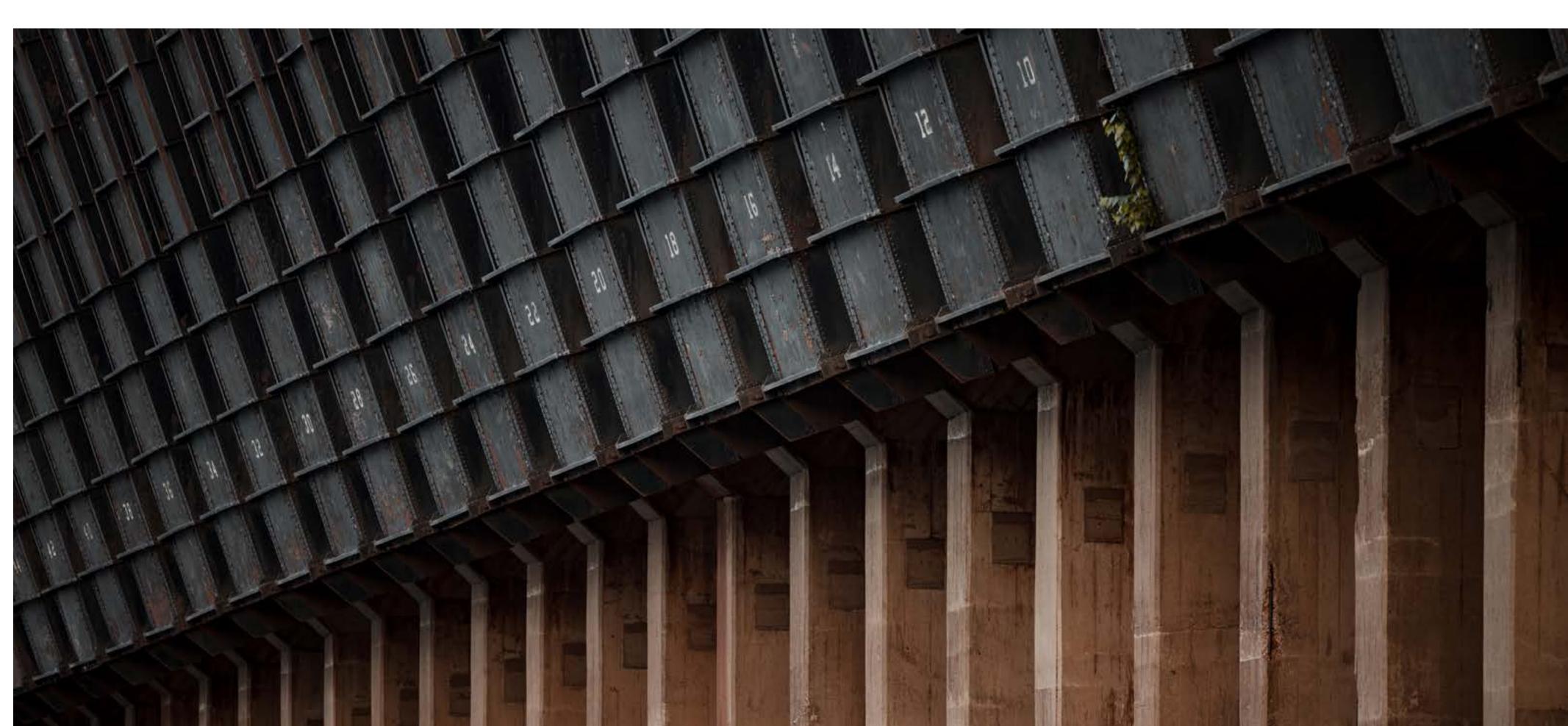
### **On Organizational Structure** HOW TO CREATE YOUR FOUNDATION



By Mark Abbott, Mike Frascolla, and Tommy Mains | December 2023 | © Ninety



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> We believe we're moving into <u>a new age of</u> <u>work</u> — the Age of Understanding, or Work 8.0. The coming of this age was inevitable, but the pandemic accelerated its arrival by about ten years as so many organizations transitioned to remote or hybrid models.

With access to a wider array of opportunities than ever before, people don't just want to punch a time clock — they want to find value and purpose in their lives through Work they love doing (which we refer to as <u>Work with a capital W</u>).

Each of our guides is all about how to master a particular concept, tool, or discipline needed to build a great company in this new age of Work.

Every organization runs on some kind of system. As a business grows and evolves into a company, and a company evolves into a great company, so should its operating system.

At Ninety, we understand the challenges of building, running, and scaling organizations. Our mission is to make that work easier by providing you with a cloud-based platform that contains every one of the essential concepts, tools, and disciplines you need to upgrade your operating Great organizations know who they are, what they are, where they are, where they want to go, and what it's going to take to get there.

Our relentless focus is to simplify the hard work of aligning and focusing teams so organizations and their employees can thrive. We're glad you're joining us on this journey. If you have questions or want to learn more, reach out to helpful@ninety.io — we'd love to hear from you.

Gratefully,

Mark Abbott Founder + CEO, Ninety





### Purpose

Structure is your organization's foundation. Structure is one of the <u>9 Core Competencies</u> associated with building a productive, humane, and resilient organization where people are focused, aligned, and thriving.

This guide explains how to make the structure of your organization work for you by developing an effective Org Chart consisting of the Core Functions and Seats you need to operate right now and in the future.

We created this guide, along with our Org Chart tool, to simplify the hard work associated with attracting, developing, and retaining great team members. Once mastered, your foundational Structure will make it almost easy (you don't want easy) for your people to participate meaningfully in the Work needed to fulfill your Vision.

### LET'S DIVE IN.

### • Read it

» We've designed this guide to make it easy to absorb the information quickly. Skim for highlights, glance for big ideas, or dive in for a deeper understanding.

### • Save it

» Continue to use this guide as a high-value reference. Highlight, underline, or circle what's most useful. We've even left space for notes.

