JFrog: An Analysis of Organizational Dynamics

2017 Consultant Report

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EXECUTIVE SUMMARY

JFrog is a pioneering software development and management company situated in the highly saturated Information Technology (IT) Industry. Entering into the Internet of Things (IOT) revolution, competitors from all around the world are seeking to disrupt its industry. As JFrog seeks to disrupt itself to maintain its competitive advantages, it faces growing pains. In an effort to understand and address the company's internal dynamics, management has entered into a client-consultant partnership. JFrog was analyzed through six organizational change models. JFrog's management is on the right track towards addressing its growing pains. However, it is critical that JFrog addresses the incongruences in its existing work process and existing organizational culture that underlies the company's growing pains. Techniques including Mental Models, The Ad-Free Brand, and the Strategic Fit Process were recommended as solutions for the future sustainability of the company.

BACKGROUND

Established in 2008, JFrog is a software development and management company situated in the Information Technology (IT) Industry. The Company specializes in binary repository management for web and code developers. As the creator of Artifactory and Bintray Platforms, JFrog introduced and provided to the world: the first universal artifact repository solution and distribution platform that manages all binary codes, allowing developers "complete control over the full software release flow" (CrunchBase, n.d.; LinkedIn, n.d.). "JFrog has changed the way developers and DevOps team store and manage binary code" (CrunchBase, n.d.). Positioned between developers and DevOps teams, "and managing one of their common challenges in software artifacts, JFrog is at the hub of the DevOps domain where development and IT operations meet" (CrunchBase, n.d.). Today, JFrog continues to be a leader in software

management and distribution and has achieved global recognition for its work" (JFrog, n.d. a.).

At JFrog, the company encourages a culture of superb work ethic, teamwork, caring, and winning (LinkedIn, n.d.). In 2016, JFrog was recognized as one of the best places to work by the Silicon Valley Business Journal (JFrog, n.d. a.). Currently, JFrog operates out of offices in California, France, and Israel. As the world approaches the next tech boom, The Internet of Things (IOT), JFrog aspires to continue to "set the world's software distribution standards" (CrunchBase, n.d.).

A Changing Environment

At the time of JFrog's inception in 2008, established IT Companies ridiculed and dismissed its idea. Analysts' outlook for the IT industry was worsening as the percentage of spending on IT decreased significantly from the previous year, 2007 (Reuters, 2008). Still, researchers persisted that there were "many benefits associated with fully leveraging ICT in everyday life, in business practices, and in government's activities and interactions" (p. ix); IT was key to socioeconomic growth (Dutta & Mia, 2009). By 2009, venture capitalists had been investing a great deal in "internet start-ups, this time labeled "web 2.0" (The Economist, 2009, para. 7). IT firms were starting to opt for "open-source software such as the Linux operating system and programs accessed over the Internet, or 'software as a service'" (The Economist, 2009, para. 9). By 2011, IT expertise and services was "the largest of any computer-related industry" (Csroney, 2013, para. 2). Thus placing JFrog as an innovator in the IT Industry that is understood today.

Today, as the world approaches the IOT revolution, the IT Industry is ranked as the fastest growing industry in the U.S. (Biery, 2017); with a projected growth of "72 percent from 2010 to 2020" (Csorny, 2013, para. 15). Moving into the IOT, trends indicate a shift towards a

need for "continuous updates", a "universal tool to serve all technologies", "freedom of choice", "software security", and "business models that will support user scale" (Haim, 2017). DevOps teams and software development is emerging as a necessity and non-tech companies are transitioning into software companies (Prabhu, 2017). As a result, the IT Industry is highly saturated with competitors from all around the world, seeking to disrupt the industry (Acker, Hagen, & Hajj, 2017). "Well established players will want to be aware of competitive threats and how new companies might disrupt their business models and at the same time considering how they can beat them to the punch by disrupting themselves first" (Sallomi, 2017, para. 6). "Technology companies are partnering together for the purpose of advancing a particular field or building end-to-end customer solutions" (Sallomi, 2017, para. 8).

JFrog is a "universal toolset on a mission" to "change the world of software" (Prabhu, 2017, para. 6) by creating "a faster, more efficient application development and release process that leads today's continuous integration and deployment space" (CrunchBase, n.d., para. 3). Entering into the IOT, JFrog' strategy is to continue to provide exceptional quality end-to-end support, build customer relationships, and listen to customer feedback to create a wholly liquid software. The company will also attempt to "help non-tech companies smoothly transition into software companies" by providing "companies with the ability to store software, distribute software, and scan for vulnerabilities and secure the code" (Prabhu, 2017, para. 5; para. 6). At the same time, JFrog will continue to concentrate on scaling its business. The company recently announced its "expansion into the Chinese market" (Tahan, 2017, para. 1). Even more recently, the company has acquired Dimon, a company that specializes in "continuous integration and Bot Automation" (JFrog, 2017a, para. 1), as well as CloudMunch, which specializes in

"democratizing DevOps by providing a powerful and universal DevOps intelligence platform" (JFrog, 2017b, para. 8).

Behind these efforts, JFrog is faced with changes of its own. In consolidating the new services, JFrog is undergoing company-wide procedural and departmental reorganization to support its growing customer base and its scale. These changes have resulted in what the company considers growing pains. One specific department in which these pains can be observed is the U.S. Sales Department. The changes in the company's sales department reflect the company's strategy to build and strengthen their customer relationships; it has been undergoing system and software modifications to provide representatives the ability to best match and most accurately cater to customers' needs. However, there has been diminishing workflow efficiency, diminishing employee motivation and satisfaction, and an increasing turnover rate. It is evident the tension among employees is creating an undesirable workplace environment. In an attempt to address these growing pains, management has entered into a client-consultant partnership[1] to conduct an assessment of the sales department's processes and these dynamics to formulate potential recommendations.

METHODOLOGY

This assessment of JFrog took a case study approach. Both confidential company information and public information available on the Internet were collected. Face-to-face interviews were conducted across JFrog's U.S sales department to understand JFrog's internal organizational dynamics. Thereafter, information collected was analyzed through various change models attained from University of Southern California's Communication Management Graduate Studies Program, Course 508. Lastly, findings were synthesized to provide

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[1] Full details of agreement can be found in the letter of agreement in **Appendix A.**

recommendations to address JFrog's growing pains.

FINDINGS

Interviews[2]

Findings from the interviews conducted with sales representatives corroborated with managements' concerns over the lack of changes to software and platform to assist their work processes, and management's concerns over the sales department's process of communication with solution engineers. Overall, this translated to employees' concern over their ability to serve their customers pending the company's expansion. Employees give management "plenty of credit for trying to bring teams together, promote cross team collaboration, and one-on-ones with leadership", however there is a deeper theme of resentment that later emerged during the interview process. Employees expressed frustration with leadership and the existing organizational culture that is created by leadership.

Employees were initially drawn to the opportunities JFrog presented them. In their job, they value their work and the relationships they build with clients. However, employees reveal that they soon learn of the lack of work-life balance. They feel that the existing physical rewards the company provides does not reflect the amount of work they are required to do.

The positive aspects mentioned during the interviews may pose as potential bright spots that could be leveraged in addressing the existing dynamics at JFrog.

JFrog's External Environment

At the company's establishment JFrog tapped into an "unknown market space, untainted by competition" in universal binary repository management (Kim & Manborgne, 2004, p. 3). It created a blue ocean out of the existing red ocean known as the IT industry (Kim & Manborgne,

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[2] Provided is a generalized summary of interview findings, please refer to **Appendix B** for a comprehensive report.

