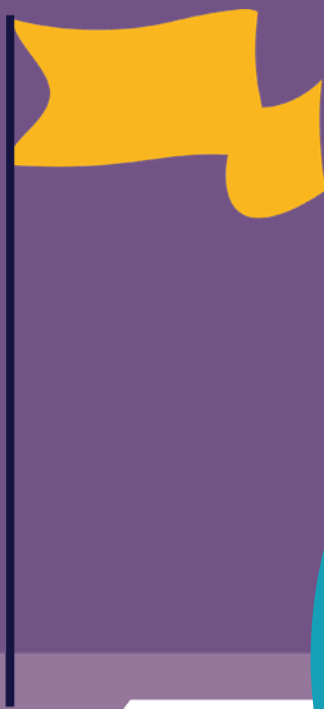




Scaling up while staying cost efficient:

A comprehensive guide





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SCALING UP WHILE STAYING COST EFFICIENT: A COMPREHENSIVE GUIDE

In the fast-paced world of business, *scaling up* is often seen as the ultimate goal. However, as many C-suite executives know, with growth comes the challenge of maintaining your company's core values and culture, all while staying cost-efficient.

This balancing act is particularly crucial for companies where innovation and sustainability are at the forefront.

"We believe that it's really important to come up with *core values that you can commit to*. And by commit, we mean that you're willing to hire and fire based on them. If you're willing to do that, then you're well on your way to building a company culture that is in line with the brand you want to build," Tony Hsieh, former CEO of Zappos.

Understanding the importance of culture during scaling

As your company grows, it's easy for the original culture to get diluted. However, culture is what attracts talent, retains employees, and drives innovation. Your challenge is therefore to ensure that *as your company scales, the culture scales with it*.

In fact, maintaining an effective culture is so important that it, in fact, trumps even strategy, said *Howard Stevenson*, Professor Emeritus at Harvard University.

And, when it comes to your scale-up, Christopher Gimmer, co-founder of *Snappa* has said: "When scaling up a business, CEOs need to avoid bad hires. An A player can be infinitely more valuable to your business than a B player. Also, *hiring people who fit into your culture* is just as, if not more important than talent alone. Employees that don't align with your vision and culture can have a detrimental impact on your business."

Example:

Tesla, a pioneer in the electric vehicle industry, has seen exponential growth over the years. Despite its rapid scaling, CEO Elon Musk has emphasised the importance of maintaining Tesla's mission: *to accelerate the world's transition to sustainable energy*. Through regular communication, employee engagement initiatives, and a clear vision, Tesla has managed to stay true to its culture while becoming a global powerhouse.





“...In today’s digital age, technology plays a critical role in scaling businesses, not only can it play a part in keeping your culture intact but it can also help you to make well-informed data driven decisions...”



Cost-efficiency doesn’t mean cutting corners

Scaling up doesn’t necessarily mean increasing costs proportionally. With strategic planning, your company can grow without compromising on its values or breaking the bank.

Example: *Sunrun*, a leading solar company, has managed to expand its operations across the U.S. without compromising on its commitment to clean energy. By leveraging technology, optimising operations, and focusing on customer-centric solutions, Sunrun has managed to stay cost-efficient while scaling.

Leverage technology for growth

In today’s digital age, technology plays a critical role in scaling businesses, not only can it play a part in keeping your culture intact but it can also help you to make well-informed data driven decisions.

Example: The video conferencing software Zoom saw a massive surge in users during the pandemic. Eric Yuan, Zoom’s CEO and founder, recognised the importance of *scaling up quickly to meet demand*. By leveraging cloud infrastructure and focusing on user experience, Zoom managed to handle the increased load without significant additional costs.

Employee engagement: The key to maintaining culture

A company’s culture is shaped by its employees. *Engaging them, especially during times of growth and transformation, is crucial.*

Example: Vestas, a global leader in wind energy, has always prioritised employee engagement. Despite its global presence, the company has managed to maintain a cohesive culture thanks in part to engaging their front-line workers with their employee communication app, *MyVestas*.

On employee engagement, *David Zinger*, Employee Engagement Consultant, said: “Employee engagement is the art and science of engaging people in authentic and recognized connections to strategy, roles, performance, organization, community, relationships, customers, development, energy and happiness to leverage, sustain and *transform work into results*”.

Staying true to the mission

For net zero and clean tech and energy companies, the mission is not just about profits; it’s about *making a difference*.

On this point, Chris O’Neil, CEO of *Evernote*, has said: “When I became CEO of Evernote in 2015, it was clear there was great brand love and in order to scale the business for growth we needed to regain focus, eliminate distractions and build the team with the right skills to win. *Building the team and maintaining clarity of purpose and mission is incredibly powerful and necessary*”.

Example: Outdoor clothing and gear company, *Patagonia*, has consistently prioritised its mission and values over maximising profits. Founded by Yvon Chouinard in 1973, *Patagonia* has been deeply committed to environmental and social responsibility, including its core values of employee well-being, activism, sustainability, and minimising its ecological footprint.



