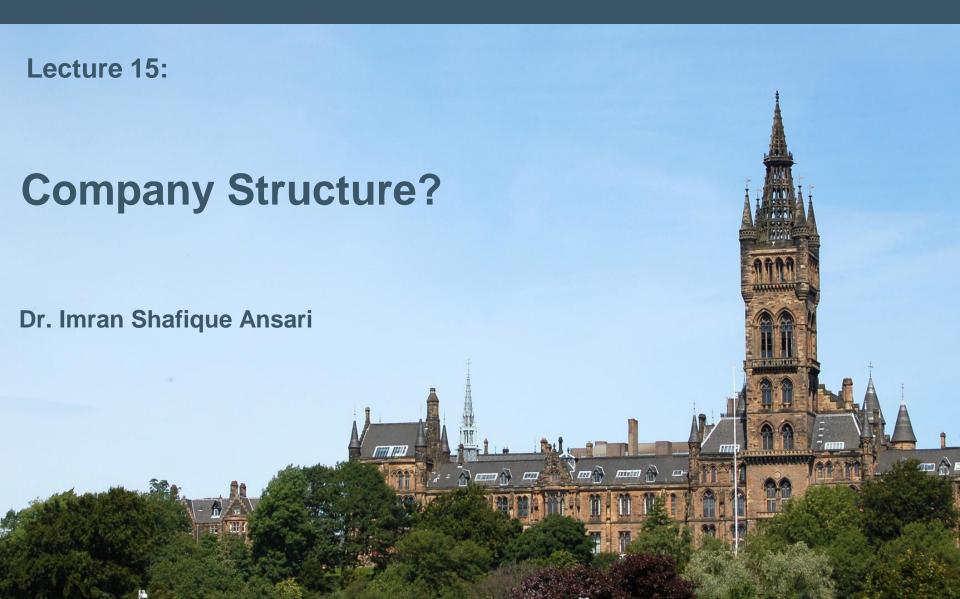


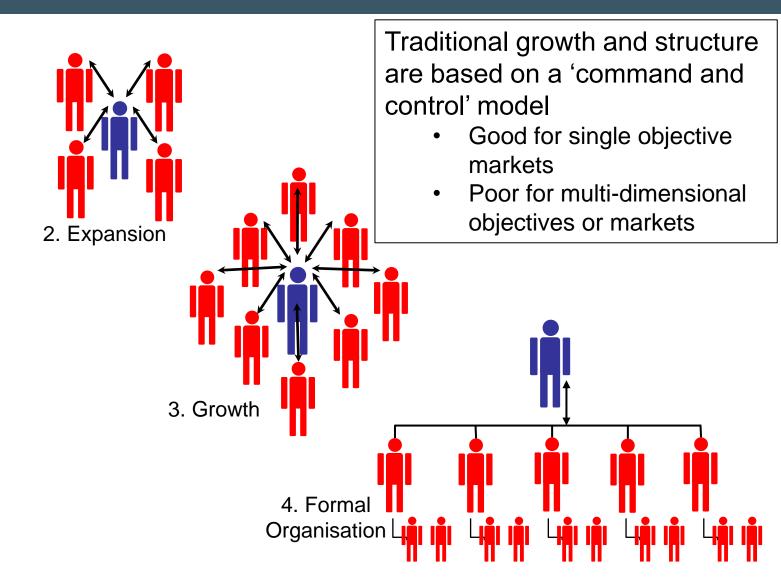
UoG / UESTC Joint School of Engineering Engineering Project Management & Finance





Company Structure and Growth







Greiner's 5 Growth Stage of Organisations*

1- Growth through Creativity

Crisis: Need for leadership

2- Growth through Direction

Crisis: Need for autonomy

3- Growth through Delegation

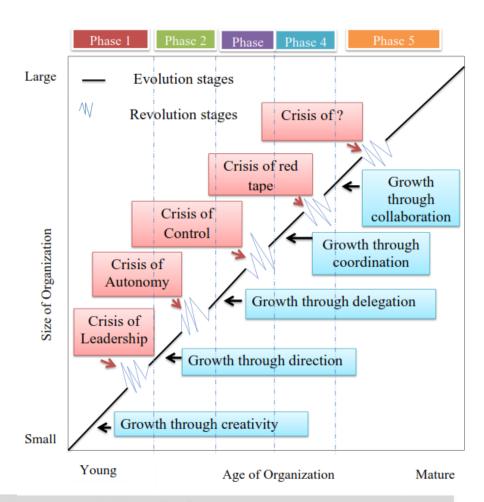
Crisis: Need for coordination

4- Growth through Coordination

Crisis: Need for collaboration

5- Growth through Collaboration

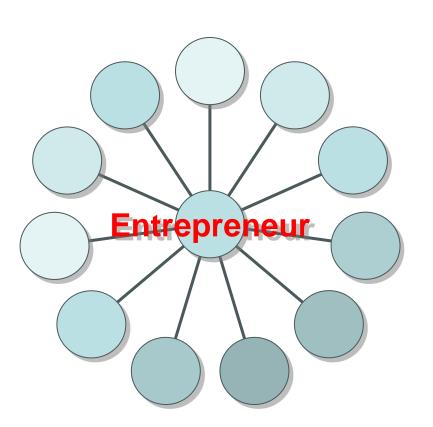
Crisis: Need to manage complexity



^{*} Harvard Business Review. From "Evolution and Revolution as Organizations Grow" by Larry E. Greiner, July-August 1972.