### • Share it

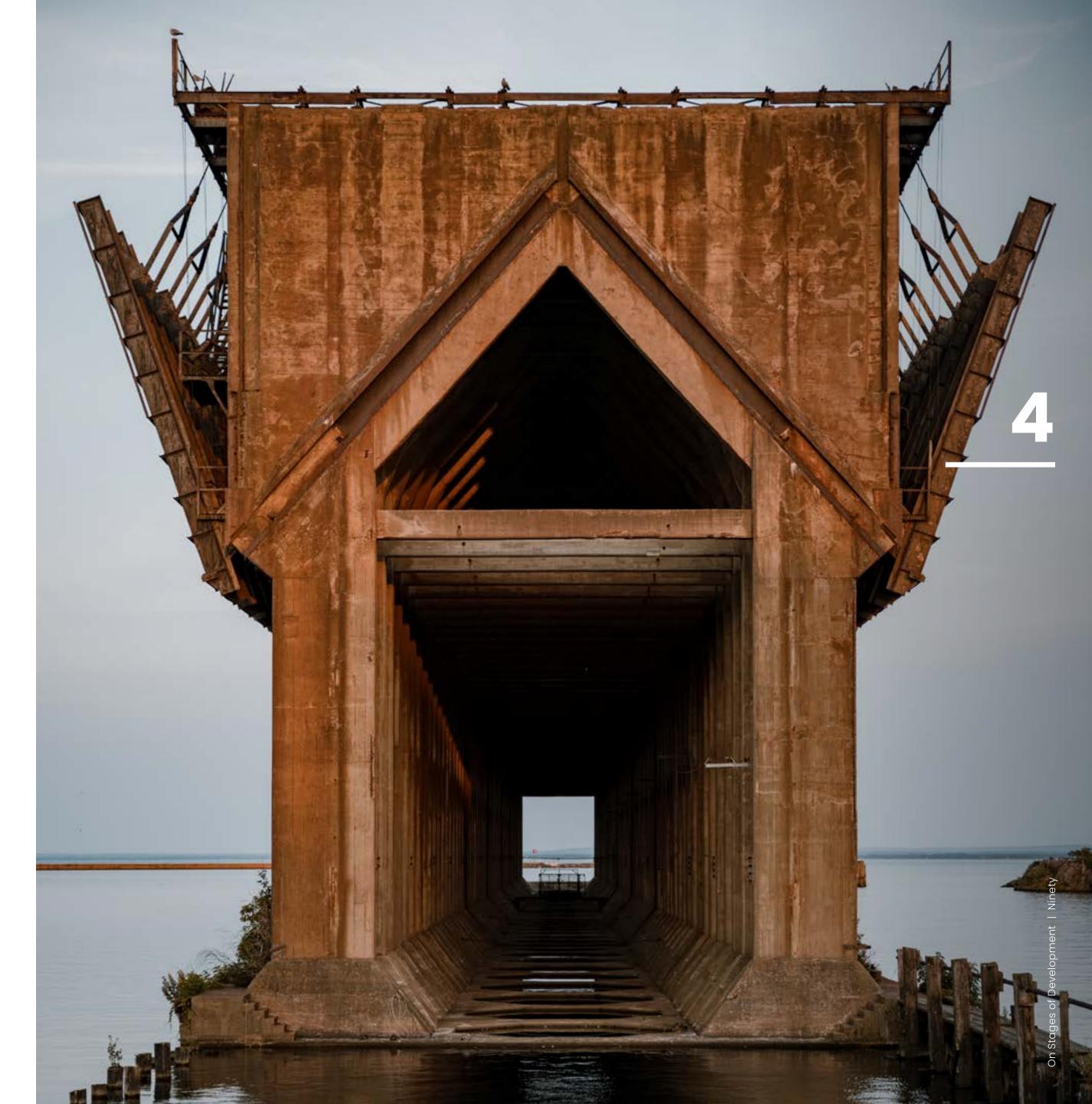
» The information and advice on these pages should be shared. We deeply believe that useful resources should be accessible to all.





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### Introduction: Prioritize Structure



# Introduction: Prioritize Structure

"Given half a chance, people are keen to get on with their work, and to have work to get on with. What is missing is an adequate organizational framework within which to work and to cooperate with each other."

### -Elliott Jaques, *Requisite Organization*

At Ninety, we believe that the structure of your organization will either set you up for smooth travels or be a constant cause of traffic congestion for your ideas, goals, and progress. That's why Structure is one of the 9 Core Competencies associated with building a great organization – the nine areas organizations need to pursue mastery in to achieve their greatest potential (Figure 1).

The Structure Competency is about our ability to create a clear and efficient hierarchy for a growing organization. It starts by determining the essential jobs the organization needs. Then, it teaches how to organize those jobs into different levels based on the required skills and abilities. The key lesson here is to create the right structure first (through your Org Chart) and then add people to each Seat.



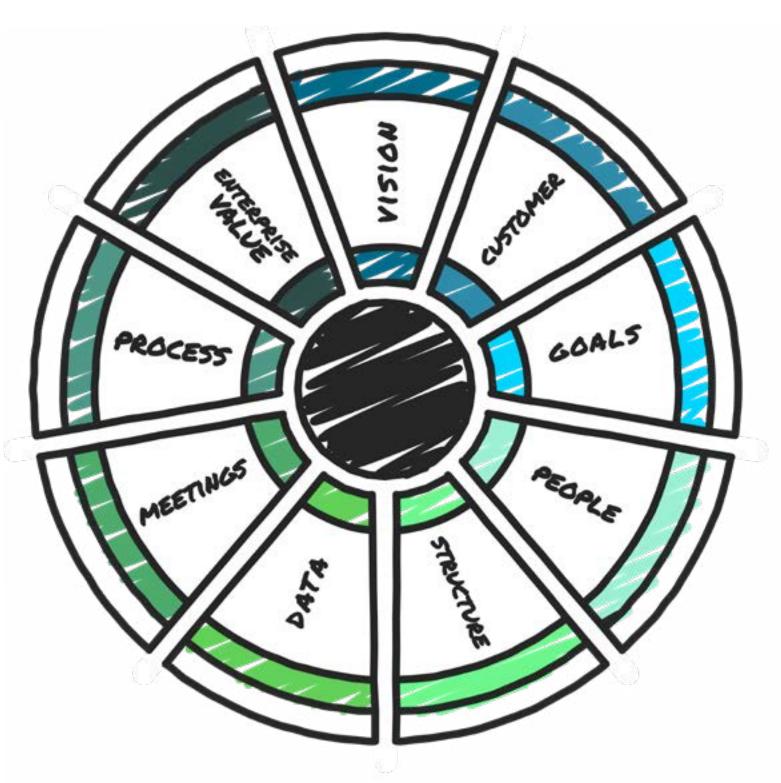


Figure 1. Imagine the 9 Core Competencies as a wheel that rounds out your organization to keep you moving in the right direction. Each Competency is a part of you already. Mastering each of them is how you'll build a great company.





