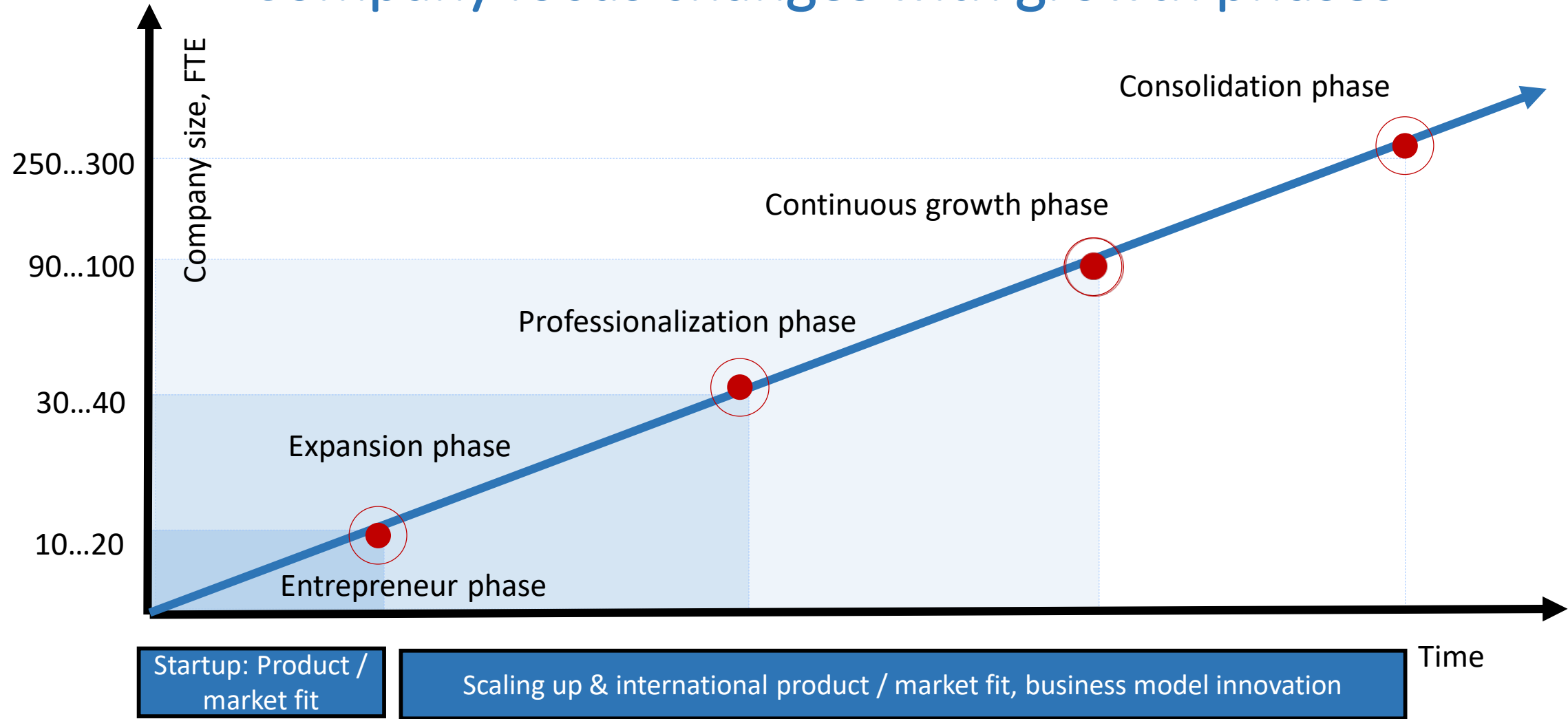
Veijo Komulainen

Entrepreneur team

- *A company looks like its leaders*
- Team covering different aspects of business; diversity is an advantage
- High energy level; radiates to the company
- Every team member should be capable of managing his / her area at all times.
- Open and frank dialogue; "*cherished conflict*" while maintaining high level of trust
- Developing individual leadership competencies alongside with growth
- Creating environment of engagement and enablement