Simple start-up structure



- Minimum standardization and formalization
- Few layers: limited middle-line managerial levels
- Highly centralized and direct supervision (by the entrepreneur)
- Wide span of control (around the entrepreneur)



Strategy-Structure Fit

- An entire organization as an integrated whole is continually in dynamic interaction with its environments.
- Strategy and Structure: Chapters in the History of the Industrial Enterprise(1962); MIT Press; Chandler, A D
- There is a whole branch of management theory associated with organisational structures.
 - As engineers, you <u>don't need to know</u> the theory; just the major differences between each structure.



4 Organizational Strategy Types



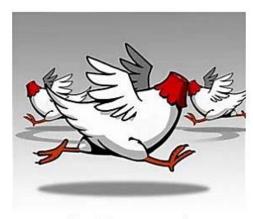
1. Defenders



3. Analysers



2. Prospecters



4. Reactive



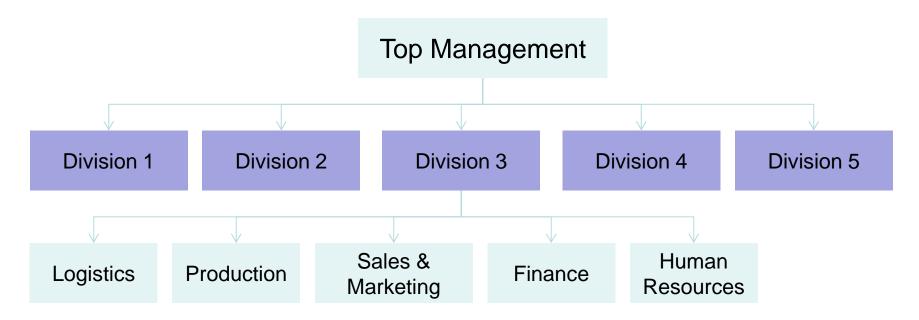
Structure Follows Strategy

Strategic Posture	Main Focus	Market Approach	Structure & Process
Defenders (e.g., stable market leaders) QUALCOMM	Efficiency & stability	Focus on a small, well- defined market	Formal, centralized, controlled; one core efficient technology
Prospectors (e.g., innovators in new markets)	Innovation & change	Always looking for new markets	Flexible, informal, decentralized; many new or experimental technologies
Analyzers (e.g., balanced approach like Intel)	Balance risk and profit	Keep strong core while carefully trying new things	Mixed or matrix structure; both stability and flexibility
Reactors ("Headless chicken" mode)	No clear strategy	Unclear, just reacts to change	Poor structure–not linked to strategy; often confused and unstable



Classic Large Organisation Structure

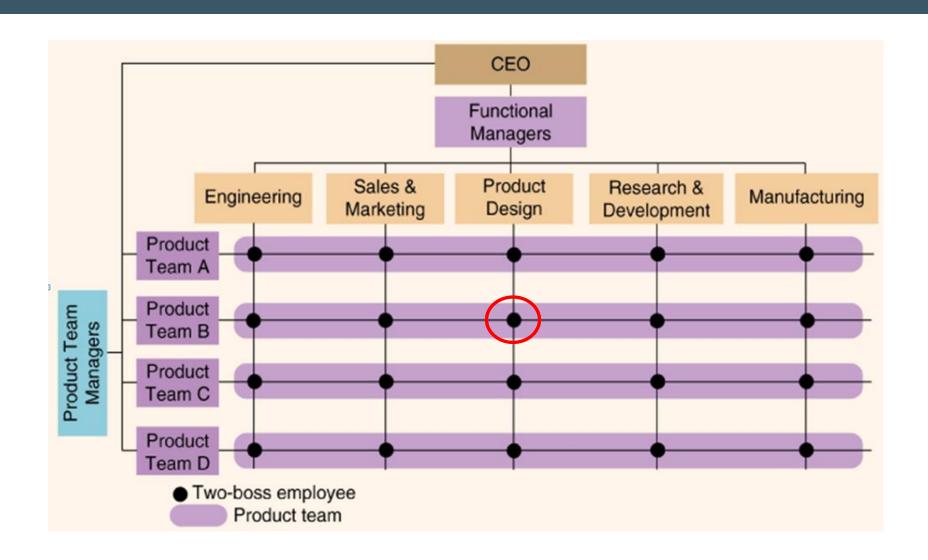
A Divisional Structure



- Each division is organized according to products, customer groups or different geographical areas, etc.
- Each division a <u>self-contained and autonomous entity</u>.
 <u>Decentralizes</u> decision-making responsibilities in product offerings, marketing strategy, and business strategies of responsible area(s).