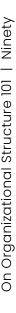
**Structure** continued Introduction: Prioritize

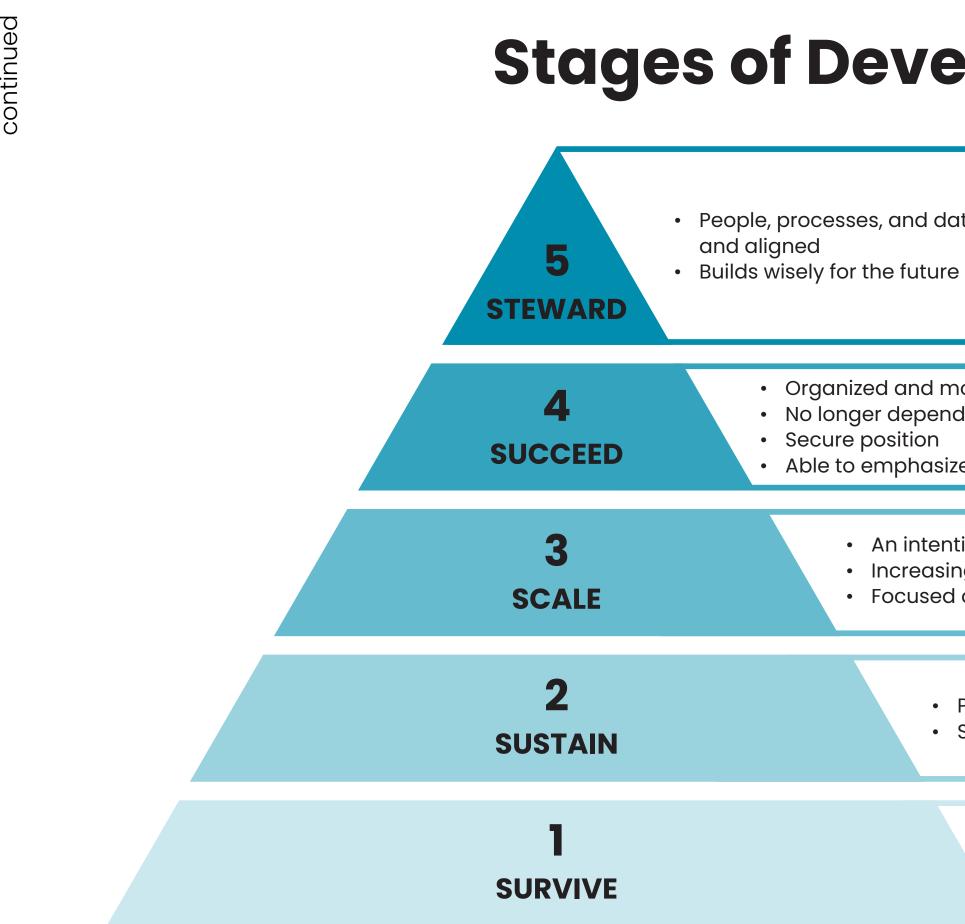
Let's start by identifying some key terms so we can be on the same page throughout this guide.

- **Core Functions** The essential departments an organization needs to successfully operate (such as Sales, Marketing, and Operations). Core Functions should be led by subject matter experts (SMEs).
- **Org Chart** The blueprint for how you deploy your team members into the Core Functions you need to operate. Our in-platform tool lets you define the Seats you need and add team members as you find the best fit.
- **Seat** A function-specific position in an organization that carries roles, accountabilities, and responsibilities (RARs). We use the Org Chart tool to provide an overview of the various Seats and their lines of reporting to other Seats, teams, and departments.
- Stratum, Strata, and Levels of Work A stratum is a distinct layer (horizontal row in an Org Chart) in an organization. A Stratum represents a distinct level of responsibility, competen and decision-making authority. A level of work corresponds with the RARs of the Seats in their respective Stratum. Strata is the plural of Stratum.
- Time Span of Responsibility (TSR) How long the average tasks of a Seat take to execute. Our use of TSR is inspired by the research of Elliott Jaques. Read his book *Requisite Organization* for more.

n d	<b>MASTERING THE STRUCTURE COMPETENCY</b> In order to master the basics of organizational structure, you need a small collection of time-tested <u>concepts</u> , tools, and disciplines to form your process for designing and evolving an Org Chart that best fits your current <u>Stage of Development</u> ( <b>Figure 2</b> ).
	In this guide, we introduce you to the essential best practices for mastering structure, including:
	<ul> <li>Layering based on a hierarchy of required competencies that include Time Span of Responsibility (TSR)</li> </ul>
2	<ul> <li>Growing more efficiently by increasing the number of Core Functions rather than adding unnecessary layers</li> </ul>
	<ul> <li>Defining Seats by their specific RARs</li> </ul>
t	<ul> <li>Agreeing to at least three Key Performance Indicators (KPIs) for each Seat to ensure all team members understand when there's a performance issue</li> </ul>
ency	<ul> <li>Practicing the core discipline of "structure first, people second"</li> </ul>
, is	<ul> <li>Putting the <u>Right People in the Right Seats</u></li> </ul>







become great companies.

Introduction: Prioritize Structure

### **Stages of Development**

• People, processes, and data are fully integrated

• Organized and mostly expert

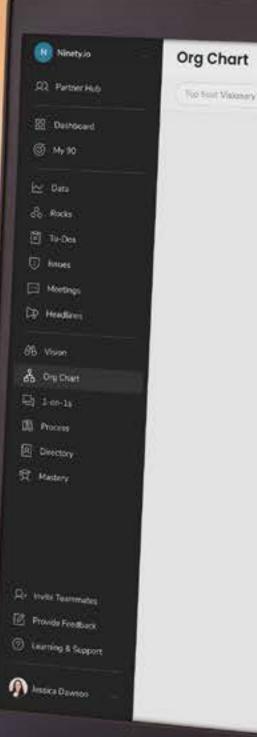
- No longer dependent on its founder
- Secure position
- Able to emphasize development
  - An intentional approach to work
  - Increasingly adds expertise
  - Focused on developing a clear path to profitability
    - Prioritizes what works and reinforces its core features
    - Seeks to stabilize and endure
      - Usually new and in the startup environment
      - Few things are established

Figure 2. The Stages of Development are one of our foundational frameworks for measuring a company's progress and charting its growth. These are the five stages businesses go through to





### The Org Chart



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		Outreach annications	Workflow creation and refinement     Employee hiring, assessments, and m     Quality context	Forecasting and budgets     Accounting and reporting     Payroll		







The cornerstone of mastering the basics of Structure as a Core Competency is the <u>Org Chart</u>. Simple Org Charts help everyone understand how to divide and conquer by areas of expertise and layer the organization by required competencies.

More sophisticated Org Charts, like Ninety's (**Figure 3**), ensure every Seat has a clear set of RARs, a clearly defined set of required competencies, and KPI-based agreements on what good performance looks like.