2004). Currently, JFrog is situated in a society that is becoming increasingly dependent on technology and connectivity. The result is an evolving industry that presents infinite blue ocean opportunities. Thus, JFrog and the IT Industry's structure were evaluated "in terms of the five forces" (p. 2) that defines and shapes "the nature of competitive interaction within an industry" (Porter, 2008, p. 2).

An assessment[3] indicated JFrog is faced with high threats from new entrants, substitute, as well as competitors. Entering into the IOT, hyper growth in the industry produces low entry barriers and a highly competitive business environment. While JFrog currently possess the power of supplier; as a growing business, the company has not achieved the benefits of scale. New entrants, "diversifying from other markets" (p.3), and competition with "a desire to gain market share" both have the ability to "leverage existing capabilities and cash flows to shake up competition" (Porter, 2008, p. 3).

Beyond JFrog's business environment, a PEST Analysis[4] also revealed political conversations surrounding Net Neutrality and digital security to pose as potential obstacles towards JFrog and its efforts.

JFrog's Internal Organization

JFrog's expansion efforts to keep up with the accelerating pace of "globalization and societal changes", calls for "greater agility, flexibility, and innovation" from its company (Worley & Lawler, 2006, p. 19). However, "the effectiveness of change efforts is largely determined by organizational design" (p. 19), and "an organizational design must support the idea that the implementation and re-implementation of a strategy is a continuous process" (Worley & Lawler, 2006, p. 19). In addressing JFrog's growing pains and understanding its

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[3] A detailed assessment can be found in **Appendix C, Table 1**.
[4] A full PEST Analysis can be found in **Appendix C, Table 2**.

workflow dynamics, an assessment was first conducted on the company's organizational design to evaluate the alignment of its internal structures.

Galbraith's Star Model exposed several inconsistencies between JFrog's described organizational design and its existing organizational design. In fact, JFrog's existing organizational design appears to sharply contrast the company's described design[5] in that it is the exact opposite. Not only is there an apparent hierarchy, but the company's existing design also reinforces a negative feedback loop as described under management process. Moreover, the existing work process further contributes to perceived discouragement by management. This negative feedback loop is at least facilitating an undesirable organizational culture and environment that may be contributing to the company's high turnover rates. This analysis presented clearly, the organizational learning disabilities that JFrog suffers from (Senge, 2006). For a full analysis, please refer to **Appendix D.**

JFrog in its Environment

"The critical first step in designing and leading successful large-scale change is to fully understand the dynamics and performance of the enterprise. It's simply impossible to prescribe the appropriate remedy without first diagnosing the nature and intensity of an organization's problems" (Wyman, 2003, p. 4). Respectively, in order to understand the full context in which JFrog's change efforts are situated, an assessment was conducted using the Congruence Model of Organizational Behavior to evaluate the company's alignment to its environment (Wyman, 2003). For a full report of this assessment, please refer to **Appendix E.**

Power

Power is the ability to get things done and implement change (Pfeffer, 2010). JFrog's

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[5] As seen in **Appendix D.**

power dynamics was assessed to determine the most effective approach towards successfully leading and implementing change. Likewise, an assessment reveals the most effective approach towards diagnosing and addressing future complications.

The pyramid in Exhibit 1 reflects JFrog's formal organizational hierarchy; please refer to **Appendix F** for a detailed analysis following this structure. The grid presented in Exhibit 2 is a more accurate representation of JFrog's organizational power dynamics; please refer to **Appendix G** for a detailed analysis of this map.
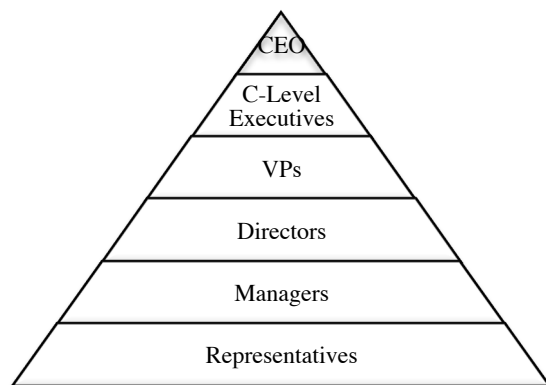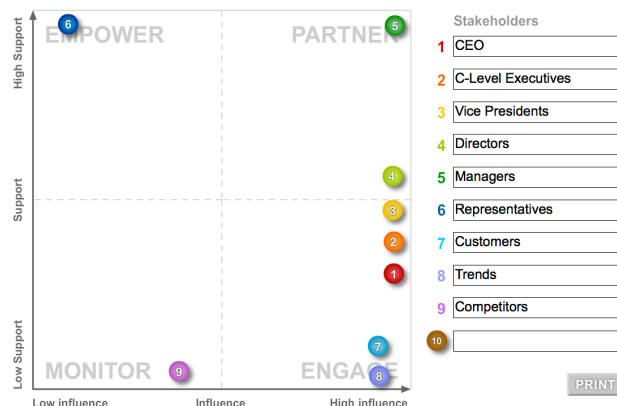
Exhibit 1:   **Exhibit 2:**

Synthesizing from the two types of power assessments, it can be concluded: while executives and directors are "faced with the leadership task", their existing duties are far too distant from the company's functional tasks. As a result, their position at the top limits their ability to do adaptive work to lead adaptive change. On the other hand, managers are lower on the political map; they are better positioned to carry out adaptive work. They have direct power to initiate and to lead change.

Implications

Within these contexts, a SWOT analysis was performed to determine the implications of the previous findings. It is clear that JFrog's biggest strength is its position as the leader in

universal repository management. However, the company's greatest weakness is its internal organization. Nonetheless, JFrog currently still has the opportunity to address these weaknesses, which will help the company maintain competitive advantage against its threats. For a detailed comprehensive analysis and report of findings, please refer to **Appendix H**.

CONCLUSION AND RECOMMENDATIONS

Critical Factors

Following the SWOT Analysis, it can be concluded that JFrog's three critical success factors are its company's growth, its customer relations, and its understanding of the technological environment. Entering into this client-consultant partnership, JFrog's management is on the right track towards addressing its growing pains. However, in order to fully and successfully leverage these three critical factors for a sustainable business, JFrog needs to address the incongruences in its existing work process and existing organizational culture that underlies the company's growing pains. Doing so will not only help match the maturity of JFrog's operational process with the maturity of the company's industry's demands, but it will also be beneficial to JFrog in differentiating itself and maintaining competitive advantage against its competitors. As a matter of fact, in light of the company's expansion efforts, addressing these incongruences is vital to JFrog's future survival, as it will prevent organizational implosion[6].

Recommendation

The following techniques to addressing JFrog's incongruences in its existing work process and organizational culture will: (1) prevent organizational implosion, (2) help create transparency and mutual understanding across departments and organizational hierarchy, and (3) help determine the best approach towards updating and automating platforms. In the process of

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[6] For further reading on Organizational Implosion, please refer to: Bozeman, B. (2011). Toward a theory of organizational implosion. *The American Review of Public Administration, 41*(2), 119-140

doing so, a focus should be placed on the positives rather than the negatives.

Mental Models- Ladder of Inference

The ladder of inference is a mental model that should be used to encourage reflection and inquiry (Senge, Kleiner, Roberts, Ross, & Smith, 1994). It helps individuals break free of deeply rooted assumptions and creates openness within an organization (Senge et al., 1994). The steps begin with observable 'data' and experiences, selected 'data' from what was observed, added meanings, assumptions made based off of meanings added, conclusions drawn, adopted beliefs, and finally, actions based on beliefs (Senge et al., 1994). Following the steps up the ladder, both parties will create a transparent understanding of how things are done (Senge et al., 1994).