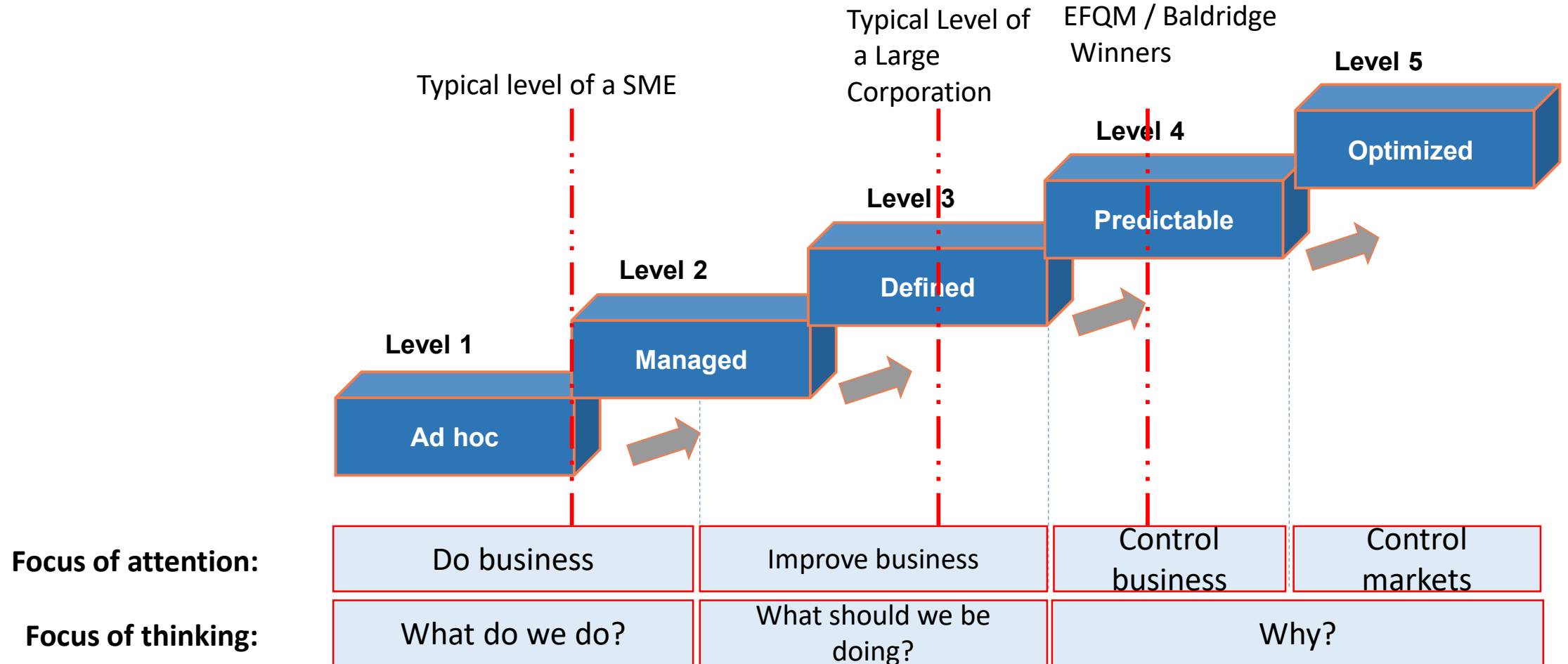


Company focus changes with growth phases



Every growth phase requires new competence for leadership

Company capability has impact on thinking and focus



If the leadership acts on level 1, *new future* is not in their focus

C3. What does leadership evolution mean in practice

- Role change of the leader:
 - Step up to next level of leadership or make space for other leaders
- Building right type of leadership team
- Development of next level leaders
- Organizing for growth
- Building company culture
- Empowering for action



Professional leadership at *team level* is the *first step* to capability development

LEVELS	MANAGER'S FOCUS	MANAGER'S TOOLS (PROCESSES)
5. Optimized	Capability and performance management seeking continuously improvement opportunities	Continuous improvement of capabilities. Efficient alignment of operations. Change readiness and agility.
4. Predictable	Capability of the personnel is managed through clear metrics, identifying bottlenecks for improvement areas	Best practices. Mentoring. Organizational capability management and metrics . Empowered teams. Core competency integration
3. Defined	Main duty of the manager is to lead daily operations and to develop competencies of the personnel towards the strategic targets	Participatory leadership culture. Workgroup development. Career planning. Core competency analysis & development. Workforce planning.
2. Managed	Managers take responsibility for managing and developing people	Basic role knowledge, leadership skills processes. Performance management. Communication and coordination. Rewarding. Good performance enablement. Resourcing.
1. Ad hoc	Individual and reactive leadership	Personal history as competence; 'two hands'