If you're using Ninety, once your Org Chart is properly constructed, filled out, and shared, you'll have transparent, <u>agreements-based</u> <u>accountability</u>. This transparency creates a framework that increases organizational health while protecting against bloat (too much capacity) and scarcity (insufficient capacity). The simplicity of having full knowledge of each other's RARs, required competencies, and KPIs is essential to build an organization where everyone is focused, aligned, and thriving.





## The Org Chart

A well-constructed and completed Org Chart provides critical information to your most important resource — your team members. This tool enables you to place:

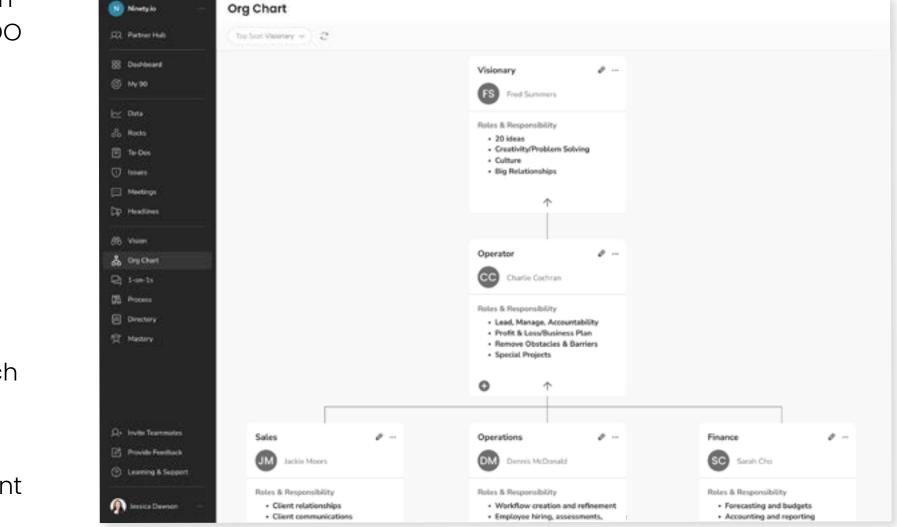
- A Founder and/or CEO, also commonly referred to as a Visionary, in charge of leading the organization
- If appropriate, a COO, sometimes called an Operator, Orchestrator, or an <u>EOS-style Integrator™</u>, who helps the CEO turn the <u>Vision</u> into reality
- Departments, or Core Functions, with leaders who often sit on the Senior Leadership Team (SLT) or report directly to the COO
- Team leaders accountable to Core Function leaders
- Teams accountable to team leaders
- Function-specific Seats that form teams
- People with the requisite <u>Competency, Commitment, and</u> <u>Capacity</u> (CCC) to excel in each Seat

This sequencing creates an organizational structure where each team member understands their RARs within your company.

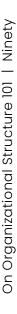
Org Charts naturally form layers — horizontal rows that represent common levels of leadership responsibilities and similar Time Spans of Responsibility (TSR). TSR represents how long the most complex tasks associated with a Seat take to execute.

For example, the departmental leaders at the top of each Core Function have similar leadership responsibilities to their teams and the organization that span out into the future, like 90-day goals (we call them <u>Rocks</u>) and 1-Year Goals that are essential if the organization's Vision is going to turn into reality.

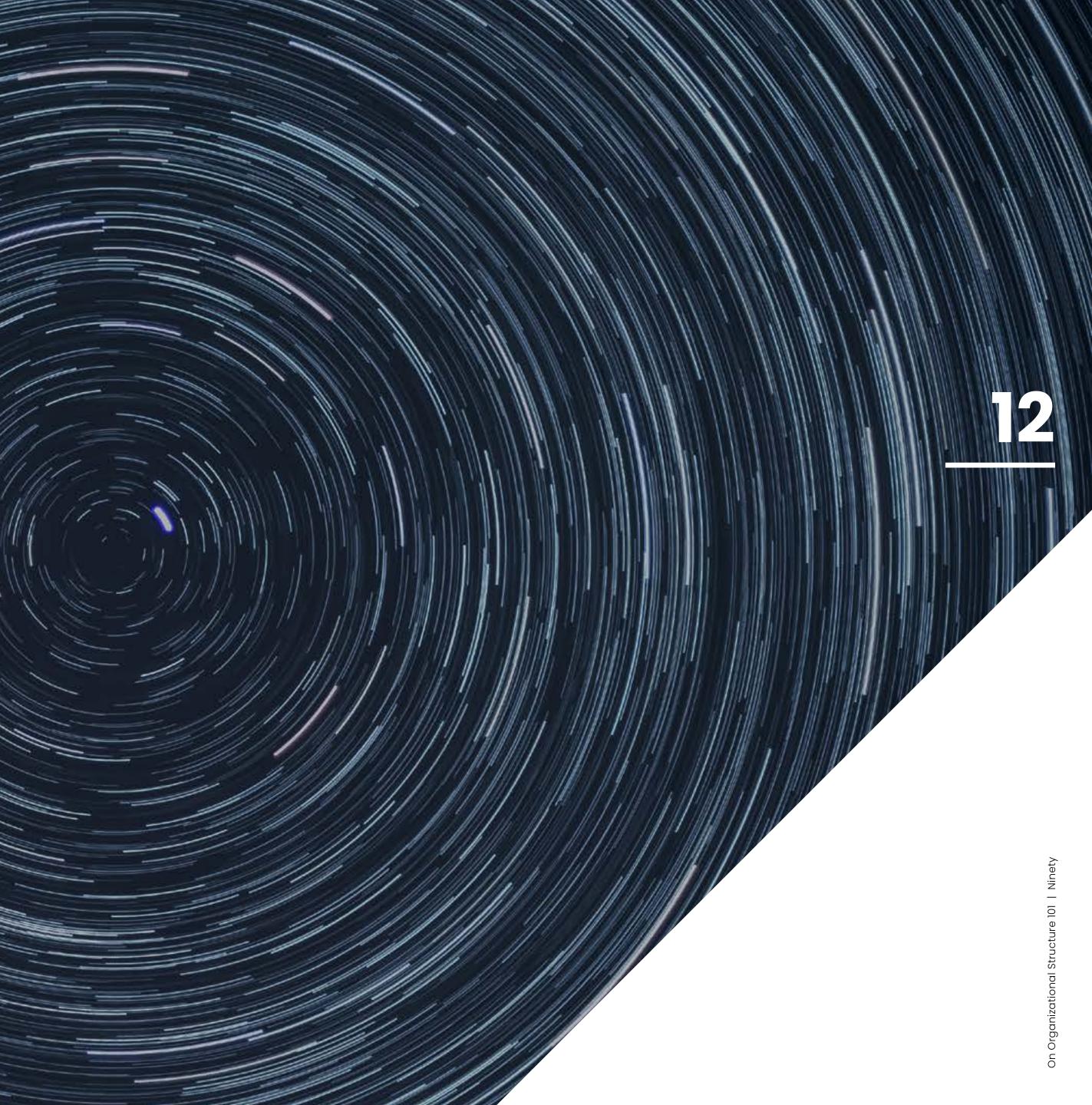
As your organization grows, the disciplines associated with a TSRbased Org Chart will help guide how you most effectively and efficiently expand horizontally and vertically.







