

# Going from Growth to Super Growth: Establishing a Strong Structural Base

MAKING HUMAN CAPITAL  
A STRATEGIC INITIATIVE



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## Company Profile

The company was founded over 20 years ago to develop clean, healthy, and clinically-tested solutions for popular beauty treatments. The company manufactures and markets highly differentiated beauty products that are free from harmful chemicals, animal byproducts, and animal testing. It is unique in its product category but relatively unknown to the marketplace. To increase its business share of the market, the company brought in acknowledged subject matter experts to help develop:

- Product processes
- People processes, structure and organization
- Financial structures to support a growing company

## Shifting from Indirect to Direct Sales

Originally, they developed and manufactured private-label beauty care products, but the plan for the new products was to market and sell direct. To prepare for this growth and additional responsibility, the company's leadership team met with designated subject matter experts to discuss their goals and develop a plan for strategic growth that included implementing best practices in human resources, operations, and finance.

## Developing the Organization to Prepare for Growth

Like many small companies, a few employees did many jobs. They became knowledgeable but did not have the time to dedicate to mastering one functional area. Meanwhile, many of the critical and urgent problems fell to the owners to solve. "When you are too busy fighting fires, you're not able to focus on growing the business," said one of the owners. Consequently, they were very good at 'hose management' but not as good at strategic planning.

To solve these issues, the company worked with the subject matter experts to assess its organization structure, develop an organizational chart, and outline each employee's responsibilities. This process identified what employees were doing and which activities had no functional owner. By identifying these gaps, the leadership team could identify how to structure current employees to fill those gaps and where to add new staff to bring the most value to the organization.

"Before we created an organization chart and job descriptions, it was unclear who had responsibility for a functional area."



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Although everyone was always busy, employees now have a detailed and robust job description that aligns the goals of the company with the individual efforts of the employees. This process has helped the company create an organizational culture in accordance with its vision and goals. As the company grows, the organization chart and job descriptions will be continually reviewed to ensure that company growth, people and structure are all aligned. With the rapid growth, stretch goals will be incorporated into job descriptions to ensure that the company remains dynamic and robust.

The entire management team is participating in continuous leadership development focusing on all aspects of people and strategic management. One of the major outcomes of this process was to install an integrated and strategically aligned performance management methodology. All employees are now being reviewed against a robust job description followed by progressive individual development plans, with monitored deadlines, that will ensure that all employees have the necessary skills that will be needed by the company as it grows.

As the company's sales have dramatically grown, the company owners have introduced

an incentive compensation plan that will reward all employees based on key organizational metrics. Now, everyone will have goals that will be tied to both personal and company performance. This is an indication of how much the company values the efforts of all their employees and has put in a structure that will reinforce performance, collaboration and teamwork.

## **Improvements to Warehouse Operations**

In the warehouse, the company looked to streamline the order management and shipping processes. Subject matter experts led the manufacturing and production teams through a value stream mapping (VSM) project to identify the tasks and flow of information through the entire process, starting with taking the customer's order to shipping it out the door. VSM helped the team see the entire process and identified where wait or idle times occurred. The team then created a new process map that removed tasks that did not add value, reduced wait times, and represented the best possible processes. Using the process map, the team put into action a plan to achieve the new order and shipping processes.

The team also embarked on a 5S project in the warehouse to improve inventory and shipping



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material labeling and storage. 5S is a system for organizing the physical workspace for efficiency and safety. Now there is more room for inventory and shipping materials.

“These projects helped the team prepare for more shipping volume and were a morale booster for the team.” VSM helped the entire team see how their roles contribute to the success of the overall process.

## **KPI and Financial Reports**

Subject matter experts have also helped the company standardize financial reporting and develop key performance indicators (KPIs). The leadership team can now create budgets for activities and capital expenses that better align with the company’s current performance.

## **Where Are They Now?**

With all these processes in place, the company was poised for dramatic growth and experienced a 72% sales growth year over year.

The lesson from this effort is that it takes a village and often the knowledge of outside subject matter experts regarding:

- Product processes
- People processes, organization and structure
- Financial structures to support a growing company





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