Before using the ladder of inference, members of the sales department should be work together as a team on one side of the mental model, while solution engineers should work as another team on the other side of the mental model. Next, each team will begin by creating two columns— right-handed column for what was actually explained and left-handed column for what was thought[7] (Senge et al., 1994)**.** This will present a clear picture of how miscommunication occurs between the departments and the topics that actually needs to be addressed. The result will be increased transparency in communication between the two departments. It is noteworthy to mention, this activity is not limited to departments and can be used to solve individual miscommunication. It should be implemented regularly as office group activities to minimize assumptions and miscommunication and to maintain understanding and clarity.

Ad-Free Brand

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[7] For a better understanding of how to use the ladder of inference, please refer to: Senge, P. M., Kleiner, A., Roberts, C., Ross, R. B., & Smith, B. J. (1994). *The fifth disciple fieldbook: Strategies and tools for building a learning organization*. New York: Currency/Doubleday.

The process of building an ad-free brand within JFrog would help align employees' understanding of the company's culture, identify employees with genuine commitment to the organization, or lack there of, and increase their work motivation (Grams, 2012).

This approach begins with a focus on engaging all employees by inviting them to create a map of their experiences at JFrog. This should be done on an interactive surface and at a location that is frequented with high foot traffic. What is it like working at JFrog? What do people enjoy about JFrog? What does JFrog do? Are you proud to be a part of JFrog? These are all great questions to use in guiding the mapping experience. Working from there, it is important to engage and encourage employee involvement in creating and modifying the company's brand story together— with consideration to findings from the brand mapping experience (Grams, 2012). Positive experiences (or bright spots) should be endorsed. The result is a mutual understanding about the company, its role, its employees' roles, and its culture (Grams, 2012). Since JFrog is in a constant state of flux, it is would be beneficial that this mapping activity be done regularly as a part of JFrog's metrics for reviewing the alignment in the company's brand identity.

In addition to the above, it is also important to review the company's current goals, its goal setting process, remove the monthly quota, as well as create a rewards program for the employees that set good examples of achieving goals and living the brand. Having realistic goals will increase employees' work motivation, and rewarding employees could encourage others to live the brand well, as well as increase their work commitment (Gram, 2012). It would also be helpful to host employee brand boot camp and continue efforts for cross team collaboration (Gram, 2012).

Another aspect that is important to consider is whether the organization's interview,

hiring, and orientation processes need to be restructured to better communicates the organization's brand (Gram, 2012). That way, potential candidates will have a full understanding of what they are getting into. Then potential candidates can decide whether they identify with the company and can offer full commitment. This will not only decrease the hiring of under qualified individuals, but also decrease turnover rates.

Putting a greater focus on these specific factors involved in the process of building an ad-free brand internally could help address current employees' feelings of dissatisfaction towards management, other forms of resistance, and minimize future employee- leadership differences.

Beer and Eisenstat's 9-Step Strategic Fit Process[8]

Leveraging Beer and Eisenstat's Strategic Fit Process will be beneficial to creating a transparent and updated process from a technological perspective. **(1)** The Director will form a Task Force consisting of Solution Engineers, Sales Reps, R&D Engineers, and Managers from the respective departments. The Task Force should be limited to eight individuals maximum to avoid too many cooks in the kitchen. **(2)** The Task Force will be trained to determine what qualifies as critical information and gather specific employee concerns and suggestions regarding their software and platform. Ex: What platform is sales using? Does it sync with solution engineers'? **(3)** The Task Force will execute data collection by conducting interviews. **(4)** The Task Force will consolidate their findings and identify themes. The Task Force will prepare a report of findings. **(5)** The Managers from the Task Force will present the findings to the Director. **(6)** The Director will meet with all of the Managers to discuss an approach towards creating a new platform. **(7)** The Director and Managers will discuss the approach with the Task Force. **(8)** The Task Force will create a solution while the Director announces findings, solutions,

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[8] Map of Beer and Eisenstat's 9-Step Strategic Fit Process can be found in **Appendix I**.

and implements the new platform. **(9)** This process should be periodically repeated to ensure that the platform is up to date and representatives are not neglected.

__Implementation__

The implementation of the prescribed recommendations should utilize Heath and Heath's Switch Model (2010) to lead change as it coincides with the focus on positivity, bright spots, and transparency. Following the Switch Model, leading change begins with leveraging bright spots and building upon them (Heath & Heath, 2010). Next, leaders should attempt to minimize resistance or hesitancy by providing clarity. To achieve this, leaders should provide a clear understanding to how things should and will work moving forward and promote a culture of openness so that any concerns can be addressed. In doing so, leaders should remind employees of the organization's mission: to continue to set standards and remain a leader in software distribution, to be the first and the most popular.

After, leaders should appeal to positive emotions by emphasizing and building the bright spots into company regular activities to promote a healthy and happy internal organizational culture. This will make going to work something that employees' look forward to. Leveraging these bright spots by increasing individual learning and growth will also appeal to employees' fundamental need to learn. It would also be beneficial for leaders to set goals along the way for individual employees and create a rewards system for achieving the goals. This will encourage the learning of new skill sets. These steps will help in shrinking the pressures of change both internally and externally. It would emphasize learning rather than failure. It would help grow the company's employees. As a result, this method also presents itself as a metrics for evaluating employee growth.

On the path towards the company's goal, leaders should utilize the above

recommendations—Mental Models, the Ad-Free Brand, and the Strategic Fit Process, to help create an open organizational structure. Leaders should use the company's bright spots as guiding principles to maintain efficiency and competitive advantage, and build operational processes and change around the bright spots. Doing so would imbed these bright spots as a part of the company's culture and strategy and eventually become habits. Furthermore, creating a more open structure will also help encourage the concept of rallying the heard where people work together to find answers.

A Leap Into the Future- Sustaining the Change

In sustaining the change, JFrog should collectively leverage Heifitz & Laurie (1997) Principles of Adaptive Leadership as well as aspects of the Switch Model. Allowing managers to be the leaders in adaptive work, the company will be equipped with the tools to solve issues that arise in the future internally. As change management becomes in-house, the company will be better at finding optimal solutions; the company as a whole understands itself and what goes on best. This need for constant restructuring and "process-reengineering" will be eliminated, as adaptation will become a part of the company's operational process. A guide to using the principles of adaptive leadership can be found in **Appendix J.**

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APPENDIX A-

LETTER OF AGREEMENT

Annenberg School for Communication & Journalism
University of Southern California
3502 Watt Way Los Angeles, CA 90089
Tseyuwan@usc.edu

June 6, 2017

[Client]
Sales Department Representative
Sunnyvale, CA, 94089
United States

Dear Mr. [Client],

Based upon our previous discussions, this letter summarizes the terms of agreement of our client- consultant relationship and confirms the formal commencement of our client-consultant partnership.

Objective:

The primary goal of this partnership is to examine and address the growing pains the sales department of your United States office, is currently experiencing. Within the commencement of this partnership, we expect to match the maturity of the company's operational process with the maturity of the company's industry's demands by achieving the following objectives:

Time Management- workflow process:
- Assess the current workflow process
- Examine and determine ways to automate the current process

Workflow Efficiency- sales calls:
- Review the metrics of employee performance
- Understand the current relationship between the sales representatives and solution engineers
- Determine a solution for building a clear and transparent relationship and process between sales representatives and solution engineers

Employee Satisfaction- sales representatives:
- Discover and establish a method for assessing employee emotions, wants, and needs
- Understand employees' change in behavior
- Understand employees' wants and needs
- Establish solutions to creating a desirable workplace

Executive Report:

- Prepare and present an executive report outlining findings, analyses, and
recommendations towards addressing the department's growing pains

Scope of Work:
This client- consultant partnership commenced on _____ will conclude on the 14th day of August in the year of 2017. Due to the given time constraints, the consultant will need the client's commitment in the project such as:
- Discussing factors regarding their performance and employee performance
- Providing openness and feedback on issues pertaining to the research
- Collaboration in addressing the problem
- Sharing accountability
- Ensuring employee anonymity by never asking for specific names of employees
and their opinions

Additionally, in order to achieve research efforts, the client will grant the consultant access to the company's:
- Missions and goals
- Plans for procedural change including desirable outcome
- Previous methods and procedures
- Key employees involved in the change in the sales department
- Other important stakeholders

The consultant will ensure the anonymity of all employees and the confidentiality of their opinions, in addition to the confidentiality of the company information.

