4 Steps to Mapping your Business Functional Structure

Having the Right People in the Right Seats responsible for the Right Things in your Organisation

Are you having trouble with role clarity and accountability?
Too much talk, not enough action?
No clear metrics to track how each department is going?
Need good process but not sure which one's to start with?

Most organisations have an organisational structure but is it functional?
This guide has been prepared to help you map out a functional business structure
to help you create a well structure business that thrives as you grow.

Introduction

Most businesses have an organisational structure but is it functional? Does it explain what happens across the organisation and how things come together to make the business work seamlessly? Probably not.....

We find that having a clear functional structure is a key foundational piece to creating:

- ✓ An organisation with key accountabilities
- ✓ Clarity on what happens across the organisation and which departments are responsible for what activities
- ✓ Processes that need to be documented and trained on
- ✓ Solid communication removing silos between departments
- ✓ Key measurables to understand how each department is performing
- ✓ Clear role descriptions for the team
- ✓ Clear priorities for each department every 90 days

4 Steps to Mapping your Business Functional Structure

1. Identify all tasks

With the support of your team, identify all the tasks you currently perform in the business.

Often you will discover that some tasks are being covered by more than one person and there will also be tasks that no one is really in charge of. It is easy to see how one task assigned to one person can be dependent on the output of another, thus creating a sequence of tasks.

In our organisation, we often make use of post-it notes to list down all tasks identified. This makes it easier for us to categorise them later into groups.

2. Group similar tasks together

Once all the tasks have been identified, group together similar tasks. By grouping these tasks together, you will be able to see a clearer picture of how different sequences work in your business.

Give each group a name in terms of functional areas e.g. business administration, marketing, business planning and so on.
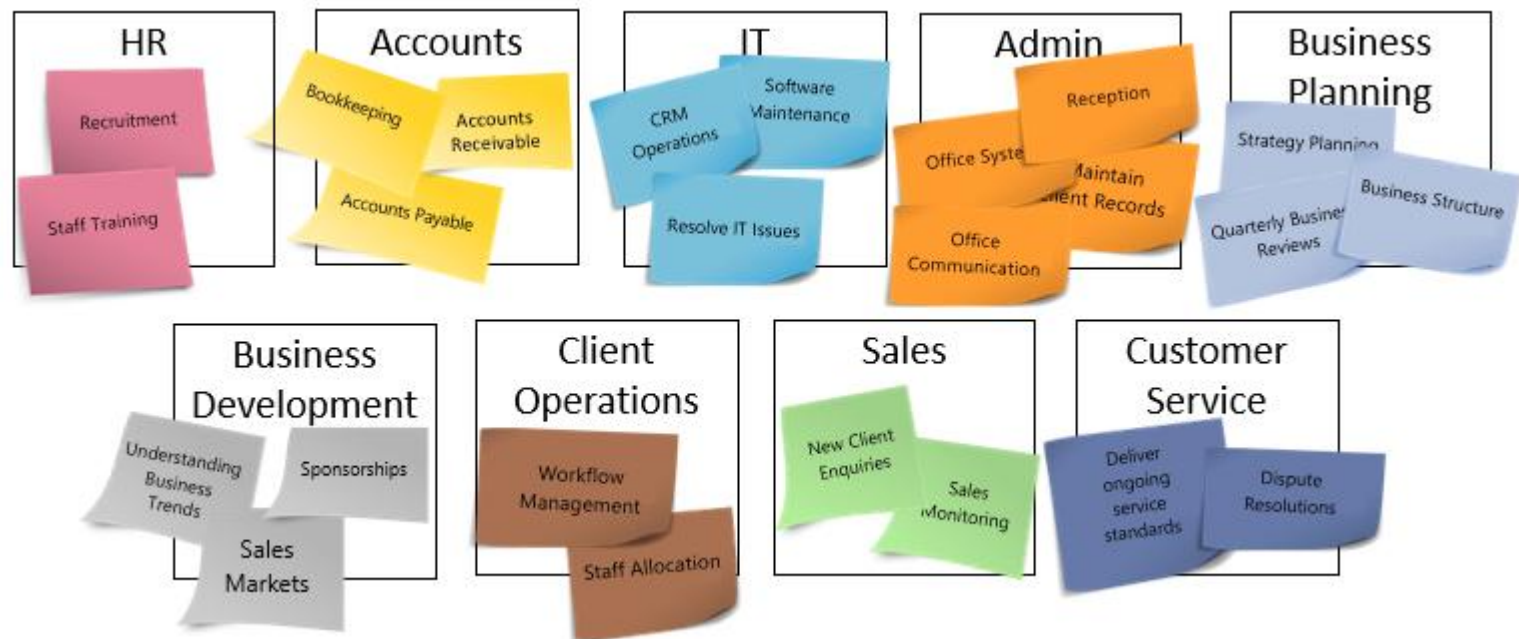
3. Categorise each group into 3 main functional areas