### Core Functions



## **Core Functions**

As a business evolves through the typical Stages of Development, it will expand its core areas of expertise. In the early stages, most businesses have a relatively small number of departments, or what we refer to as **Core Functions**. As an example, it's common for early-stage businesses to have three Core Functions accountable to the Founder:

- 1. Sales, Marketing, and Customer Success (Get)
- 2. Operations (Do)
- 3. Accounting and Administration (Manage)

Structurally speaking, the tool, like most organization charts, represents Core Functions vertically – each as a distinct column – with lines showing how each reports to either the Founder/CEO (Figure 4) or, if there is one, the COO. Of course, it's not uncommon for the Founder to own one or more Core Functions.

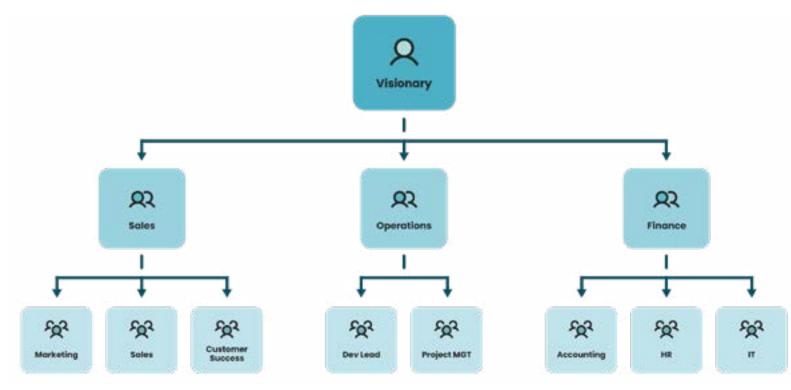


Figure 4. In this Org Chart, each team reports to a department head, who reports to the Visionary.

As the business grows, the Founder/CEO will find it necessary to bring on others to take ownership of each of the Core Functions, and when the business can afford to, it will further divide the Core Functions. For example, splitting Sales, Marketing, and Customer Success into three distinct Core Functions with expert leaders overseeing each (more to follow on what we mean by "expert").

### WHAT UNICORNS CAN TEACH US ABOUT **STRUCTURE**

Erevena Search is a global search firm that's worked with some of the world's leading unicorns (companies that have reached a valuation of \$1 billion). In May of 2023, Erevena published <u>a case study</u> comparing 80 unicorns to 40 "control" companies that have never been valued at more than \$250 million. One of the study's most compelling insights was the number of senior leaders at the unicorns versus the other companies five years after their initial product launch: the unicorns had nearly three times as many senior leaders (VP or above) as the control companies. That's why, even though the senior leaders at both types of company averaged the same amount of prior experience (16 years), the average unicorn leveraged a total of over 231 years of prior leadership experience while the control companies only had 74. Plainly, there's a significant advantage to having highly competent and focused Core Functions led by subject matter experts.

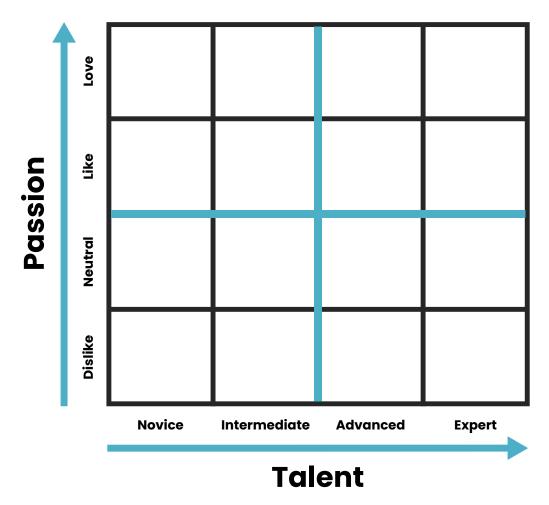




## Core Functions

Part of the evolution of turning a **business** (an entity that's Founder-dependent) into a **company** (an entity that can flourish without the Founder) includes the Founder/CEO allocating more and more of their time to doing the <u>Work</u> they're best suited for. As an organization evolves through the Stages of Development, it adds Core Functions and Strata. While each Stratum represents a variety of competencies across several Core Functions, they share a very specific **Time Span of Responsibility** (TSR) for their work.

Ninety's Founder/CEO, Mark, encourages the Founders/CEOs of his coaching clients to continuously work on delegating any work that's outside the most upper-right quadrant, where talent and passion are highest for them (**Figure 5**).



**Figure 5.** This framing device allows you to arrange your roles, accountabilities, and responsibilities across a spectrum of things you're passionate about and have talent in. The upper-right quadrant represents RARs you're an expert in and love doing.

### STRATA AND LEVELS OF WORK

Aside from having columns representing each of your Core Functions, most Org Charts include layers, or what we refer to as **Strata** (the plural of "stratum"). At Ninety, we teach that the Strata of an Org Chart are based upon levels of competencies, not titles. Jaques observed that the most effective organizational layering involved up to eight "Strata," with Strata six through eight applying to larger organizations overseeing multiple operating units. At Ninety, most of our clients are focused on building organizations

Levels of work correspond with the RARs of the Seats in their respective Strata.

Stratum 1 (S1) represents the foundation of your structure. S1 Seats often ensure customers get the products and services they bargained for.

For example, an engineer at SI might work on the most pressing projects due within the next two to four weeks, while an engineer at Stratum 3 (S3) focuses more on coaching, leading, and anticipating future needs to sustain the company's long-term success. The engineering Seat at S3 has a longer TSR, meaning the Seat owner needs to have the capacity to be accountable for longer-term outcomes.

The big idea behind establishing TSRs was developed by Elliott Jaques, an industrial psychologist who worked with companies worldwide for over 45 years. Jaques discovered the most effective organizational structures considered the notion that as one rises in an organization, one must be able to plan for, operate, and execute over longer and longer periods of time (time spans) without close supervision.