Approach:
The consultant will execute the following:
- Assess: Review and evaluate the company's mission, goals, current processes, and
proposed plans
- Interviews: Conduct interviews with key employees and relevant stakeholders
- Examine: Examine potential solutions
- Discuss: Discuss and consider issues and solutions pertaining to procedural
changes

Outcome:
The intended outcome of this partnership is to understand the reasons for which procedural reorganization in the sales department is necessary, as well as to understand the process of managing and implementing this procedural reorganization and its effects.

Fees and services/ Boundaries of agreement:
There will be no charge for consulting services and research efforts pertaining to the boundaries of this agreement. A 7-day notice must be provided and discussions must ensue prior any formal alterations to the terms and conditions of this agreement.

Disclaimer:
The research efforts and results of this client- consultant relationship will be used and provided to University of Southern California- Annenberg School for Communication and

Journalism, graduate course- CMGT 508, Section B of Summer term 2017 for strictly academic purposes only. The company's employees will remain anonymous and information pertaining to the company will remain confidential.

Terms of agreement:

The client entering into the client- consultant partnership fully understands the objectives, scope of work, approach, outcome, fees and boundaries, and disclaimers as presented in this letter. The client fully understands his role in this partnership. He will commit to the project as stated above as well as grant the consultant access to information as stated above.

The consultant will attempt to not only provide the most accurate representation of the sales department and the company, but also to assist the company to the best of her ability. The consultant will also ensure the terms of anonymity and confidentiality. The findings will be presented upon completion of project.

Acceptance:

I _____*client name*_____, fully understand the terms of agreement as presented in this letter.
I _____*client name*_____, hereby commit to the terms of agreement as presented and formally commence this client-consultant partnership between Mr. [Client] and Robyn Wang.

_____   _____
                        Signature of Client   Date

I _____*consultant name*_____, fully understand the terms of agreement as presented in this letter.
I _____*consultant name*_____, hereby commit to the terms of agreement as presented and formally commence this client-consultant partnership between Mr. [Client] and Robyn Wang.

_____   _____
                        Signature of Client   Date

APPENDIX B-

INTERVIEW REPORT

Findings from the interviews conducted with sales representatives corroborated with managements' concerns over the lack of changes to software and platform to assist them in their work processes. The existing process is considered "tedious", "outdated", "time consuming", and "awkward". It was mentioned, "our sales team needs to function efficiently to sell and keep up with our customers, to turn our customers into third party sales reps". Likewise, management's concerns over the sales department's process of communication with solution engineers as something that could be improved were also corroborated. Employees felt they "don't have all the best access to the engineer's knowledge, things get lost in translation, and that makes it difficult for us to fully serve our clients". Overall, this translated to employees' concern over their ability to serve their customers pending the company's expansion. They believed "there is a very real truth, at some point, that we've gathered so many customers, that eventually sales has to go outbound. This outdated workflow is not at the scale of the industry and demand".

Employees give management "plenty of credit for trying to bring teams together, promote cross team collaboration, and one-on-ones with leadership", however they feel that employee engagement goes as far as the functional tasks and processes, and any employee suggestions regarding management style get disregarded. This reflects the deeper theme of resentment that later emerged during the interview process.

Employees expressed frustration with leadership and the existing organizational culture that was created by leadership. Employees feel, "as a company that pledges to be an open communication company, there is a lot of secrecy and hierarchy in terms of fear based management, hovering, and micromanaging, but at the same time they are not getting their hands dirty with you". Many feel belittled and feel that it's leadership's way or the highway. They also perceive a cultural barrier between them and leadership due to a language barrier; in relation, employees perceive nepotism. Employees feel that leadership sees everyone as expandable and as inconsiderate of their needs and growth.

Employees were initially drawn to the opportunities JFrog presented them in extensive training, real growth opportunity, start-up culture, and apparent work-life balance. In their job, they value their work and the relationships they build with clients. However, employees reveal that they soon learn of the lack of work-life balance. They feel that the existing physical rewards the company provides does not reflect the amount of work they are required to do. "It's actually God awful, there's no bonuses, no accelerating benefits, its just do your job and you can continue living this great opportunity that we have given you". It becomes a problem of, "I value being a part of that team but at what cost? How much are you willing to take before it's not worth it anymore?"

APPENDIX C-

Table 1: PORTER'S FIVE FORCES MODEL

THE SHAPE OF JFROG'S BUSINESS ENVIRONMENT

| |
|---|
| **THREAT OF ENTRY-** (moderate)
- Growth and new promising revolution into JFrog's sector presents many opportunities, meaning low entry barriers
- Lacks benefits of scale, JFrog is still a growing company
- *Currently* high switching costs for customers
- Has capital requirements- established
- Has incumbency advantage independent of size- customer service
- Lacks power of distribution |
| **POWER OF SUPPLIERS-** (high)
- High switching costs for customers
- Provides differentiated products |
| **POWER OF BUYERS-** (high)
- Similar products in the industry
- Saturated IT industry with knowledge and understanding of binary repository management
- Possibility to produce product (software) themselves |
| **THREAT OF SUBSTITUTES-** (high)
- Saturated IT industry with knowledge and understanding of binary repository management
- Similar products produced
- Constantly evolving industry
- Do it yourself potential |
| **RIVALRY AMONG EXISTING COMPETITORS-** (high)
- Numerous competitors
- High exit barriers
- Rivals highly committed
- Product price competition
- Software lifetime- perishable |

Table 2: PEST ANALYSIS

JFORG'S EXTERNAL ENVIRONMENT

POLITICAL: - Net neutrality/ boundaries - Digital security vs. access	**TECHNOLOGY:** - Rapidly and constantly changing - Towards a IOT revolution - Universally connected - Outdated workflow - Weekly updates - Need to create fully, universally, automatic liquid software - The cloud - Growing industry, everything is becoming tech based rooting in software engineering
ECONOMIC: - Industry increasing in worth	
SOCIAL: - Emphasis on connectivity - Technology focus - Relationship between departments	