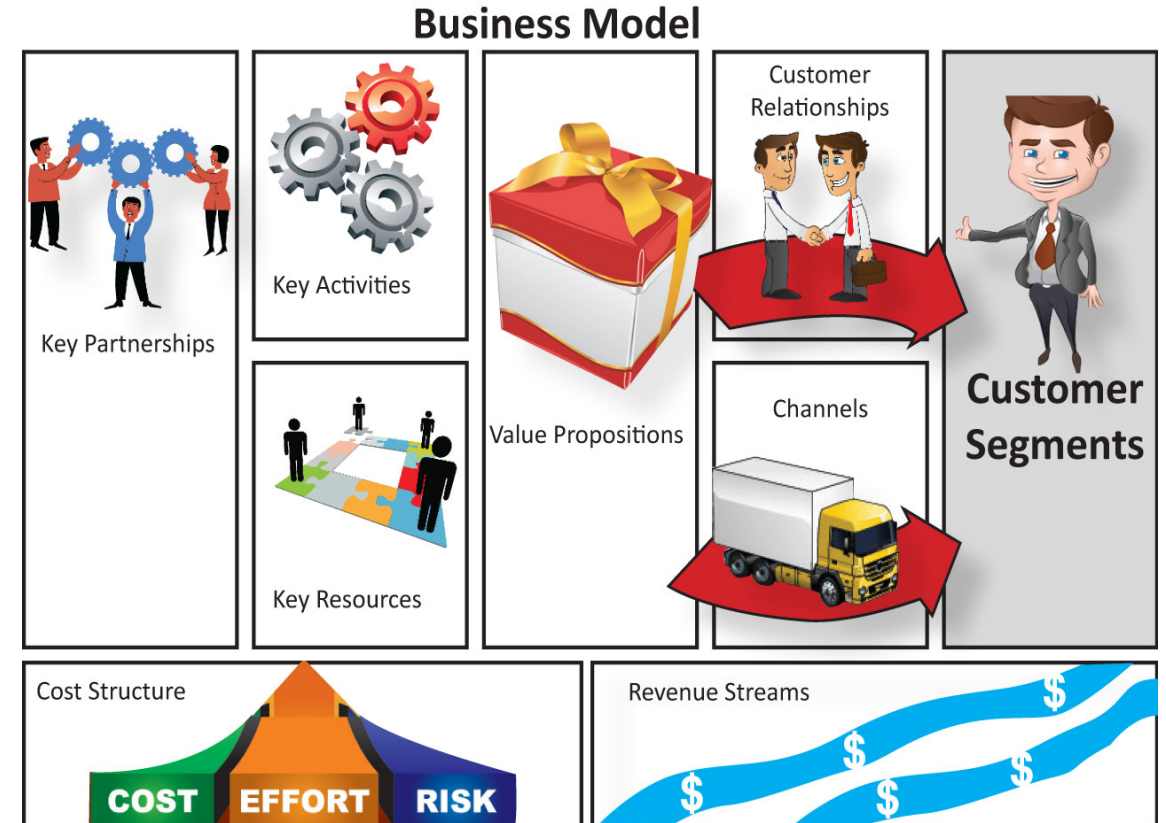
Organizing for growth

- Business model
- Scalable practices, metrics
- Roles, responsibilities
- Organizational structure, but how



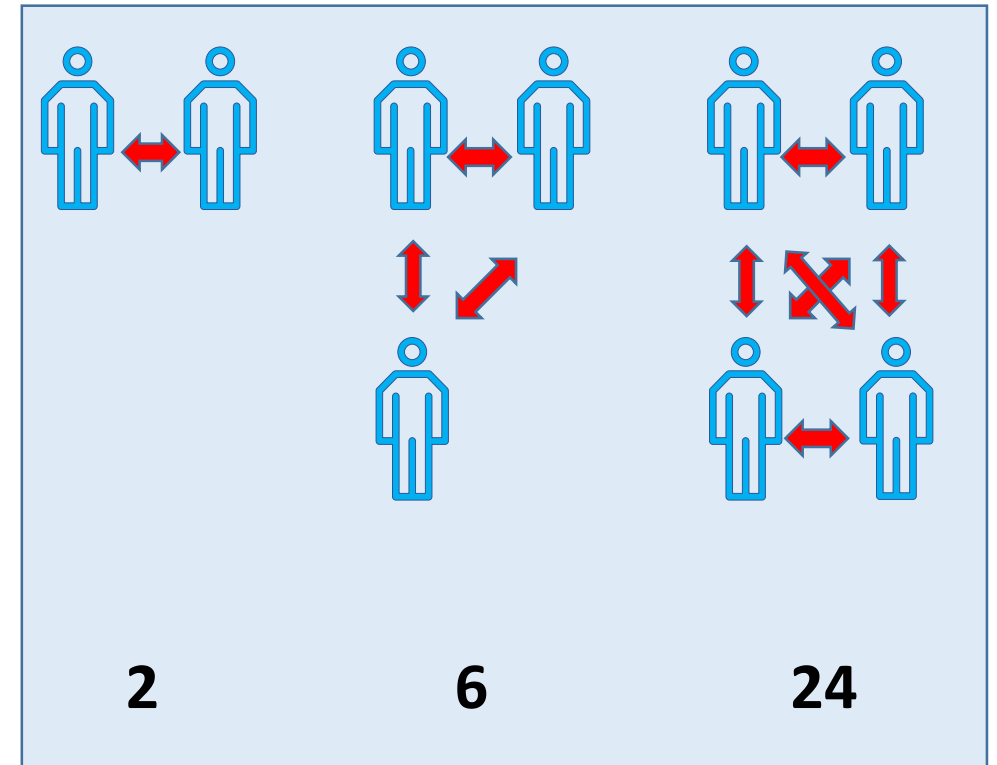
Growth enabling business model

- Targets:
 - Scalability of operations
 - Scalable infrastructure and support functions
 - Positive cash flow and accurate forecasting
 -