### Functions continued Core

with up to five Strata, the number of Strata typically associated with a Stage 5 company (Figure 6).

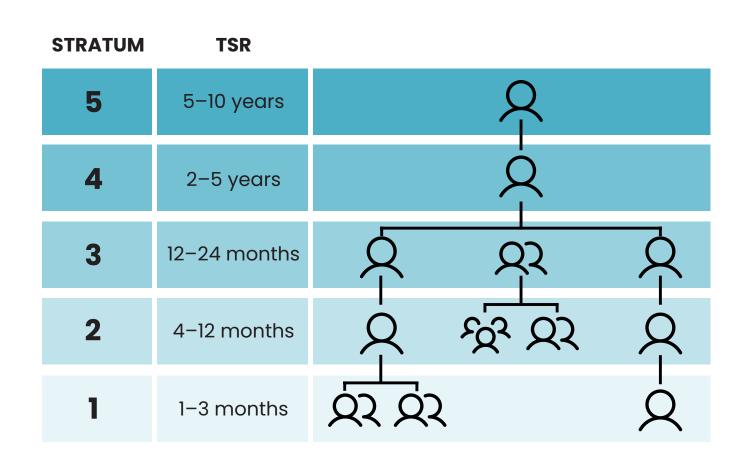


Figure 6. This example of a Stage 5 company shows the Time Span of Responsibility (TSR) of each of the organization's Strata. TSR is the longest period of time a Seat's most complex roles, accountabilities, and responsibilities take to execute.

### In this guide, we'll focus on the first five Strata:

- Stratum 1: The TSR for Seats at this Stratum is up to three months. Team members are accountable for executing tasks as directed, producing an agreed-to level of quality and quantity while following processes and procedures as designed (and, of course, consistently showing up). At Ninety, we often say they "lead self."
- **Stratum 2:** The TSR for Seats at this Stratum is three months to one year. We typically find team leaders at this Stratum responsible for leading and coaching team members sitting in Stratum 1 Seats. These leaders often help build, refine, or redesign the processes and procedures associated with the Seats they lead. We say they lead others; they lead a team.

- Stratum 3: The TSR for Seats at this Stratum is one to two years. Team members here are typically Core Function heads and often part of the organization's SLT. They almost always lead multiple teams. A sampling of what they've agreed to focus on includes working on complex subjects requiring in-depth knowledge of the company, establishing their Core Function's strategic plans, and making final decisions on administrative or operational matters to ensure the effective achievement of objectives. We say they lead teams.
  - Stratum 4: The TSR for Seats at this Stratum is two to five years. Typically, we see CEOs of Stage 4 Companies or COOs of Stage 5 companies at this Stratum. We'll occasionally also see C-Suite members (Chief Financial Officer, Chief Technology Officer, Chief Revenue Officer) at this Stratum in faster-growing Stage 5 Companies. At this Stratum, the work focuses on leading and coaching the heads of each of the Core Functions. If there's a COO, they act as the primary communicator (some might lovingly say buffer) between the CEO/Visionary and the rest of the organization.
  - **Stratum 5:** The TSR for Seats at this Stratum is five to ten years. This Seat is always occupied by the Founder and/ or CEO, Visionary, or Group President in a Stage 5 or higher organization. Leaders at this level invariably have either a COO or C-Suite level of direct reports. Occasionally, the Stratum 5 leader may also sit in a Stratum 4 Seat for a period of time (Ninety's Founder sat in both Seats for over seven years). At some point, however, they'll need to withdraw from that Seat to focus entirely on the organization's future needs. In such cases, the Stratum 4 Seat is filled by a COO, President, or a group of people (C-Suite executives).

Learn more about building a Stage 5 Company on our blog.





## Core Functions continued

### **STRUCTURE FIRST, PEOPLE SECOND**

Don't structure your organization around people or, even worse, titles. In several of the organizations our leaders have coached, titles tend to make people feel entitled to certain RARs. Ascribing a position to someone without a clear sense of the attached RARs creates confusion and inefficiency; it may even cause people to assume a certain level of autonomy or power – simply because it's backed by a title. Every human is extraordinarily unique, making organizations structured around people much harder to manage, let alone scale.

This is why building an Org Chart starts with structure first and people second. Obviously, we need people for our organization, but if they're in the wrong Seat or don't align with our culture, they're going to slow us down (or worse).

Let's borrow from Jim Collins for an example; structure first, people second simply means we're building a bus that, when filled with the right people, will get us to our destination – then adding those people one Seat at a time.



"Structure first, people second" is one of the core disciplines associated with mastering the Structure Competency. Here's why:

- Alignment with strategy: A structure-first approach ensures the organization's structure aligns with its Vision, goals, and processes. Every Seat serves a specific purpose. People-first approaches often lead to roles driven by personal preferences and/or strengths rather than organizational objectives.
- 2. Scalability and consistency: A structure-first approach creates a scalable design that ensures consistency, standardization, and scalability.
- 3. Efficient recruitment and onboarding: Structure-first organizations are more efficient and effective in recruiting new team members. Predefined Seats provide clarity around the skills and qualifications required for each Seat. This simplifies the recruiting and onboarding processes.
- 4. Mitigating dependency on individuals: People-first organizations tend to be highly dependent on hard-to-replace individuals with unique skills and experiences. A structure-first approach ensures the focus remains on achieving objectives rather than accommodating individual preferences.
  - 5. **Resiliency:** Structure-first organizations are more resilient. When Seats are built around specific people, any changes involving those individuals can have a huge ripple effect, making it harder to adjust to new circumstances. People transitions are inevitable due to factors like resignations, retirements, or changes in personal circumstances. Focusing on structure first and people second creates an organization better equipped to manage such transitions, ensuring knowledge and RARs are seamlessly transferred.





### Core Functions continued

### STRUCTURE FOR YOUR FORSEEABLE FUTURE

Don't structure your organization for today.

If you're growing or plan on growing soon, think about what your structure will need to look like in six to twelve months to support growth. Finding, hiring, and onboarding talent takes time — especially if you're filling a new Seat.

There's no right answer for how far out you should be structuring. At Ninety, we structure up to one year into the future by adding the following names to our Directory on the platform: Q1, Q2, Q3, and Q4 — placeholders for Quarter 1, Quarter 2, and so on.

Then, we create Seats where appropriate in our Org Chart, using these names to indicate when we plan to fill the Seat. For example, if we recognize that in Q3 we'll need to add another Client Support Specialist, we'll add the Q3 name to that Seat.

As a fast-growing, venture capital-backed company, we're constantly updating our Org Chart. Every Core Function head reviews their structure monthly with our CFO.