APPENDIX D-

GALBRAITH'S STAR MODEL

JFROG'S DESCRIBED ORGANIZATIONAL DESIGN:
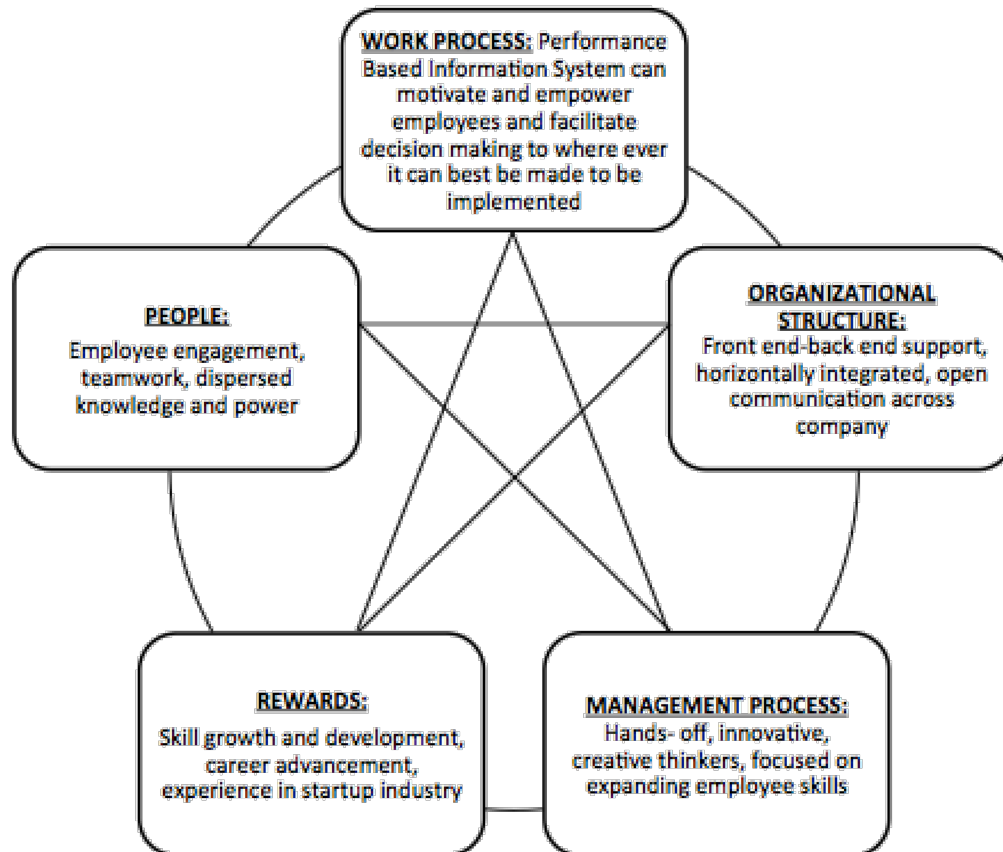
EXISTING ORGANIZATIONAL DESIGN:

Work Process: JFrog's work process is governed by a performance base information system that measures employee performance to a quarterly quota as well as an unwritten monthly quota. While quotas facilitate company growth and performance a monthly quota presents a gap that hinders employees' ability to get ahead. Employees perceive an extraordinary amount of pressure and no work-life balance. Work becomes checking off boxes and putting in hours to keep up with scale. Employee's ability to reflect on their performance as well as their creativity and innovativeness is hindered.

Organizational Structure: JFrog has a front-end and back-end organizational structure that pays close attention to the customers and places its operations close to its environment. Both the sales department and the solution engineers are in contact with customers receiving feedback,

while R&D engineers and leadership are situated close the company's external industry trends. However, internally, there is a closed system where knowledge of concepts and processes across departments are not in agreement. There lacks a unified vision. This is apparent in interactions with customers.

Management Process: JFrog's management process is hands-off and appears to encourage and promote an innovative and creative atmosphere. However, while employees are encouraged to find answers themselves, they find their ideas disregarded and dismissed. Employees are discouraged to seek new ideas and challenge the status quo. Employees perceive an organizational culture that is governed by fear and a lot of micromanaging. This negative feedback loop is reinforced by a lack of feedback and when employees observe innovation result in lay offs.

People: JFrog's management makes efforts to engage employees in strategizing, promoting teamwork, and dispersing power across organizational levels. However, it is evident there is a cultural divide and language barrier that impedes these efforts. Moreover, unqualified employees are brought on and are expected to figure things out on their own. The company also lacks a metrics system that measures employee strengths, weaknesses, skills, and development outside of their work performance.

Rewards: Very minimal rewards system is in place. Benefits and salary appear below industry average. No bonuses, no celebrations, no accelerating benefits, no encouragement for reaching achievement outside of training program. Employees are not praised for their accomplishments. Employees feel leadership takes their accomplishments to mean— leadership did a great job being leaders and employees should be grateful that they could continue living this great opportunity leadership gave them. Employees perceive leadership to not value their contributions and to view them as expendable.

IMPLICATIONS & LEARNING DISABILITIES:

JFrog's existing organizational design sharply contrasts its design in theory. Not only is there a hierarchy, but JFrog's existing design also reinforces itself in a way of negative feedback loop as described in management process. The existing work process that hinders innovation and creativity contributes its perceived discouragement by management. Likewise, the people structure and rewards system also reinforces the negative feedback loop.

Given the analysis thus far, JFrog suffers from disabilities Senge (2006) refer to as: an illusion of proactiveness, where JFrog's leadership attempts to promote open communication and collaboration, but suggestions and ideas are not taken; a fixation on events, where the company is focused on winning; the parable of the boiled frog, with the company's lack of metrics to measure employees; and the delusion of learning from experience, where employees are expected to find answers on their own.

APPENDIX E-

THE CONGRUENCE MODEL OF ORGANIZATIONAL BEHAVIOR
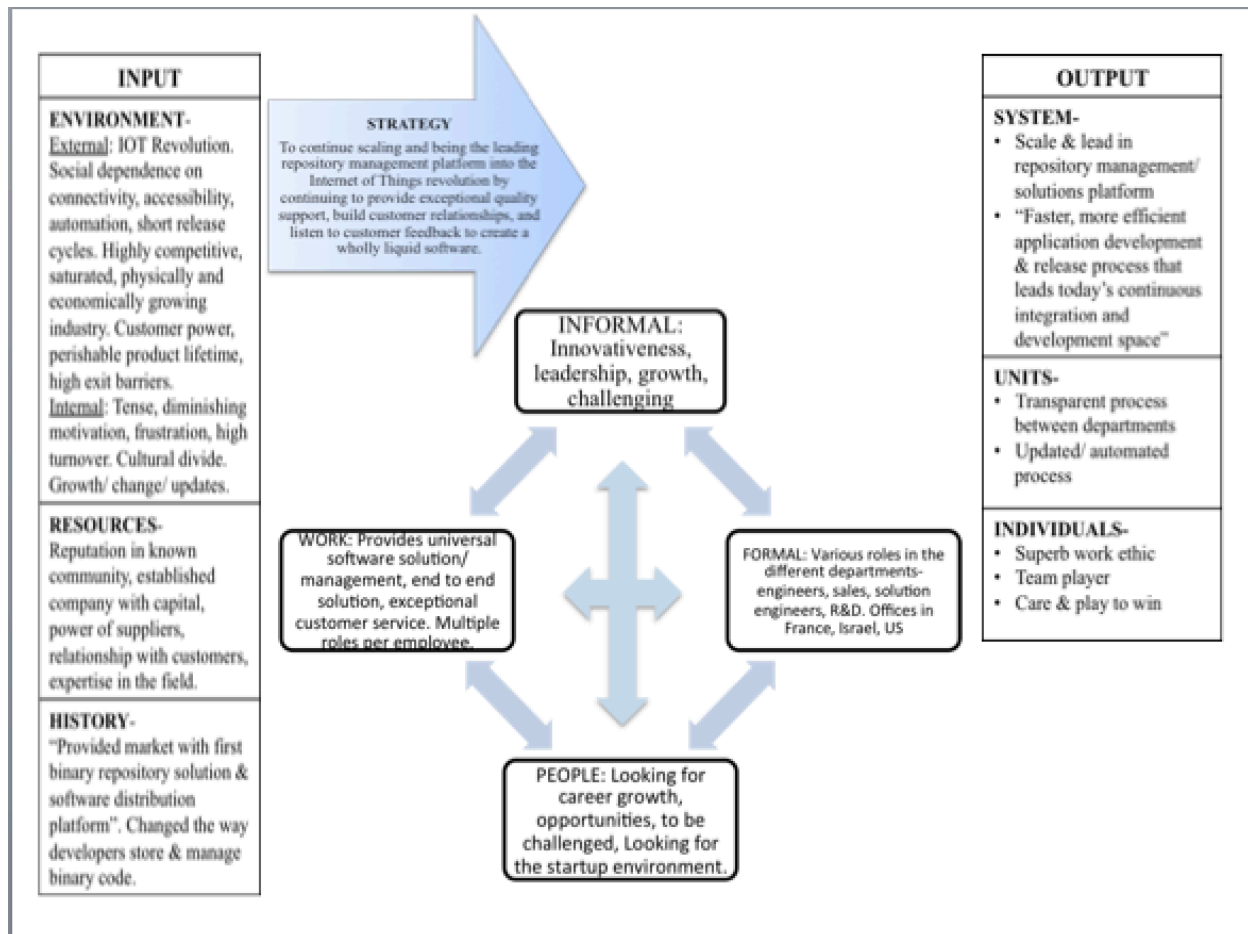
SUMMARY OF ANALYSIS-

