



## Time for a New or Evolved Organizational Structure? Five Success Factors to Consider

People, processes, and systems—that’s what is needed to execute your business plan. I always like to start with people, the most important factor. Whether you are at the \$10 million stage or the \$1 Billion stage, a well thought out organizational structure is crucial. And, no matter whether you are developing your senior team or a functional area, such as merchandising, the following five factors will help insure your success:

**1. Do the “boxes” first—that’s what I always say (and do).**

Meaning, start with the jobs not the people you currently have in place. All too often we have seen organizational structures developed around “John’s skills”, as an example. This type of planning leads to inefficient organizations, not to mention the crisis when John gets promoted or leaves. This does not mean that you don’t need your current team. But, by beginning with the “boxes”, you will ultimately set your team up for success.

**2. Before you can develop effective “boxes”, you’ll need:**

- A solid list of key metrics to affect.
- Tasks or functions that need to be done.
- Business processes needed to complete tasks and affect metrics.
- Cross-functional interactions needed to complete tasks and affect metrics.

**3. Once you have the “boxes” initially developed based on metrics, tasks, business processes, and cross-functional interaction the fun begins.**

- You don’t want an organization that has too many levels. It takes too long to get things done and it can limit a sense of ownership by the employees. Positions can be staggered so that there are not too many levels, but there is room to grow in positions and responsibilities. This means there may be a director position in one area but a manager in another. No need for every area to have both. Work flow “hand offs” should be as

limited as possible with a documented business process to support the “hand off”.

- On the flip side, you don’t want an organization that is too “flat”, meaning too few levels and too many direct reports. A rough guideline is about six to eight direct reports for each manager. Less than this can create too many layers and doesn’t add much value. Generally, it’s hard for managers to effectively manage many more than this.
- Make sure there is room to grow in the organizational structure—for your organization and for each employee. It’s a good idea to lay out your current organization, proposed new organization, and a desirable vision of your future organization—one or two years from now. This helps manage your organization to the next level.

**4. Now that you have the “boxes” it is crucial to complete job descriptions for each “box”.**

These need to include: metrics, tasks, business processes, key interfaces (or cross-functional interactions) along with the qualities and qualifications of the ideal candidate.

**5. Now you are ready.**

With a realistic assessment of each of your current team members, you can place them in the most appropriate “box”. During this exercise, you will also see where you may need to hire new talent and/or transition a team member to another area.

Having utilized the five success factors, you have set up each employee and your organization for success. Each team member is in a job with clear roles and accountabilities—a job they are suited for. And, you have developed room for the organization to grow along with promotional opportunities for your team members—which is a wonderful incentive. Next steps include a clear communication plan; transition plan and a 90 day follow up.

Good luck. I’d love to hear about your organizational successes and needs. I can be reached at [Janice@JLSearsConsulting.com](mailto:Janice@JLSearsConsulting.com) or 206.369.3726

## More about us



**ABOUT THE AUTHOR** | Janice Sears has served as **Principal** of JL Sears Consulting, Inc. based in Seattle, since 2004. She is also a Principal of **Tag Team Business Solutions**.

Janice brings more than 20 years of **broad multichannel retail and wholesale experience** in merchandising, planning, marketing, finance, and operations to her clients. She is a Certified Management Consultant (CMC), and received her **MBA in Finance** from the University of Colorado.

As a former **Vice President at Eddie Bauer**, she was accountable for \$1.6 billion in annual sales, which included 400+ stores in the US and Canada, catalog and internet sales, along with margin and profit. Janice directed strategic business planning, merchandise planning, inventory and margin management, and led the cross-functional business teams by channel to manage the P&L. She also drove system and business process improvement projects and was integral to marketing, assortment planning and organizational development initiatives.

She served on the **Board of Directors for Big Brothers Big Sisters of Puget Sound** for more than 10 years while being a Big Sister herself. Janice continues to serve on a variety of professional and non-profit boards and is currently a University of Washington Business School Mentor.

Janice is an avid skier and cyclist who writes a [travel blog](#) about her quest to visit all 58 National Parks. She enjoys northwest urban living and time with family and friends from her Seattle home.

**ABOUT J.L. SEARS** | JL Sears Consulting, Inc helps organizations and business teams boost profitability and productivity through strategic business planning, development of merchandise strategy and implementation of key execution tools.

We specialize in working with multi-channel retail and wholesale clients to craft a roadmap to success in an ever-changing business environment.

Clients include: Belkin, Branders, Charlotte Russe, Crosstown Traders, evo, Griot's Garage, Lucy, Nasty Gal, Outdoor Research, and Sur La Table.

JL Sears Consulting, Inc. is a former member of 1% for the Planet and continues to focus its one percent donation on saving Puget Sound and supporting our National Parks.

### STAY CONNECTED

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