Creating Your Organization Chart

Building an Organization Chart is the beginning of creating a larger strategy for your business. By determining the roles and responsibilities that you need, you'll map out a clear structure for you and your team. In this guide, you'll arrange your employees based on their contributions to a specific function in your business. For example if "Lead Generation" is a function, what positions contribute to generating leads? This way, you're not focused on the individual personalities of your employees, only the results you want to achieve. If you think about your business this way, it makes it easier to think about the future. What functions are missing in your business?
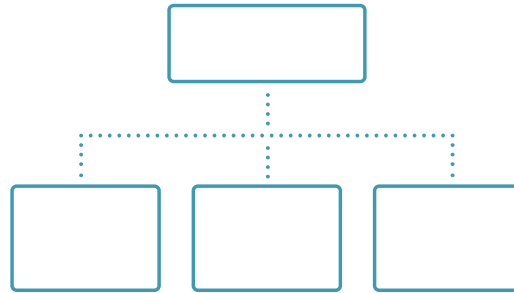
You might be thinking, "How can I possibly think about the future of my business when I have customers that need attention **now**, employees I have to hire **now**, bills I have to pay **now**." This pattern of thinking has a predictable result: In five years, ten years, even twenty years from now, your business will look very much like it does today. But if you think carefully about where you want to be—even just a year from now—you can make a significant difference in your company.

No matter how you imagine the future of your business, an Org Chart will help you properly prepare. If your Org Chart reflects your future, you can use it to reference what next steps you need in terms of hiring and growth.

Remember, as you work through this guide, it's imperative that you organize your staff based on **specific business activities**, rather than individual talent.

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Org Chart Key

- Boxes represent managerial positions. By definition, a managerial position is one that has positions reporting to it.

- Straight, vertical lines represent non-managerial positions.

- Connecting lines link boxes to one another, which show reporting relationships between managers.

Eight Steps to Complete Your Org Chart

1. FREE YOURSELF FROM YOUR CURRENT ORGANIZATION CHART.

   a. If you already have an Organization Chart, tear it up. You need to feel free and unencumbered as you begin to create something new.
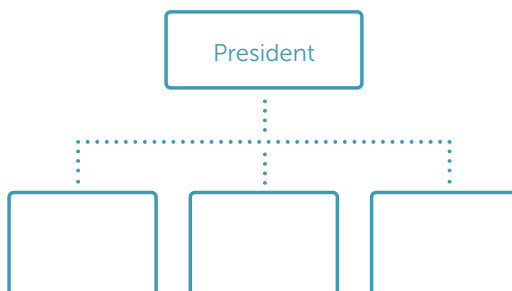
2. BEGIN WITH A TITLE AND THE PRESIDENT'S BOX.

   a. Take a blank sheet of paper and at the top write: The Organization Chart of (your company's name). Slightly below and centered, draw a box and in it write "President/CEO"

The Organization Chart of _____

President

3. DRAW A BOX FOR EACH OF THE MAJOR DEPARTMENTS.

   a. Create boxes for the departments that you want to represent at the next level of your organization. There are typically two to five boxes at this level. If you have more than five, consider creating an intermediate reporting level.
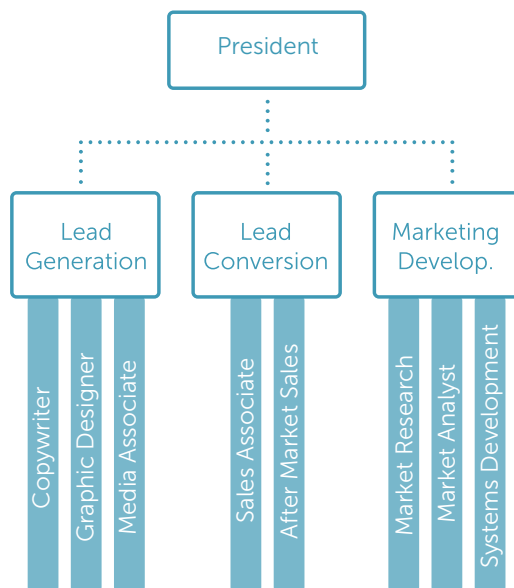
President

4. CREATE EACH MANAGERIAL AND NONMANAGERIAL FUNCTION.

For each department, draw boxes that represent functions and work groupings to accomplish each result. Identify the positions that do the tactical work of each function, then draw vertical lines to represent those positions.

When you're choosing your managers, remember to think about the capabilities of that manager. How many positions can they reasonably manage? No one answer fits every company in every situation, but here are some simple guidelines you can follow.

1. The more diverse the reporting position functions, the fewer reporting positions a manager should have.

2. The farther down the Org Chart you go, the more positions one can manage. This is because work becomes more and more uniform as you move down the organization.

3. No position should ever report to more than one other position. In other words, a person can have only one manager.

4. Avoid redundant management, if one manager is only managing one person, then take a close look at both their roles. Can these positions be condensed to one job? Can both people be managed by someone else?

