

## **Q15** ? Does the company have a suitable organization structure and management depth?

### **Objective:**

Startups and small companies can do very well under a single leader, typically the owner-manager. However, such a situation is one of high key-man risk. For companies to scale up, they would need a suitable organization structure, leadership team and management depth.

### **What to look for:**

- ◆ The two key words around management depth are: (1) Professionalism & (2) Empowerment.
- ◆ A company needs to have a suitable organization structure with each function or unit headed by professionals, empowered to take appropriate decisions.

Interactions with various business unit heads – finance, marketing, production, etc – will help investors assess whether the company has a suitable organization structure and depth of management.