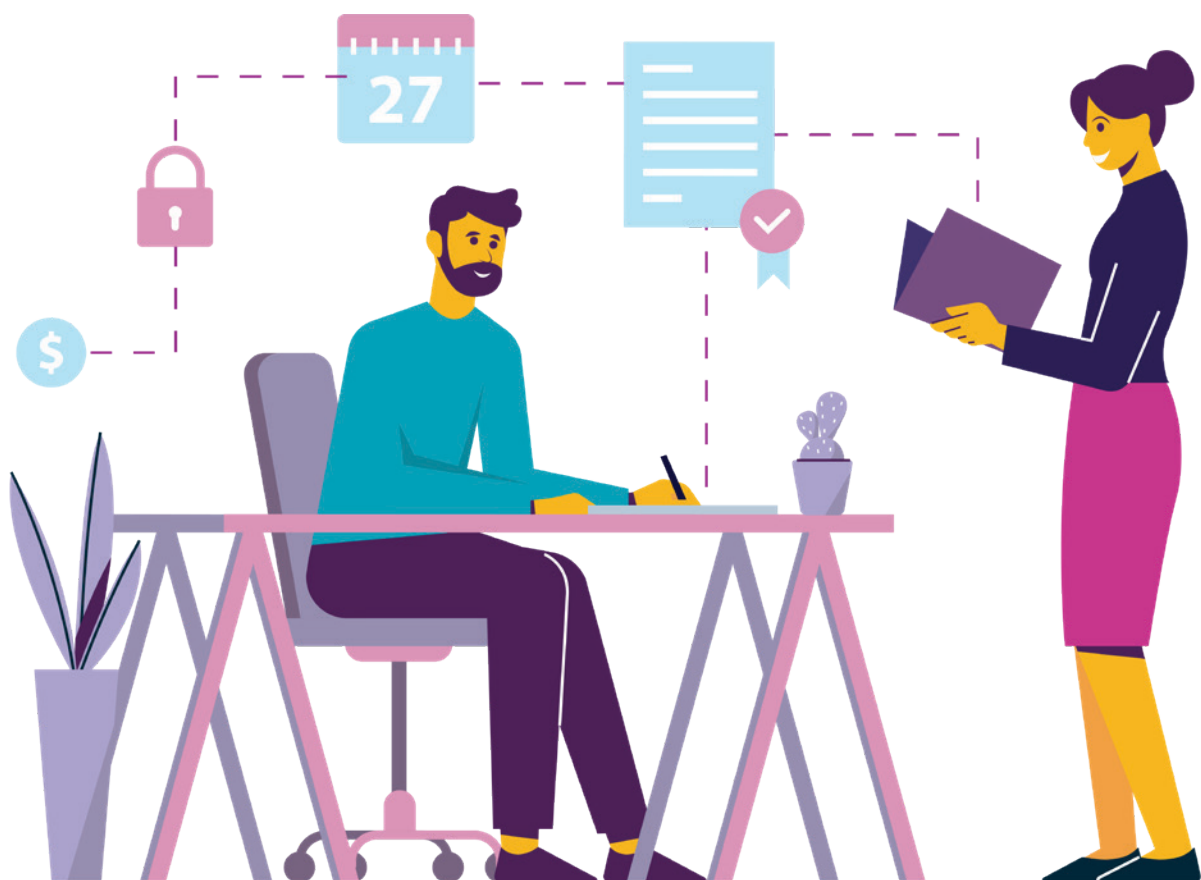
SCALING UP WITHOUT COMPROMISING ON YOUR COMPANY'S CULTURE

Scaling up is undoubtedly a journey filled with challenges and opportunities and involves striking a balance between growth and maintaining your company's essence.

In the end, as *Zig Ziglar famously said*: “You don’t build a business, you build people, then people build the business.”

With the right strategies and a clear vision, you can lead your company to new heights without compromising on what makes you unique.

So, how can you expand your teams without compromising on your company's culture and while being mindful of the bottom line?



Embrace flexible work models

More and more companies, like Twitter and Shopify, are moving towards a ‘work from anywhere’.

For example: At *Buffer*, you’re invited to work “wherever you’re happiest and most productive”.

Cost efficiency tip: By doing away with a rigid 9-5 office model and utilising virtual tools you can save on office space costs and attract a more diverse talent pool that aligns with your company's culture. It also allows you to hire from regions where talent might be more cost-effective without compromising on skill quality.

Invest in onboarding: Keeping the culture intact

Proper onboarding isn’t just about familiarising new employees with your office space; it’s about immersing new hires in the company culture from day one.

For example: *Facebook’s six-week boot camp* for new engineers is a fantastic illustration. Instead of immediately assigning them to specific teams, Facebook makes them go through various teams, understanding the company's breadth, ethos, and methods.

Cost efficiency tip: Use e-learning platforms to make onboarding scalable and uniform. A one-time investment in creating materials can serve numerous employees.

Promote from within: Loyalty meets efficiency

Promoting internally can save on hiring costs and time and ensures your company culture remains intact.

For example: *Enterprise Holdings’*, the largest car rental company in the world, has a culture built on a set of founding values that not only fosters professional development, but also a *strong promote-from-within philosophy*. This internal growth model ensures employees know and live by the company's values as they climb the ranks.

