

Operiva Guide: Levels of Work Organogram Builder

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1. Introduction: The Challenge of Organizational Structure

For many Small and Medium-sized Enterprises (SMMEs) in South Africa, growth brings a common challenge: the **owner-manager bottleneck**. As the business expands, the founder often becomes overwhelmed, juggling operational tasks, strategic decisions, and everything in between. This leads to inefficiency, burnout, and stalled growth.

The solution lies in creating a clear, effective organizational structure that allows for delegation, accountability, and scalable growth. However, traditional organograms often fail because they are disconnected from the actual work that creates value.

This guide introduces the **Levels of Work framework**, a powerful methodology for designing an organizational structure that is organically tied to your business model and value proposition. By understanding and applying these principles, you can build a resilient, efficient, and scalable organization.

2. The Levels of Work Framework

The Levels of Work framework, based on the work of organizational theorist **Elliott Jaques**, categorizes work into distinct levels of complexity and time span of discretion. For SMMEs, we can simplify this into four core levels:

Level	Title	Core Function	Time Horizon	Key Question
1	Added Value	Do	Up to 3 months	"What do I need to do now?"
2	Coordinates Value	Supervise	3-12 months	"Are we doing things right?"
3	Controls Value	Manage	1-2 years	"How can we do things better?"
4	Decides Value	Strategize	2-5 years	"What should we be doing next?"

Level 1: Added Value (Do)

This is the operational frontline of your business. These are the employees who directly create and deliver the value your customers pay for. Their work is concrete, tangible, and has a relatively short time horizon.

Examples: - A developer writing code - A craftsman building furniture - A driver delivering goods - A cashier processing sales

Level 2: Coordinates Value (Supervise)

As the number of Level 1 employees grows, you need someone to coordinate their work. This is the first level of management, responsible for supervising day-to-day activities, assigning tasks, and ensuring the team works together effectively.

Examples: - A shift supervisor in a factory - A team lead in a software development team - A head chef in a restaurant

Level 3: Controls Value (Manage)

This level is about managing the systems and processes that enable the first two levels to function efficiently. They are not just supervising people; they are improving the systems, managing budgets, and ensuring quality control.

Examples: - An accountant managing financial systems - An operations manager improving production processes - A marketing manager optimizing campaigns

Level 4: Decides Value (Strategize)

This is the highest level, responsible for the long-term vision and strategic direction of the company. They are not involved in day-to-day operations but are focused on where the business is going, what new markets to enter, and how to maintain a competitive advantage.

Examples: - The founder or CEO - A board of directors - A strategic planning committee

3. How to Build Your Organogram with Levels of Work

Step 1: Define Your Unique Selling Proposition (USP)

Start with your Business Model Canvas. What is the core value you promise to your customers? This is your USP.

Example: A custom furniture business might have the USP:

"Exact height and weight furniture, delivered and assembled in under a week!"

Step 2: Map Your Key Activities to Level 1

Break down your USP into the core activities required to deliver it. These are your Level 1 roles.

Example (Custom Furniture): - Take customer measurements - Design the furniture - Build the furniture - Deliver the furniture - Assemble the furniture

Each of these activities can be a distinct role or combined into a few roles at Level 1.

Step 3: Add Level 2 Coordination

As you add more Level 1 employees, who will coordinate them? This is your first supervisor.

Example: - A **Workshop Supervisor** to coordinate the design and building of furniture.
- A **Logistics Coordinator** to manage deliveries and assemblies.

Step 4: Add Level 3 Control Systems

What systems are needed to support the operations? These are your Level 3 roles.

Example: - An **Accountant** to manage invoicing, payroll, and financial reporting. - A **Sales & Marketing Manager** to manage pricing, promotions, and customer acquisition.

Step 5: Define Level 4 Strategy

Finally, who is responsible for the overall strategy and vision? This is your Level 4 role.

Example: - The **Founder/CEO** who decides on new product lines, market expansion, and long-term partnerships.

Step 6: Draw the Organogram

Now, you can draw the organogram based on these levels. It will naturally reflect how your business creates value, rather than being an arbitrary hierarchy.

4. Benefits of the Levels of Work Framework

- **Clarity of Roles:** Everyone understands their role and how it contributes to the company's success.
 - **Scalability:** The framework provides a clear path for adding new roles and layers as the business grows.
 - **Improved Delegation:** Owner-managers can confidently delegate responsibilities to the appropriate level.
 - **Better Decision-Making:** Decisions are made at the appropriate level, freeing up leaders to focus on strategy.
 - **Increased Efficiency:** The structure is aligned with the flow of work, reducing bottlenecks and inefficiencies.
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5. Conclusion

The Levels of Work framework is a powerful tool for any SMME looking to build a sustainable and scalable organizational structure. By moving beyond traditional hierarchies and focusing on how value is created, you can design an organization that empowers your team, delights your customers, and drives long-term growth.

Use the accompanying Excel template to map out your own business activities and build your Levels of Work organogram today!

References

1. Jaques, E. (1989). *Requisite Organization: The CEO's Guide to Creative Structure and Leadership*. Cason Hall & Co.
2. "Rethinking the Organizational Structure using a Levels of Work Framework" - Between Keyboard and Chair. <https://youtu.be/SxpNjYx8B1Y>