If your SLT doesn't have the resources to do a monthly review, we advise reviewing your Org Chart at least quarterly during your <u>Planning Meetings</u>.

As our Founder/CEO likes to say, paraphrasing George Orwell: "All tools are equal, but some tools are more equal than others. The Org Chart is arguably the most equal of all tools because structure is critical if we want to have any chance of consistently and collectively staying focused, aligned, and thriving."









### **RIGHT PERSON, RIGHT SEAT**

Ensuring the Right People are in the Right Seats is essential to effectively building, operating, and scaling an organization. It takes effort, but the rewards are many.

Organizations that are disciplined about having and placing the Right People in the Right Seats perform better and with less friction. They foster an environment where everyone is focused, aligned, and thriving. Plus, they're much more likely to have a supportive and healthy <u>culture</u>.

We use the <u>Competency, Commitment, and Capacity</u> (CCC) framework to help us evaluate a team member's fit for a Seat. When assessing a right fit, we ask whether the candidate:

- Appears to align well with our <u>Core Values</u>
- Has the skills and experience to perform the job (Competency)
- Genuinely wants the job (Commitment)
- Has the mental, emotional, physical, and time-span capacity to do the job well (Capacity)

Core Values help us determine if they're the Right Person, while CCC helps us determine if we're placing them in the Right Seat.

If you follow our philosophy on <u>agreements-based leadership</u>, you know how important it is for team leaders and team members to turn <u>expectations into agreements</u> regarding not just their RARs but also the KPIs associated with their Seat.





## Core Functions continued

### **KEY PERFORMANCE INDICATORS**

We highly recommend every Seat have at least three Key Performance Indicators (KPIs) to ensure the team leader and team members agree on how to measure what's important.

We also recommend each KPI have a **target** that ensures they're both on the same page about when there could be an issue. When agreements are made, team members are better able to complete their work without the need for micromanagement, which makes life better for everyone.

Owner	Title	Goal	Dec 18 - Dec 24	Dec 11 - Dec 17	Dec 04 - Dec 10	Nov 27 - Dec 03	Nov 20 - Nov 26	Nov 13 - Nov 19	Nov 06 - Nov 12	Oct 30 - Nov 05
	Closed Contracts	>= 5	2	6	5	3	7	6	4	9
Č.	Weekly Revenue	>= 12,000	12,920	12,900	12,865	12,005	12,444	13,245	13,000	14,000
-0	Total paying customers	>= 20,000	21,810	21,800	21,670	21,560	21,560	21,500	21,520	21,500
2	Trialing customers	>= 100	85	90	102	98	102	94	108	105

We created our <u>Data Guide</u> to help you go much deeper on KPIs and targets.

When a team member has the CCC for their Seat, their leader can focus their efforts on longer-term endeavors. As leaders at each Stratum broaden the competencies associated with their area of expertise, the SLT can continue to confidently extend the organization's Vision from days to weeks, to months, to years, and even to decades.





### The 9 Core Competencies







### **Core Competencies** ດ The

We've identified the 9 Core Competencies as essential for a business to master if it wants to confidently scale the Stages of Development necessary to become a great company. If you haven't already done so, take our Baseline Assessment to see your strength across these nine areas.

Your mastery of Structure benefits the other eight Core Competencies through focused and aligned function-specific Seats. Let's examine how Structure impacts and strengthens the other competencies.

- Vision and Structure. Vision is an organization's definition of itself and the expression of its highest aspirations. Structure lays the foundation to make the Vision possible. It outlines the Core Functions and Seats you need to operate at your best and helps identify the structure you'll need to scale – and informs who owns each of the longer-term elements of your Vision.
- Customer and Structure. Serving your Ideal Customers keeps you in business. How you'll bring value to your customers and other stakeholders informs your structure, like a mutually beneficial relationship.
- Enterprise Value and Structure. Improving your mastery of the Enterprise Value Competency is key to understanding how to gain the financial freedom you'll need to fund the growth of your organization and meet the opportunities and challenges • Goals and Structure. Building a clear Vision involves creating ahead for your company. Adding the Right People into the a series of goals for now and into the future. Your Structure Right Seats takes capital. Mastering the economics of your today should be designed to handle the 90-Day Goals (Rocks) organization allows you to keep your Core Functions operating you need to complete to win the quarter and have a growth efficiently and effectively. plan to meet 1-Year Goals and your 5–10-year Compelling and Audacious Goals (CAGs).

- **People and Structure.** These competencies have a strong relationship. Structure ensures you've established the Right Seats you need to thrive. The People Competency establishes your culture, Core Values, and feedback efforts to identify, hire, and retain the Right People.
- Meetings and Structure. Structure shows you how each Seat, team, and Core Function fits into the greater whole of the organization. Meetings keep each team focused on and aligned around the right priorities, up to date on data, and solving the Issues in their way.
- **Process and Structure.** With your structure in place, Process helps you document and implement the strategic procedures you use to provide value. The Org Chart creates a structure for effectively documenting, ingraining, and continuously refining those processes up, down, and across the company. By prioritizing functions and roles instead of titles, this framework ensures a healthy system of accountability and collaboration for business success.





The 9 Core Competencies

### **IMPROVING YOUR STRUCTURE COMPETENCY**

When mastered, Structure ensures every Stratum of your organization is focused and aligned on propelling the companitoward its Vision.

To improve your Structure Competency, follow the principles w laid out in this guide. Here's a recap:

### **Strata and Core Functions**

Growth is multi-directional. As you grow from a Stage 1 to a Sta 5 company, you have to get clear on what Core Functions are essential for you to thrive. In the beginning, generalists are alm all you can afford. Over time, you'll have more and more Core Functions. Each Core Function is shown vertically on your Org Chart. Each horizontal layer represents a Stratum with varying levels of leadership and Time Spans of Responsibility.

Adding more Seats allows leaders to delegate more of their RA so they can elevate more of their time to higher Stratum work take on more long-term strategic planning.

### Structure First, People Second

Create or refine your Org Chart to include only the Seats you n to operate over the next 6–12 months. Start at the top with you Visionary/CEO. Then, add an Operator/COO Seat.