After grouping the tasks together, it will become more evident which task group belongs in each business category. We call these the 3 functional areas:
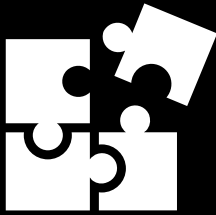
Business Management
Includes tasks that focus on future revenue $

Business Operations
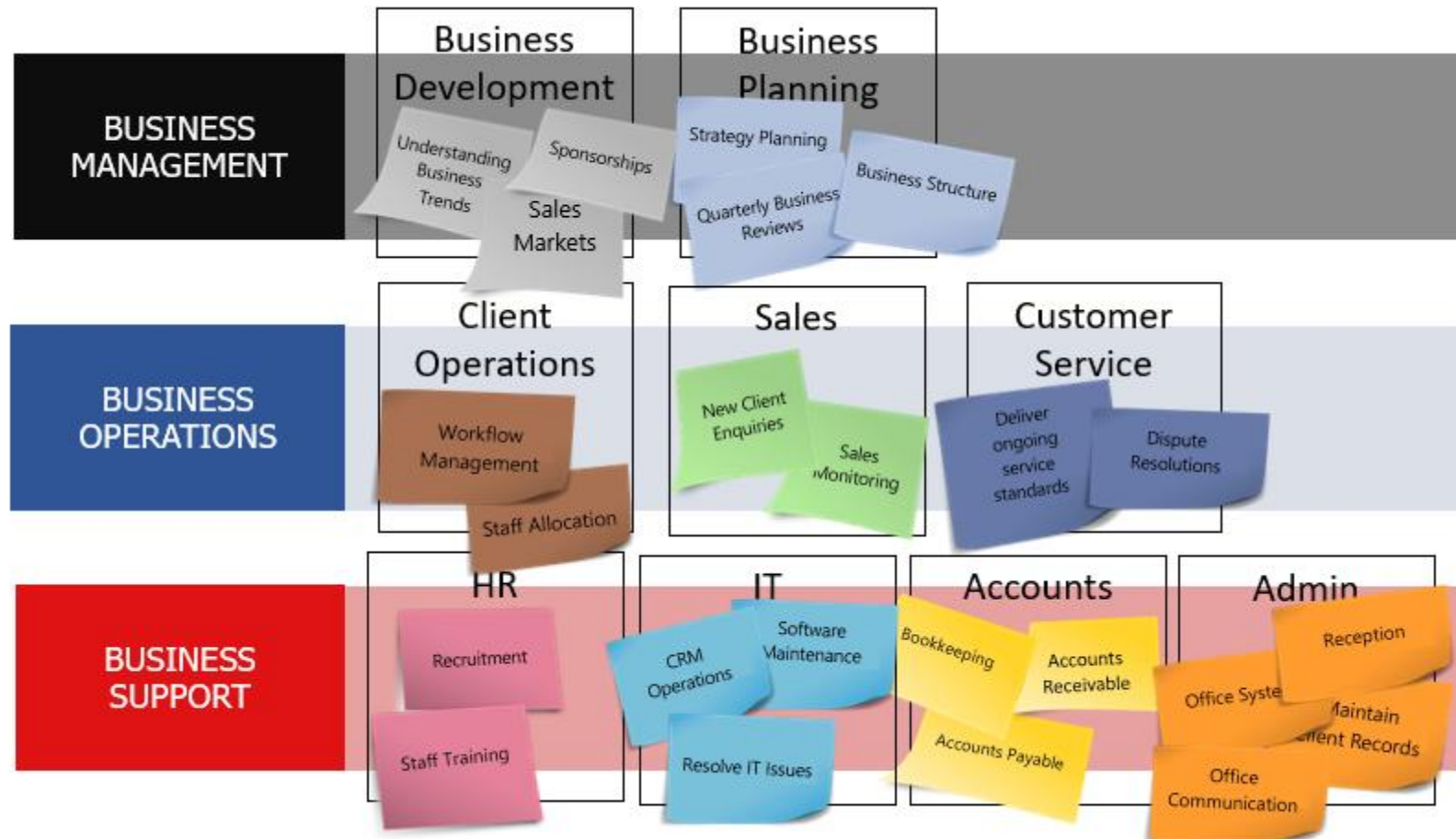includes tasks that focus on present revenue $