A Matrix Structure



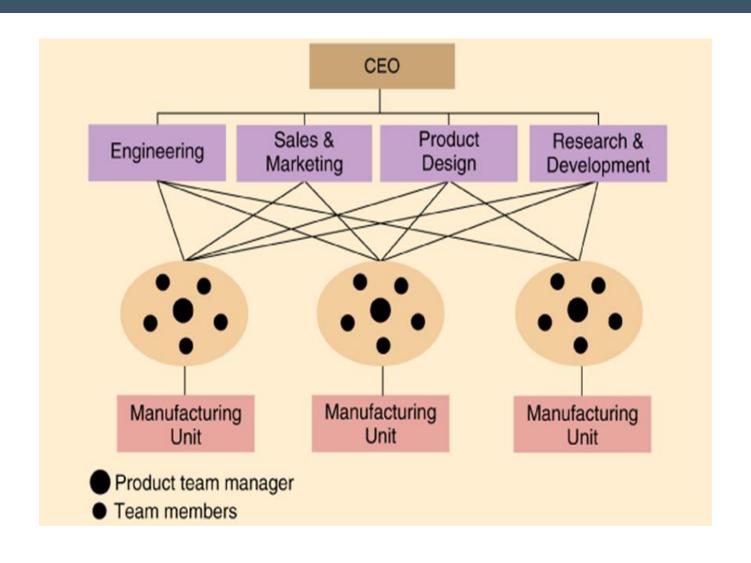
University of Glasgow

A Matrix Structure

- A grid-like organizational structure that addresses multiple business dimensions using multiple command structures.
 - Each member directly reports to two supervisors.
- Aims to realize the benefits of integration and responsiveness.
 - Attempts to coordinate and integrate functional, product and area responsibilities.
- Members from individual functions come together to work on a particular product/ market/ project; stresses the importance of a common focus via frequent interchanges and collaboration.



Team-Based Structure





CHANGE and ADAPT!

- Different Types of Structures Have Their Pros and Cons.
- Organisational structure <u>SHOULD NOT</u> be static.
- Innovative thoughts in (re-)structuring the organisation are required to achieve a right fit with strategy and other factors to promote innovation in products, processes and services.



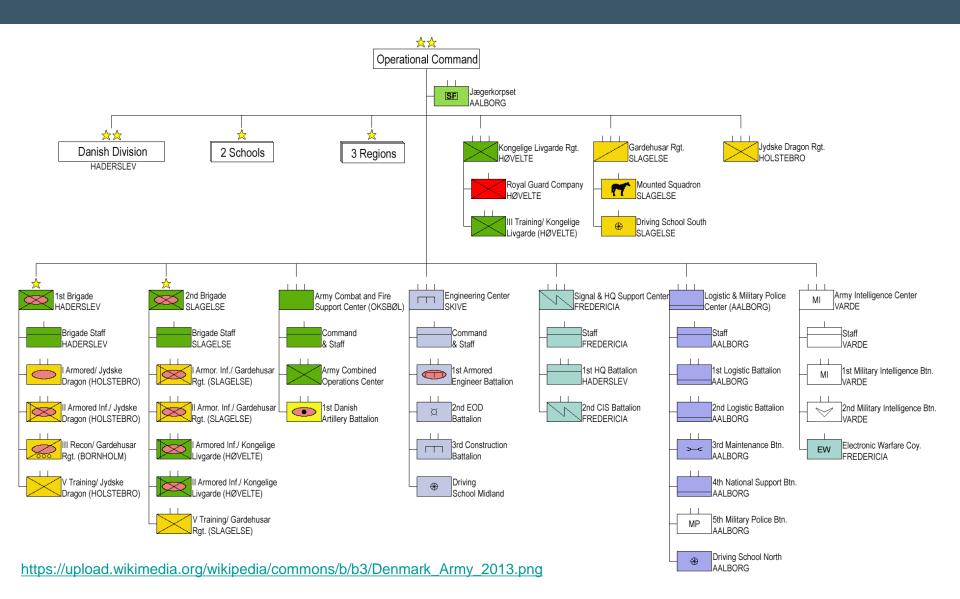
Huawei Corporation

CEO/Rotating CEOs **Group Functions** Corporate Cyber Security & Human Resources Finance Strategy Marketing Quality, BP & IT User Privacy Protection Development Corporate Leadership PR & GR Legal Affairs Internal Audit Ethics & Compliance Mgmt Dept 2012 Laboratories Supply Chain, Purchase, Manufacturing Products & Carrier Cloud Enterprise Consumer Solutions BU BG BG BG Huawei University Huawei Internal Service

Regional Organization (Regions and Representative Offices)

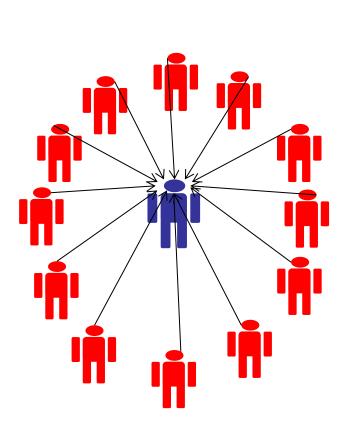


Danish Army: How do you think they are organised?





Who is this company?



Simple Entrepreneur Structure