President
- Lead Generation
  - Copywriter
  - Graphic Designer
  - Media Associate
- Lead Conversion
  - Sales Associate
  - After Market Sales
- Marketing Develop.
  - Market Research
  - Market Analyst
  - Systems Development

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5. CREATE POSITION TITLES.

Convert each function or activity name to a position title. Managerial titles, such as Vice President, Director, and Manager, are typically followed by the department name, such as Marketing, Customer Relations, Finance etc. Non-managerial position titles tend to be more specific and descriptive of the actual work performed, such as Bookkeeper, Payroll and Benefits Associate, Plumber, and Computer Programmer.

6. REVIEW AND REVISE THE ORGANIZATION CHART.

Evaluate what you've done. Does it reflect all the work groupings you need? Does it organize them in a way that makes sense? Does it look like what you want your business to become? Recognize that looking at your business in a bigger, more future-oriented way may feel un-natural or uncomfortable at first. Stick with it.
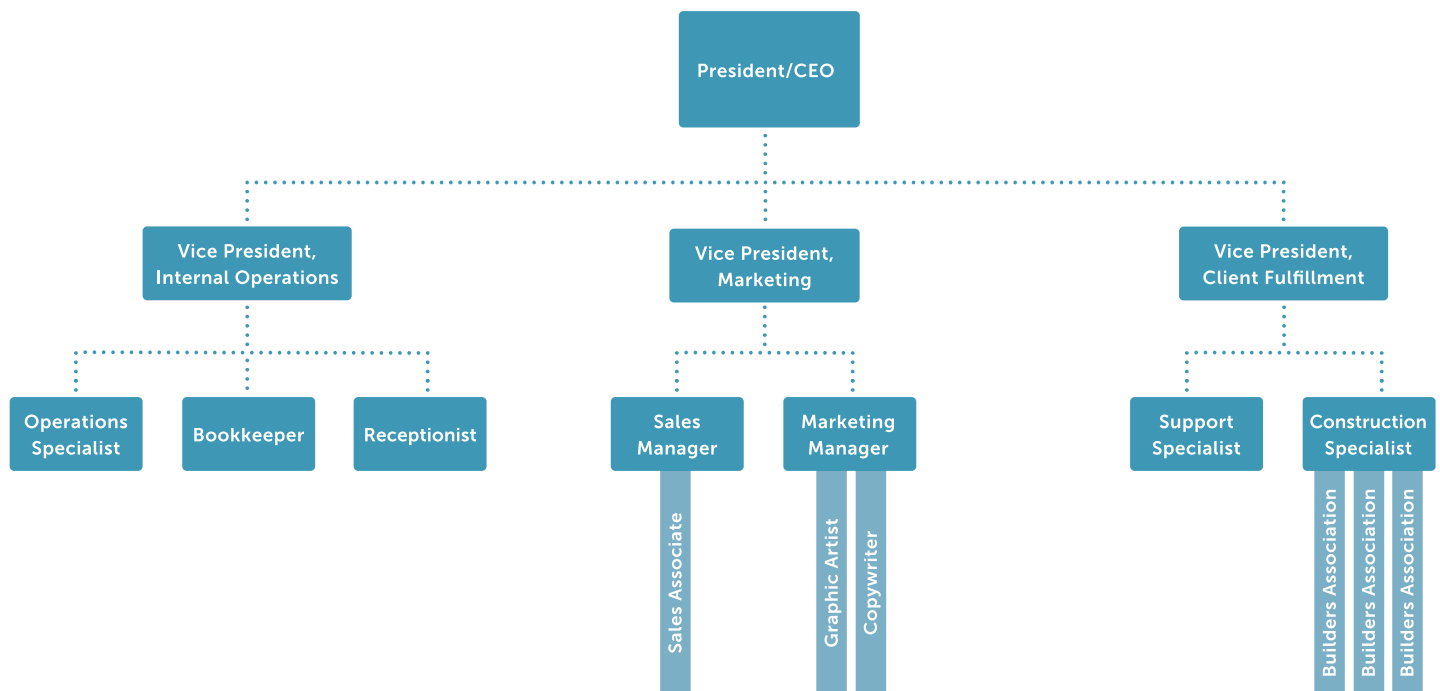
7. CHECK LISTED BUSINESS ACTIVITIES.

a. Make sure all the activities your business does can be found somewhere in your chart, even though they may not be explicitly named. In the marketing department example, a newsletter-production system isn't named on the chart, but it could be part of Lead Generation.

8. CREATE THE FINAL VERSION OF YOUR ORGANIZATION CHART.

Keep it nearby and look at it often.

Example of a Completed Org Chart

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Now You Try

Use the below chart as your organizational template. To customize your organizational chart, create it on a seperate sheet of paper, or in a program (such as Microsoft Word or Pages) of your choice.