The congruence model prescribes that an organization's input (environment, resources, and history) must be congruent with its outputs ("the pattern of activities, behavior and performance of the system" as a total system, as units within the system, and as individuals), and that its organization (work, culture, formal organization, and people, or the star model) has the ability "to configure its organizational components to create the output required by strategy" (Wyman, 2003, p. 7-8).

An analysis using the congruence model indicates growing pains to be merely symptoms of the problems underlying the existing organizational dynamics at JFrog. It was revealed, systematically JFrog's external environment, resources, and history (parts of the company's input), is congruent with its desired output. However, as organizational units, JFrog's internal environment is not aligned with its output, and similarly, the company's internal environment is not aligned with the output on an individual level. Moreover, supporting findings from Galbraith's Star Model, there were various incongruences within JFrog's four key organizational

components. JFrog's informal organization (organizational culture) is disrupting the congruency of the company's internal organization, thus negatively influencing JFrog's sales department's output as units within its system and as individuals.

ANALYSIS-

1. **Symptoms:** Growing pains, diminishing employee motivation
2. **Input:** Refer to chart
3. **Output:** Refer to chart
4: Determine the problems: As a system, the input and output aligns, and the strategy aligns with the output. However, as organizational units, the internal environment is not aligned with its output. Similarly, on an individual level, the internal environment is not aligned with the output.
5. Organizational components: Refer to chart; also refer to **Appendix D**.
6. Assess the congruence:

Individual—Formal organization:

> Both looking for growth, innovation, and leadership in the industry. However, the formal organization is lacking in benefits, work/life balance, and role separation.

Individual—Work:

> Employees are challenged; work offers growth in skills and potential career growth. However, in certain areas, employees are hitting a growth ceiling.

Individual—Informal Organization:

> Employees enjoy their coworkers; however, needs for an open culture and to share ideas are not met.

Work—Formal Organization:

> Processes need to be more transparent, needs to be updated, and needs to be automated.

Work—Informal Organization:

> In terms of innovativeness, work and informal organization are congruent. However, the literal cultural divide hinders open communication.
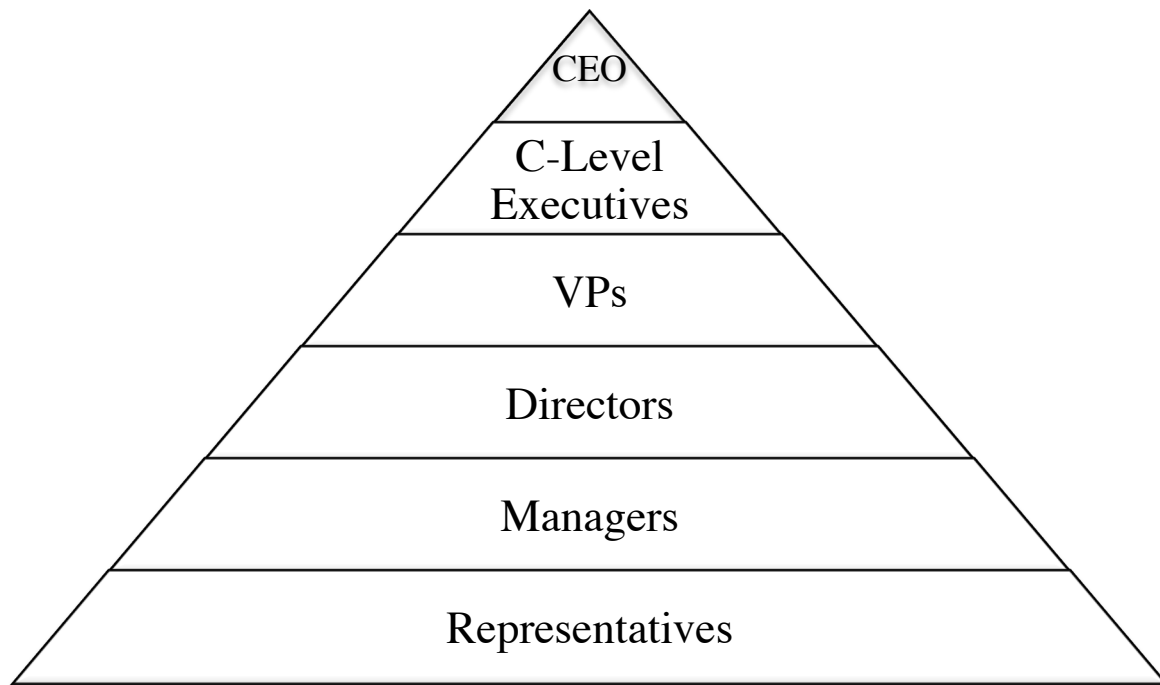
Formal—Informal Organization:

> Inadequate

7. Hypothesis: The informal organization is disrupting the congruency of the organization and the organization's unit and individual output.

APPENDIX F-

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EXISTING POWER STRUCTURE

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Leadership—Deals with overall global operations:
CEO- Company's co-founder

Other C-Level Executives- Chief Architect & Co-Founder, CTO & Co-Founder, COO, executive director.

VP- Product, R&D, Solution, HR, Business Development, Finance, & Sales

Regional operations:
Directors- Reports to leadership, split between regions, deals with operations specific to region, implements change.

Managers- Oversees departmental operations, manages departmental representatives. Provides employee feedback to directors.

Representatives- Employees. Receives feedback from customers, customers as well as individual feedback influences regional and global organizational operations, depending.

* Analysis can be found on the following page

ANALYSIS-

The above pyramid reflects JFrog's formal organizational hierarchy. The pyramid also represents a generalized understanding of JFrog's existing political power structure in terms of who has the greatest ability to dictate decision-making. They company's power travels from the top down and leadership (executives and directors) have the most power.

However, it is noteworthy to mention, this understanding does not account for the interactions that take place, the influences different roles in the hierarchy have on each other, and feedback; it does not take into account the organizational culture. Nor does it consider the external organization and the influences that has on the organization.

Following this pyramid towards successful change efforts signify leadership duties to entail the approval of, the leading of, and the directing of all change efforts from directors to representatives. Moreover, in order successfully lead change efforts, these duties require leadership involvement in front of the line duties to not only better understand the external organization from a consumers perspective, but also to fully understand the issues that employees are faced with in the organizational process.