Next, identify the Core Functions of your company. Depending your size and place in the Stages of Development, you may ha three, five, or more Core Functions. Divide each Core Function i

	the amount of teams it needs to thrive. Then, fill out each team with the number of Seats it needs.
ny we've	Your organization may need to have the same person in several Seats, but the RARs associated with each should be unique and appropriate for that Seat.
age	You also may have a number of Seats without a current team member to fill them. Create an <u>Issue</u> for each unfilled Seat for its respective team to discuss during their next meeting.
nost	Structure for the Foreseeable Future
]	Don't structure for today; structure for at least six to twelve months out so you're 100% aligned around the hires you're going to need to make to hit your 1-Year Goals and stay on track to turn your 3-Year Goals into reality.
ARs	Right Person, Right Seat
and	Even a perfectly designed Org Chart will fail to yield results for the organization if the Right People aren't filling each Seat. Continue to master the <u>People</u> Competency to help you identify, hire, review, and retain the Ideal Team Members.
need	
ur I on ave into	Strengthen your ability to create the Seats you need by adding KPIs to show what quality performance for the position looks like, identify who the Seat is accountable to, and quantify the Seat's RARs with the percentage of their time they'll allocate to each responsibility.

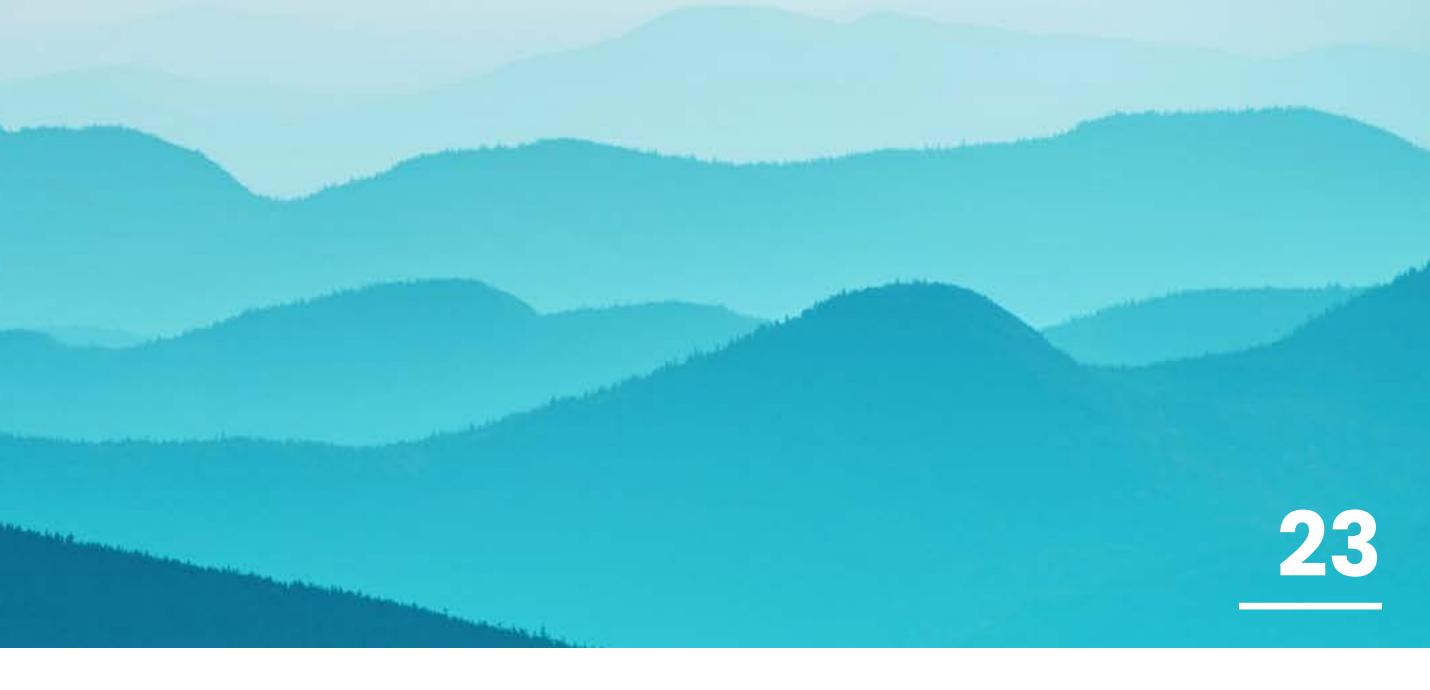




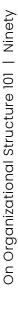
### Takeaway

Mastering the Structure Competency provides you and your team WHAT'S NEXT? with a time-tested framework that makes it easier for you to Thank you for taking the time to explore this guide. Now that you confidently extend your Vision further and further into the future. know how these concepts and their related tools advance a Ninety's Org Chart tool helps everyone understand how you company's Vision, you may be eager to implement them in your collectively divide and conquer the work you need accomplished to organization. We're here to help! Find more company-building achieve your goals. information in our <u>90u Library</u>.

Once your Org Chart is clear, focus on making sure you consistently have the Right People in the Right Seats, and they're getting everything they need to help you build an extraordinarily productive, humane, and resilient organization where everyone is focused, aligned, and thriving.



**TRY NINETY TODAY** 



## We're Here to Help

### **CONTACT US**

We love when we get the chance to chat with you directly. We have real people who are incredibly well-versed in Ninety ready to help you on your journey. Message us through the chat widget on our site or platform anytime!



You can also email us at helpful@ninety.io.







Key Terms

- 9 Core Competencies The nine areas a business needs to master to build a great company. The 9 Core Competencies are Vision, Customer, Goals, People, Structure, Data, Meetings, Process, and Enterprise Value.
- Competency, Commitment, Capacity (CCC) Ninety's framework for evaluating a team member's fit for a specific Seat. Much like our teachings on Right Person, Right Seat, CCC means we're leveraging our competencies, we're committed to mastering the necessary skills, and the Seat's tasks align with our mental, physical, emotional, and time capacities.
- Core Functions The essential departments an organization needs to operate (such as Sales, Marketing, and Operations).
   Core Functions should be led by subject matter experts
- Right Person, Right Seat A framework for hiring people who exhibit your Core Values, fit your culture, are passionate about your Vision (Right Person), and have the Competency, Commitment, and Capacity for the position (Right Seat).

	•	Roles, Accountabilities, and Responsibilities (RARs) — The
5		detailed functions, obligations, and duties of a given Seat in an
S,		organization.

- Seat A function-specific position in an organization that carries roles, accountabilities, and responsibilities (RARs).
   We use the Org Chart to provide an overview of the various Seats and their lines of reporting to other Seats, teams, and departments.
- Strata and Levels of Work A distinct layer (horizontal row in an Org Chart) in an organization represents distinct levels of responsibility and decision-making authority. Levels of work correspond with the RARs of the Seats in their respective Strata
  - Time Span of Responsibility (TSR) How long the average tasks of a Seat take to execute. Our use of TSR is inspired by the research of Elliott Jaques. Read his book *Requisite Organization* for more.