Business Support
includes tasks that have nil revenue $ value, but are essential to your business
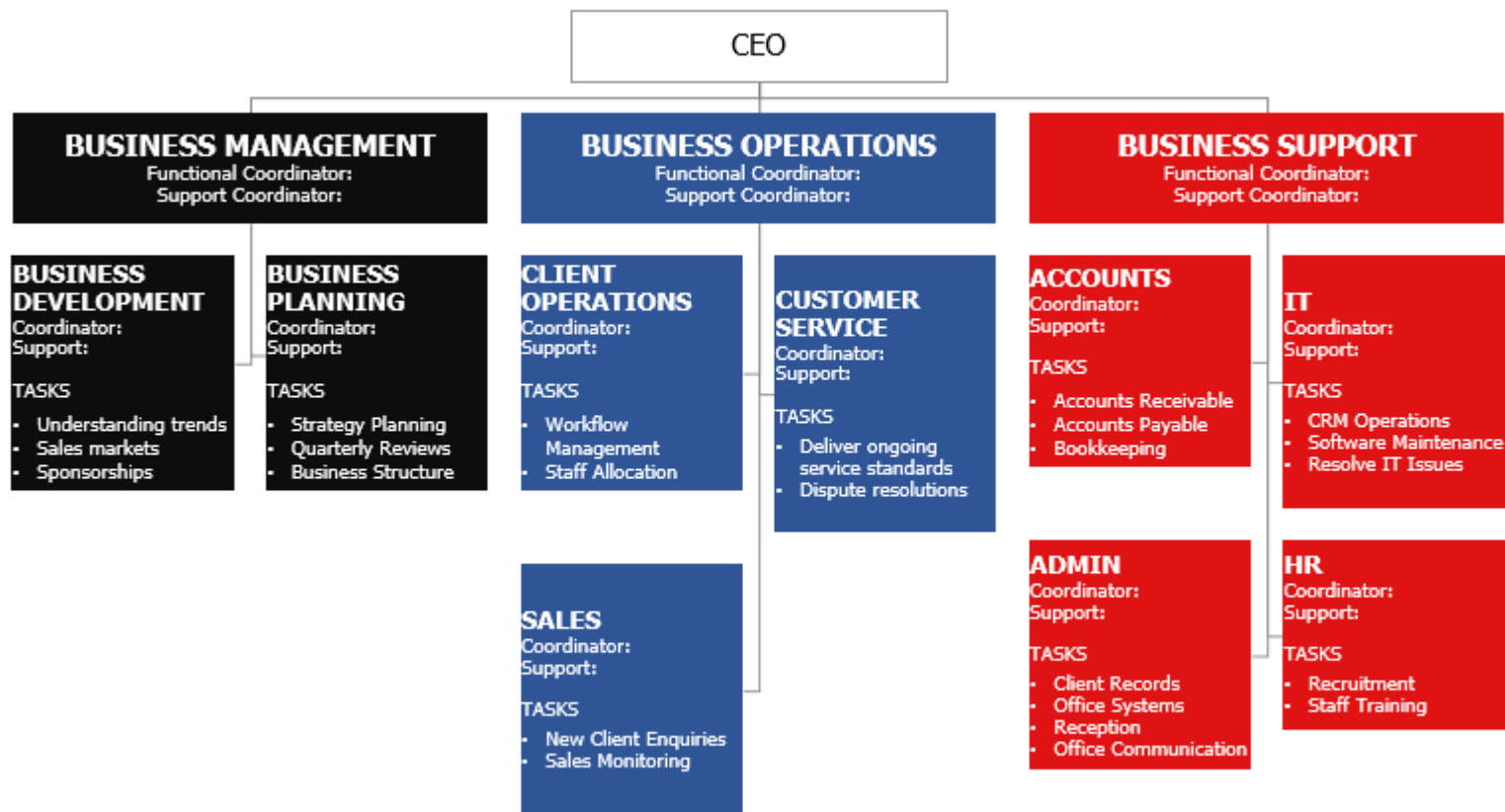
Adapted from Shirlaws Group