APPENDIX G-

POWER MAP ANALYSIS
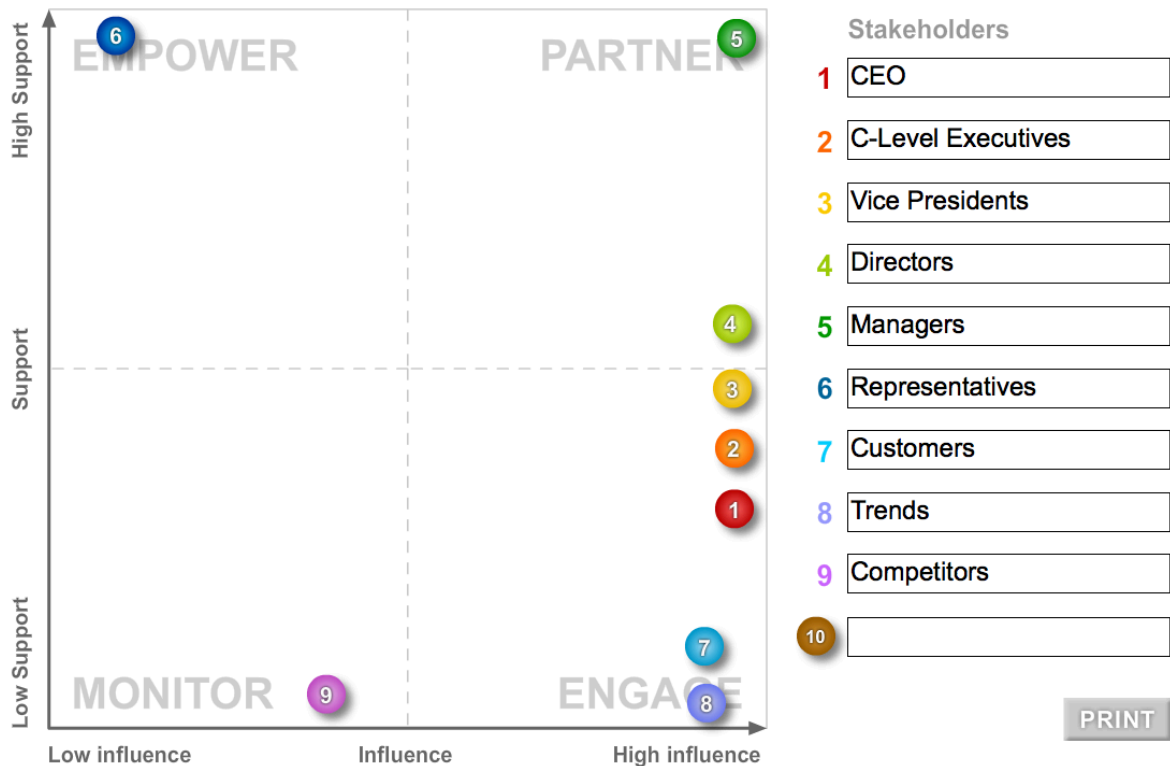
ANALYSIS-

The grid presented in above is a more accurate representation of JFrog's organizational power dynamics. It shows that managers have the most power due to where they are positioned rather than leadership. The location of the managers' position within the organization allows them to influence and motivate change with the regional directors, as well as implement change with the representatives (front of the line employees). Managers are positioned in such a way that they know what the directors expect and what the employees expect. They are positioned with one foot in the functional tasks and one foot out; they are able to better gauge what is realistic and doable and what is not. Managers are also best positioned to act as a bridge between the customers and the front of the line employees to the regional directors; and similarly, the other way around—between regional directors who have the ability to direct the managers to implement change and lower level employees who are involved in adopting the change.

APPENDIX H-

SWOT ANALYSIS

STRENGTHS:	WEAKNESS:
- Current leader in universal binary repository management - Highly trusted - Loyal customer base in organizational executives - Customer base/ partners in tech industry leaders - Early developer in industry - Known for their tech support - Ability to stay on top of technology updates/ forecast by listening - Rapid growth- doubled in last year	- Outdated operational processes/ procedures (workflow/ work process) - Understaffed - Diminishing employee motivation - Minimal focus on company's own product (software) - Not at stage where products just sells itself - Internal culture fueling an undesirable workplace environment - Incongruences as seen in Star Model and Congruency Model (**Appendix D & Appendix E**)
OPPORTUNITY:	**TREATS:**
- To continue to lead into new tech revolution - Scale operations - Expand customer base and products - Form new partnerships - Address problems underlying growing pains, to start new (*Current limited scale of company makes it easier to lead change*)	- Growing tech industry/ competitors - Uncertainty of industry - Increasing industry demands - Employees with internal knowledge, leaving for other companies - Customers could have ability to create personal solutions

ENVIRONMENTAL CHANGES BEING EXPLOITED OR CREATED BY JFROG:

JFrog has long been exploiting the changes that occur within the technological environment, targeting the growing advancements in the software industry. At the company's establishment JFrog tapped into an "unknown market space, untainted by competition" (p. 3) in universal binary repository management to create a blue ocean out of the existing read ocean know as the IT industry (Kim & Manborgne, 2004). JFrog created the only universal repository management platform that manages all binaries. However, although now an incumbent, the evolving industry presents infinite blue ocean opportunities. As a result, JFrog is continuing to exploit the technological and societal changes (as seen in the PEST Analysis in **Table 2, Appendix C**) towards the next tech boom where everything is interconnected—towards the world of connected devices.

JFROG'S ORGANIZATIONAL STRATEGY TOWARDS THE IOT:

To continue scaling and being the leading repository management platform into the Internet of Things revolution by continuing to provide exceptional quality support, build customer relationships, and listen to customer feedback to create a wholly liquid software.

3 CRITICAL SUCCESS FACTORS FOR JFROG:
1. Company growth:
>Continue expand and grow to keep up with industry demands by updating processes, addressing employees' needs, and forming new partnerships.
2. Customer relations:
>Continue to excel in providing customer service and developing customer relations in order to acquire useful feedback to gain insight on and anticipate industry trends as well as fill in industry gaps.
3. Understanding technological environment:
>Continue to stay on top of the technological environment to keep up with its evolution.

CHANGES NECESSARY TO IMPLEMENT STRATEGY:
In order to implement JFrog's strategy, the company must stay ahead of the industry. JFrog has to address the three critical success factors above. However in order to achieve this, JFrog has to work on becoming completely horizontally integrated and transparent across departments. Moreover, operational procedures have to become better automated and platforms have to become optimized. Findings corroborate with management's concerns.

THE SALES TEAM
The sales team at JFrog is one of the most important points of contact between the company and its customers. As sales are currently inbound, sale representatives' primary focus is on managing their customer and catering to their needs. Representatives are tasked with providing customers with optimal solution packages, scheduling and mediating clients' one-on-one meetings with solution engineers, managers, or directors, recording client feedback, and evaluating the scale of client's project. Sale representatives are expected to build their customer's trust and create long-term customer partnerships.

HOW THE CHANGE EFFORT FITS WITHIN THIS STRATEGY:
The sales department is currently all inbound and performs multiple functions, but as the company, its service, and customer base continues to grow, it will become outbound. It needs to fully understand the company's services and function more efficiently in order to perform their duties and keep up with their strategy.

The sales department is experiencing the changes the company as a whole is experiencing. It is currently in the process of integrating with and building a clear and transparent process with solution engineers and support teams to better sales calls. Additionally, it is currently undergoing changes to better automate their operational procedures.