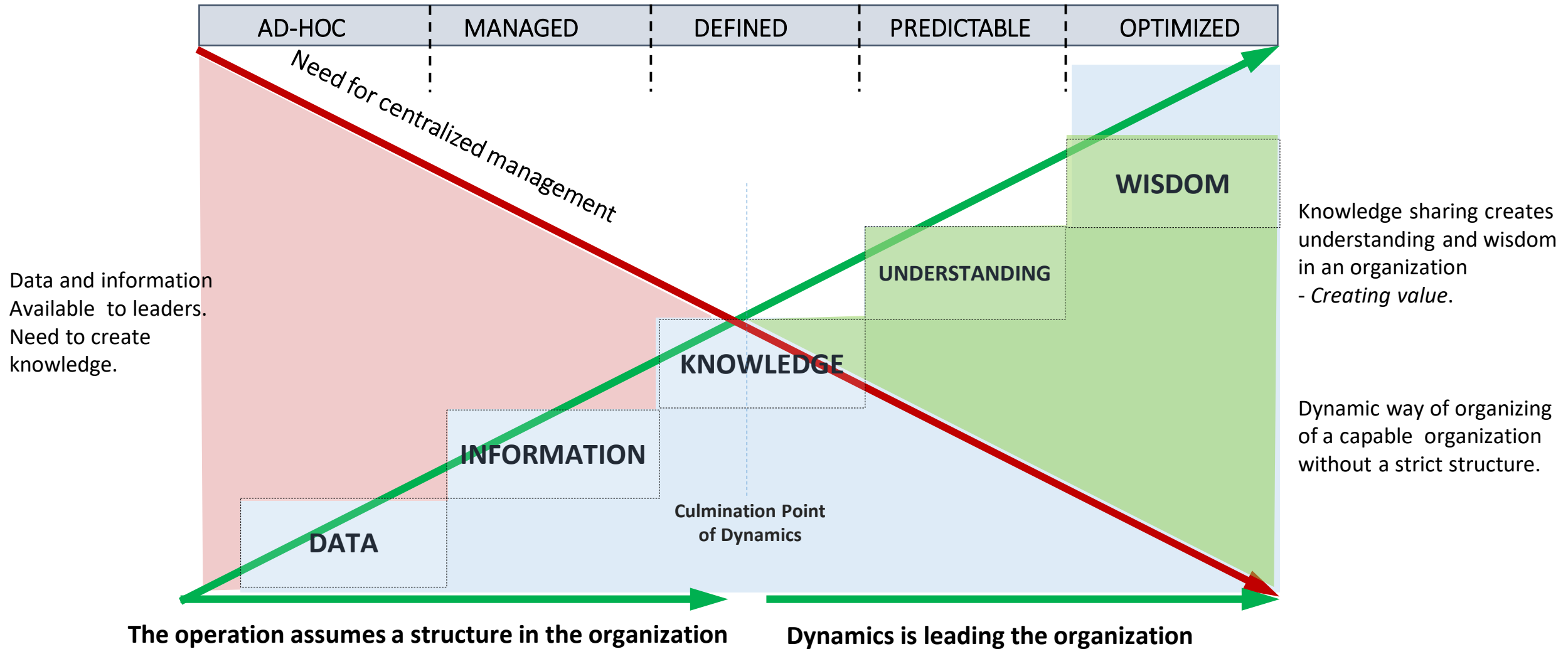


Processes and structures in timely manner

- Number of people increases the number of interfaces (graph) => **proactive creation of scalable practices / processes** is critical for easy operations
- Clear **roles, responsibilities, targets and metrics on individual level** in every phase bring clarity and create efficiency
- **Redefinition of roles** with regular intervals
- Amazon two pizza rule
- ***Balance between processes, roles and individual competences***