Below is an illustration of grouping identified tasks based on functional areas

Adapted from Shirlaws Group

4. Assign people to each functional area

Identify the best person to take the role and responsibility of coordinating each functional area. The functional co-ordinator is accountable for this functional area, but not necessarily responsible for each associated task. There can be one person accountable for multiple functional areas. As the business grows you will need to allocate your people specific roles, so they can focus their attention on specific areas in your business.

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                        │     CEO      │
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BUSINESS MANAGEMENT
Functional Coordinator:
Support Coordinator:

BUSINESS OPERATIONS
Functional Coordinator:
Support Coordinator:

BUSINESS SUPPORT
Functional Coordinator:
Support Coordinator:

BUSINESS DEVELOPMENT
Coordinator:
Support:

TASKS
- Understanding trends
- Sales markets
- Sponsorships

BUSINESS PLANNING
Coordinator:
Support:

TASKS
- Strategy Planning
- Quarterly Reviews
- Business Structure

CLIENT OPERATIONS
Coordinator:
Support:

TASKS
- Workflow Management
- Staff Allocation

CUSTOMER SERVICE
Coordinator:
Support:

TASKS
- Deliver ongoing service standards
- Dispute resolutions

SALES
Coordinator:
Support:

TASKS
- New Client Enquiries
- Sales Monitoring

ACCOUNTS
Coordinator:
Support:

TASKS
- Accounts Receivable
- Accounts Payable
- Bookkeeping

IT
Coordinator:
Support:

TASKS
- CRM Operations
- Software Maintenance
- Resolve IT Issues

ADMIN
Coordinator:
Support:

TASKS
- Client Records
- Office Systems
- Reception
- Office Communication

HR
Coordinator:
Support:

TASKS
- Recruitment
- Staff Training

Adapted from Shirlaws Group

Next Steps

Document and communicate it to the team

Document and communicate the functionality chart to your people. Often team members can feel confronted by the change, or be unwilling to give up tasks that they have become accustomed to doing. Let your people know their responsibilities and set clear expectations. This allows them to deliver what you expect of them in their work performance, without you constantly monitoring their progress. Managing this through clear communication, accountability and execution is very important.

Be sure to identify 1-2 metrics for each functional area. These metrics will determine if that particular functional area is on track or off track.

Rinse and repeat

The transition to the new structure is not always easy. Some issues could arise as we roll out these changes, such as:

- Helping the team understand functionality. One of the potential issues we face when explaining the three functional areas is the perception that one area is more important than the other. When we talk about business management, business operations and business support, it is important to remember that these three areas are like cogwheels, meshed together. Each is intricately connected to the other for the whole system to work effectively. Framing this well is really important to help the team understand that all functional areas form an integral part of the business.

- Some functional roles in the business may not be specifically assigned to a team member e.g. staff training. This can typically occur in smaller businesses where there is no operations manager and training of staff can often be a piecemeal process. Functionality planning sessions can be a great way to identify these types of problems to ensure that the functional roles in a business are being implemented.