WHO DEVELOPS STRATEGY AND HOW IS IT DEVELOPED:
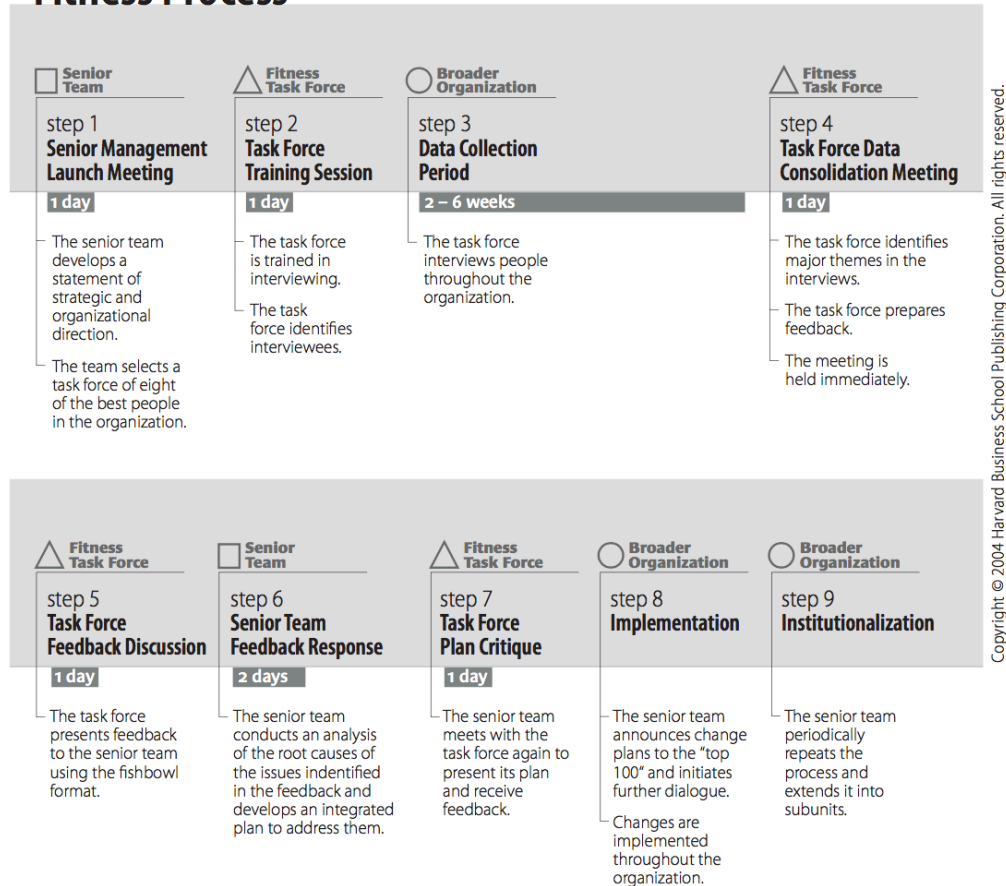Simply stated—currently, the top management materializes the strategy and idea, but the development and execution of ideas is from across all departments and levels of employees.[*]

[*] Please refer to comprehensive report of interview findings in **Appendix B**, Galbraith's Star Model in **Appendix D**, Existing Power Pyramid in **Appendix F**, and Power Map in **Appendix G** for a detailed understanding.

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BEER AND EISENSTAT'S STRATEGIC FITNESS PROCESS

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The Strategic Fitness Process

□ Senior Team	△ Fitness Task Force	○ Broader Organization	△ Fitness Task Force
step 1 **Senior Management Launch Meeting**	**step 2** **Task Force Training Session**	**step 3** **Data Collection Period**	**step 4** **Task Force Data Consolidation Meeting**
`1 day`	`1 day`	`2 – 6 weeks`	`1 day`
– The senior team develops a statement of strategic and organizational direction. – The team selects a task force of eight of the best people in the organization.	– The task force is trained in interviewing. – The task force identifies interviewees.	– The task force interviews people throughout the organization.	– The task force identifies major themes in the interviews. – The task force prepares feedback. – The meeting is held immediately.

△ Fitness Task Force	□ Senior Team	△ Fitness Task Force	○ Broader Organization	○ Broader Organization
step 5 **Task Force Feedback Discussion**	**step 6** **Senior Team Feedback Response**	**step 7** **Task Force Plan Critique**	**step 8** **Implementation**	**step 9** **Institutionalization**
`1 day`	`2 days`	`1 day`		
– The task force presents feedback to the senior team using the fishbowl format.	– The senior team conducts an analysis of the root causes of the issues indentified in the feedback and develops an integrated plan to address them.	– The senior team meets with the task force again to present its plan and receive feedback.	– The senior team announces change plans to the "top 100" and initiates further dialogue. – Changes are implemented throughout the organization.	– The senior team periodically repeats the process and extends it into subunits.

APPENDIX J-

GUIDE TO APPLYING HEIFITZ & LAURIE'S ADAPTIVE LEADERSHIP

Figure 11.1 Model of Adaptive Leadership
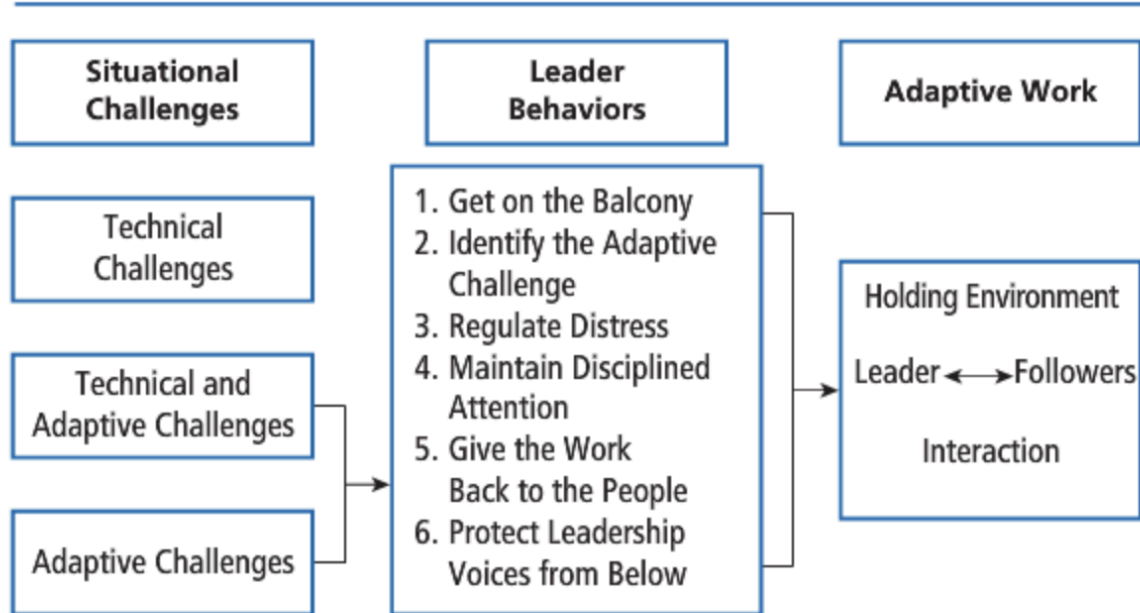
In applying the principles of adaptive leadership, managers should be given a great amount of power overall with regards to managing change. To begin, managers need to be meeting with leadership to discuss and gain a larger, more external perspective of the organizational context. Managers should instead be the ones identifying the adaptive challenge, rather than external consultants. They should not only relay their findings to their employees to create a holding environment, but also to leadership in order to shape the organization's focus in addressing the adaptive challenge. In this process, managers should have the full ability to regulate the change and the rate of the change as they are situated in the context of change and have the ability to see the change from an external perspective. In doing so, they should also not only maintain disciplined attention within their employees, but also with leadership in staying on the path of the vision. Additionally, managers should present different perspectives based off of concerns voiced by employees and their experiences during their meetings with leadership. This way the organization as a whole can consider all possibilities and use any conflicts as a source of creativity. In doing so, managers are allowing employees to take initiative and delegating responsibilities to them. Lastly, leadership often times project the demeanor that they know best and employees should be appreciative of the opportunity they are given. Since managers are in the best position to relay information, they must consider their employees' concerns and speak up for their employees should they see fit.