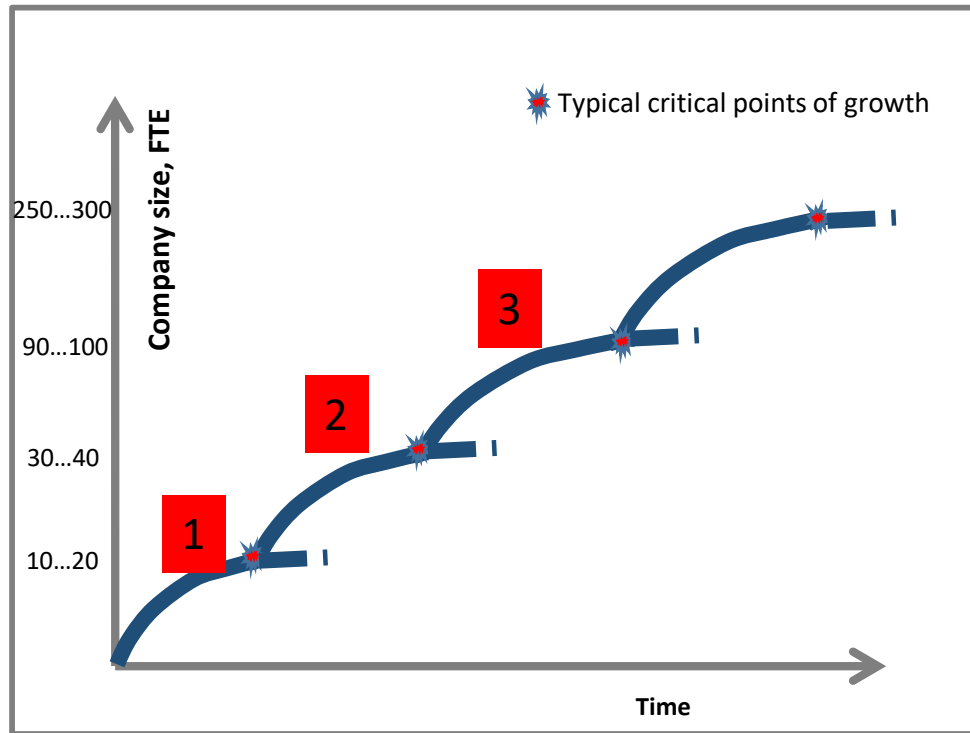


Organizational capability is built through management and leadership

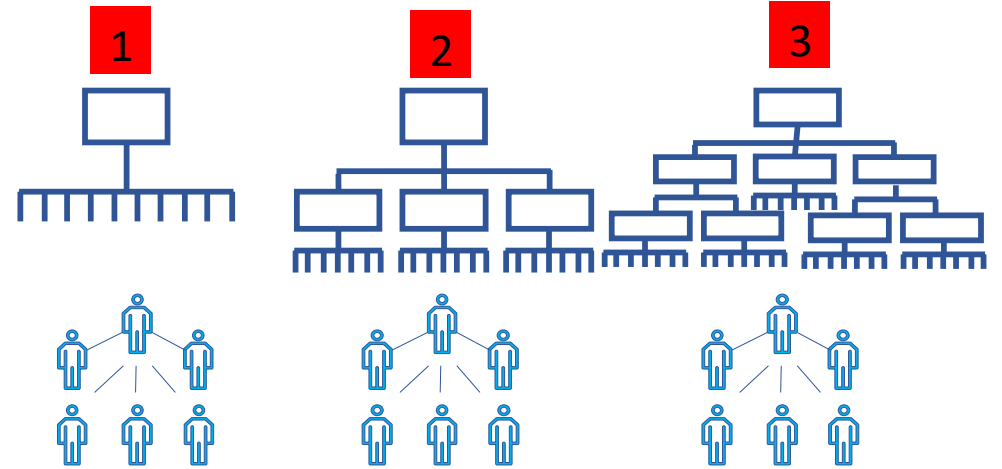


Need for control is decreased with increased business information available

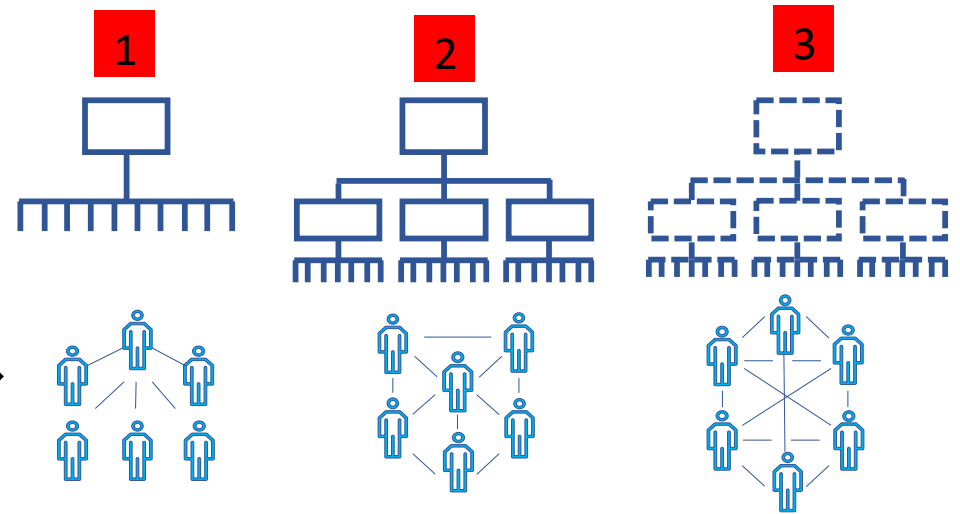
Key question is how the growth is organized



Traditional growth means more control levels while the working model remains intact



New growth reforms control and working model instead of increasing control levels



Do we organize doing or development and learning???