- Working through this process can sometimes result in new tasks and new roles emerging if there are gaps in the functional areas of the business. One of the challenges with new roles or tasks is to ensure that the person responsible is suitably trained. A training plan may need to be developed and implemented. Alternatively, if there is no suitable team member to perform the new functional role, the business may need to recruit to fill the void.

Revisit your functionality chart often and refine it if necessary. With the new functionality structure in place, there should always be a team member driving and monitoring the change in the business. Establish reporting protocols as a medium for people to communicate what is going on for them in their work area, clarify issues and identify areas where collaboration may be helpful.

Note: A special thank you to Shirlaws for developing the original Functionality concept in the 90's.

Sample Functionality Chart

Business Name

Business Management Functions: Future's Revenue $	Business Operations Functions: Today's Revenue $	Business Support Functions: Nil Revenue $
Business Planning and Management	Operations Management	Information Technology
Distribution	Client Services	Administration
Product Design	Client administration	Accounting and Finance
Marketing	Sales	Human Resources
		Legal and Compliance

Business Management

Business Management Functions: Future's Revenue $

Business Planning and Management

Coordinator:
Support:

Tasks

- Design and implement business plan
- Financial Management
- Corporate Governance
- Design and implement positioning strategy
- Succession planning

Distribution

Coordinator:
Support:

Tasks

- Identify and build new referal relationships
- Monitor and manage existing relationships

Marketing

Coordinator:
Support:

Tasks

- Design and delivery of marketing program
- Review product materials
- Branding
- Client research and surveys

Business Operations

Business Operations Functions: Today's Revenue $

- **Operations Management**
  - Coordinator:
    Support:
    - Tasks
      - Training
      - Project Management
      - Implement Functional Plan

- **Client Services**
  - Coordinator:
    Support:
    - Tasks
      - Delivery of ongoing service standards
      - Coordination of activities

- **Sales**
  - Coordinator:
    Support:

Business Support

Business Support Functions: Nil Revenue $

Information Technology
Coordinator:
Support:

Tasks

- Preapre IT plan and budget
- IT Purchases and Installation
- IT Maintenance Agreements
- Database management
- Webpage supervision and maintenance
- Backup and recovery

Administration
Coordinator:
Support:

Tasks

- Document formatting
- Procedures manual
- Telephone
- Office Systems
- Stationery and Supplies
- Office Communication
- Banking
- Receipting

Accounting and Finance
Coordinator:
Support:

Tasks

- Prepare budgets
- Bookkeeping
- Debtors / Creditors
- Payroll
- Funding
- EOY Reporting
- Insurance
- Prepare monthly financial reports

Human Resources
Coordinator:
Support:

Tasks

- Terms and conditions of employment
- Remuneration
- Position description
- Recruitment
- Staff induction
- Performance reviews
- Staff counselling
- Occupational Health and Safety

Legal and Compliance
Coordinator:
Support:

Tasks

- Legal structures of the business
- Contracts with suppliers
- Confidentiality
- Patents and Copyright
- Business registration
- Quality Control
- Legal Liaison
- Corporations Law

Get Traction in your Business with A Functional Team

By incorporating a structure within your business, you can develop a functional team so that everyone understand what they are responsible for.

Your organisation can take advantage of our cross-functional team workshop, where you can gain an improved understanding of your business organisational structure.

The cross functional team training workshop is for you and your team if:

- Your business is continually growing, and you need a structured foundation.
- You understand that accountability for you and the team is critical to moving your business forward.
- You have some gaps in the business in terms of resourcing but not exactly sure where.
- You would like to free up your time and would like to grow and develop your people, ensuring that they are accountable and executing agreed actions.
- Your business is growing rapidly in numbers and as more people come in, roles and expectations may not be that clear.
  You're looking to develop a structure to work within and ensure that your business functions efficiently through a high-performing, well-aligned team.

The implementation of functionality ensures your business:

Helps forecast resource allocations years ahead

Gets your team responsible for allocated functional areas and not just that of a specific role

Releases management to do more strategic activities

Gets the resource mix right across functional areas

Helps to create more time for value adding activities