Growth enabling business culture

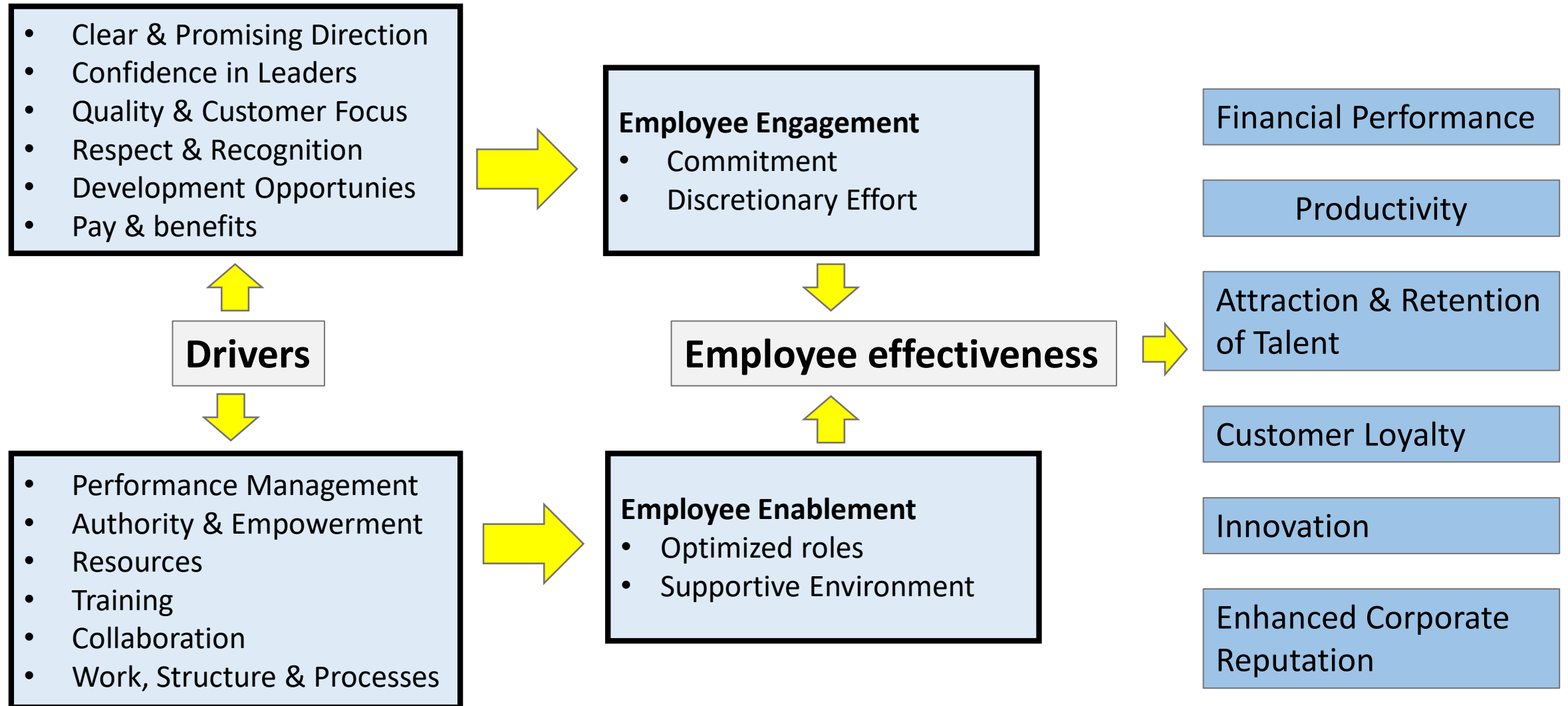
- Growth means scaling up of excellence; development of organizational capability in core of operations
- Strong emphasis on right recruitments
- High energy level of all employees
- Mental ownership and taking responsibility
- Positive dissatisfaction as mentality; continuous improvement of everything, all the time



Elements of agile business culture

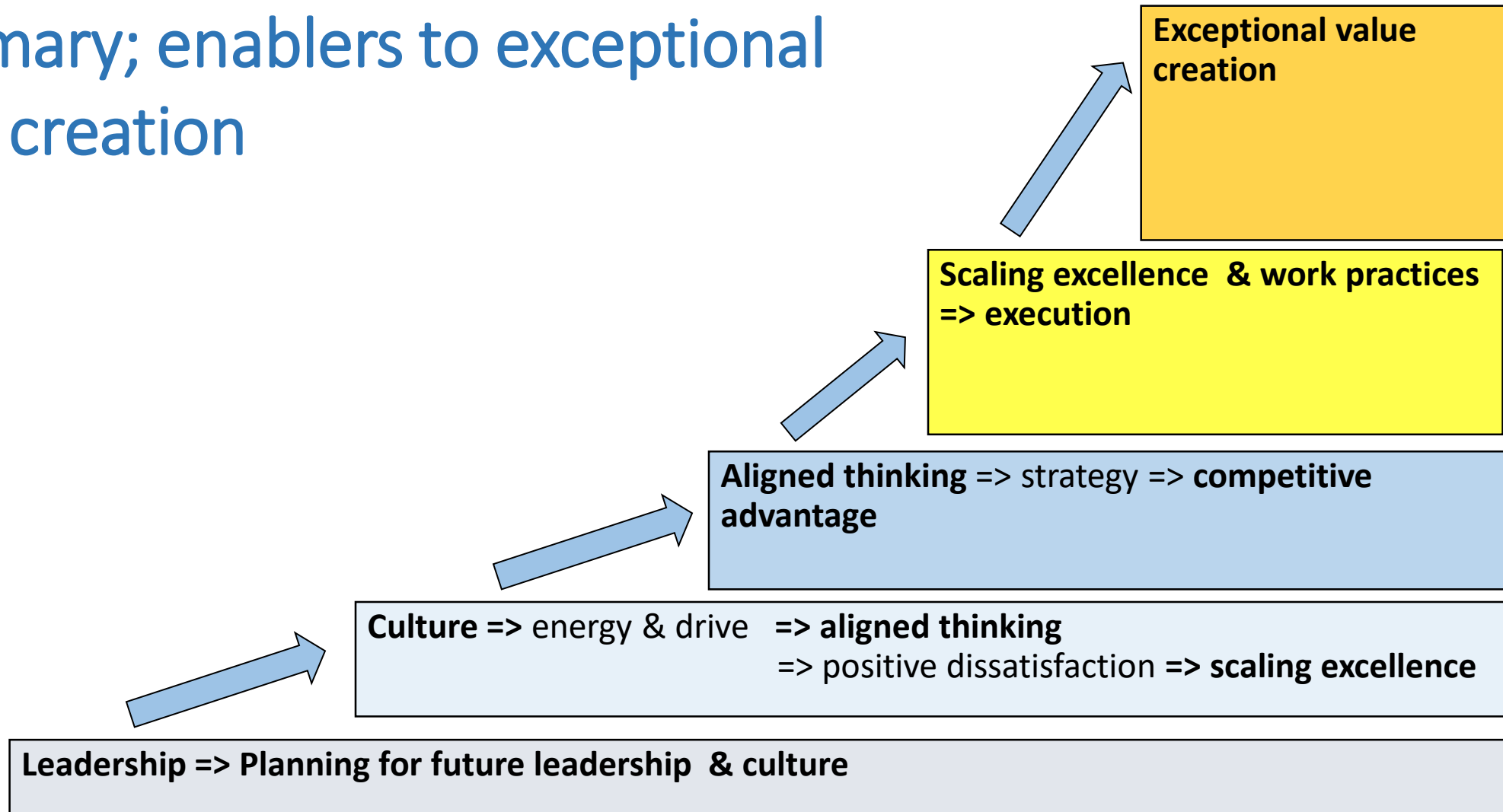
- *Positive* dissatisfaction
- Getting acquainted with the business in depth; *knowing your business*
- Getting sufficiently *acquainted* with your *people*
- Reflecting *all decisions against* company *values and targets*
- Insisting on *realism* in all communication, *keeping promises*
- Setting and prioritizing *clear targets* for people
- Continuous and transparent *follow-up* of target realization
- *Rewarding* performers
- Arranging *peer support* and peer *pressure*
- *Expanding people's capabilities*, coaching, and mentoring
- *Managing by facts, leading by values*

Empowering for action; enablement of good work

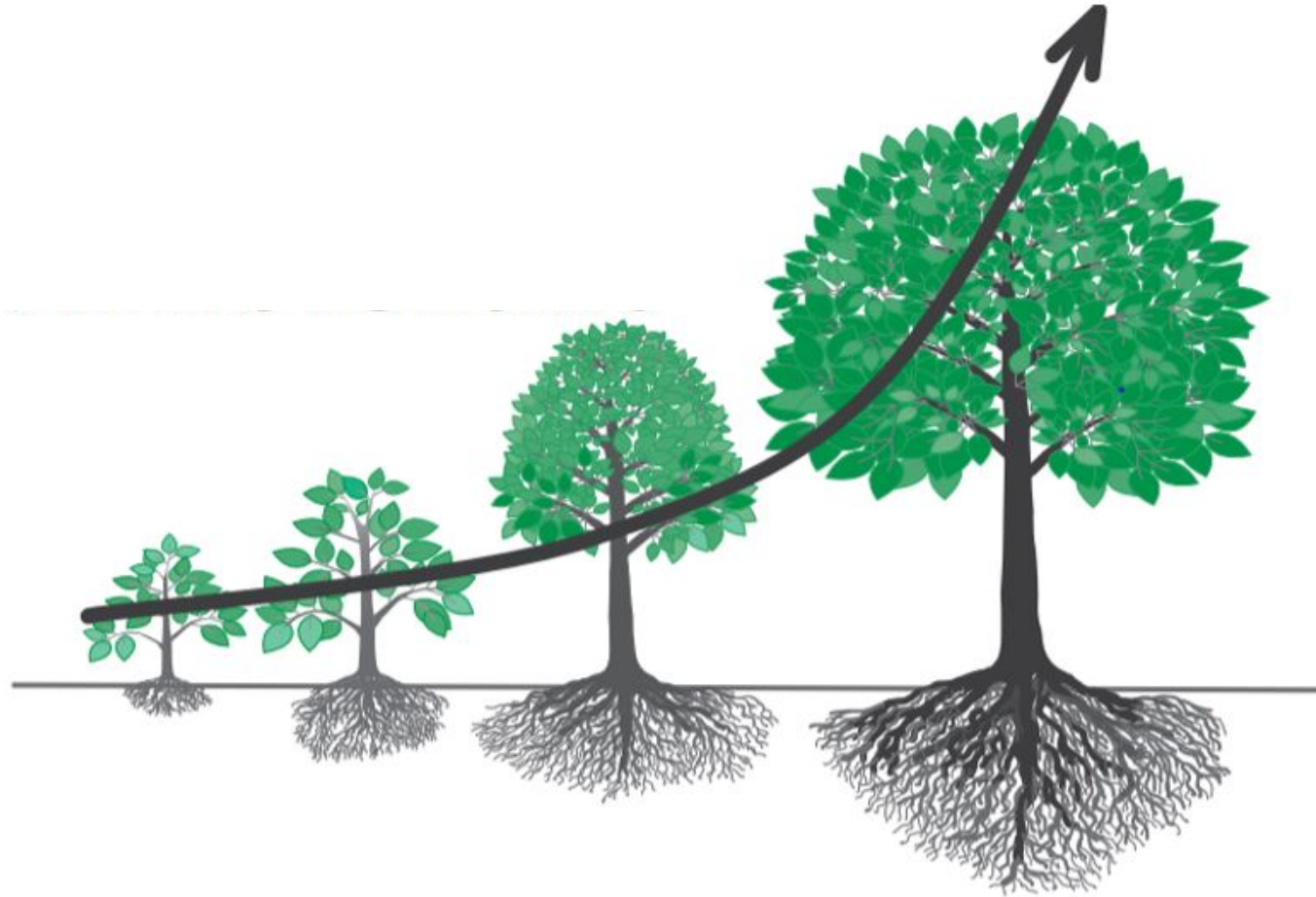


High performance is a consequence of good enablement

Summary; enablers to exceptional value creation



Growth metaphor

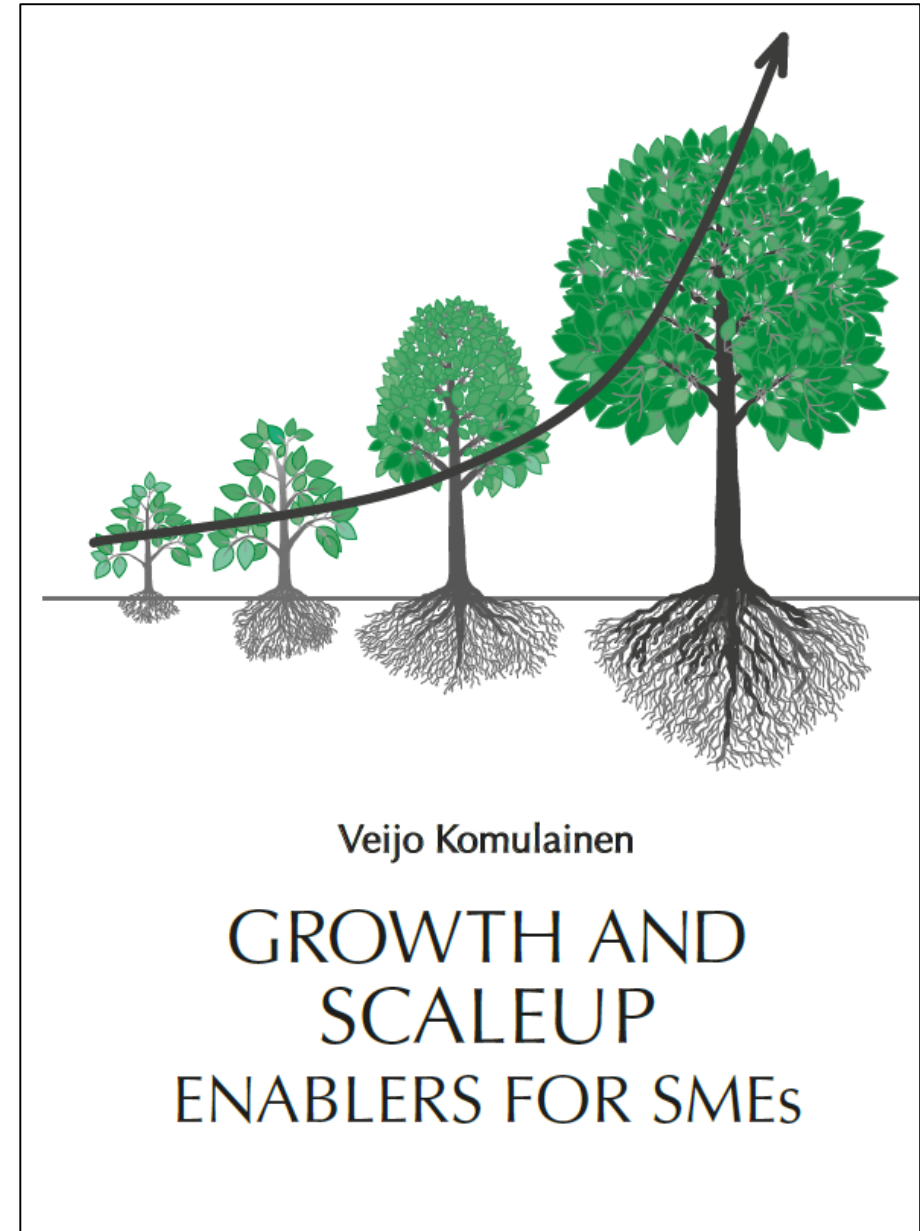


To grow the three, roots growth is equally important

• Thank you!

• Questions, comments

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Company internal analysis, part 2

- **Company's internal environment – internal development plan**
- Based on your evaluation of the internal growth challenge (phase 1 results) and the materials of the lectures 1-3, please prepare a ***short three year plan*** for the ***company internal development***:
- List down *three of the most important internal areas needing improvement* in order to enable the planned growth on the markets. *Give short reasoning* for each of them.
- Prepare a *development road map for the next three years* to cover the shortcomings. *Identify clear actions for each topic annually*.

(Note: check the overall instructions for the phase 2 in the lecture slides 9.5.2019)