Cost efficiency tip: *Internal promotions can lead to reduced turnover*, as employees see a clear growth path, saving costs on frequent hiring and training.

Decentralised decision-making: Empower, don’t overpower

As companies grow, decision-making often becomes centralised. But empowering newer team members to make decisions ensures they feel integrated into the culture and can be more cost-effective in the long run.

For example: At *Spotify*, employees are given autonomy to make decisions. This not only fosters a sense of ownership and accountability but also speeds up problem-solving and decision-making processes.

Cost efficiency tip: Autonomous teams can react faster, reducing the time (and thus money) spent on prolonged decision-making chains.

Regular culture check-ins: Keep the pulse alive

As you add more members to your team, it’s essential to check in periodically to ensure the culture is alive and well.

For example: *Airbnb conducts regular employee surveys* to understand their engagement and alignment with the company's mission.

Cost efficiency tip: Use free survey tools initially, and as you scale, invest in more advanced HR analytics tools to gain deeper insights.





Collaborative work space: The new office model

As teams grow, instead of renting larger office spaces, companies are turning to *collaborative work spaces*. It offers teams the flexibility to work in shared spaces, encouraging collaboration and the opportunity to connect with people from other businesses, promoting essential social engagement and opportunities for networking.

For example: *Clean energy start-ups and green technology companies* use co-working spaces, such as *Greentown Labs*, to collaborate, access resources, and network with like-minded professionals.

Cost efficiency tip: Securing a traditional private leased office in a prime location can be prohibitively expensive. *Collaborative workspaces* provide a compelling option, enabling you to secure office space in a desirable location flexibly, without the significant expenses associated with an individual lease.



RPO on Demand: Scalable hiring while keeping culture

RPO (Recruitment Process Outsourcing) on Demand is a flexible approach where you can activate or deactivate recruitment processes as needed. Instead of having a permanent in-house recruitment team, you can save costs by using RPO services only when required.

For example: Many rapidly scaling start-ups have tapped into *RPO services* to ensure they hire right, hire fast, and stay lean.

Cost efficiency tip: You pay for what you use, ensuring you're not wasting resources on constant recruitment overheads.

“...COLLABORATIVE WORKSPACES PROVIDE A COMPELLING OPTION, ENABLING YOU TO SECURE OFFICE SPACE IN A DESIRABLE LOCATION...”



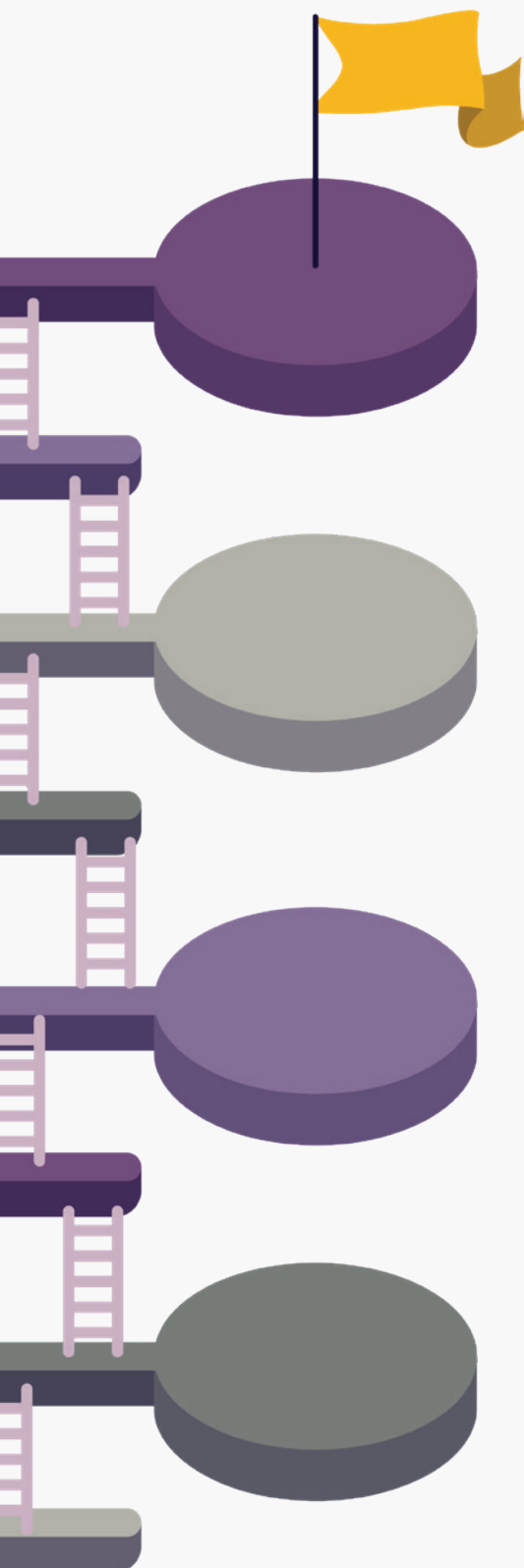
IT'S ALL ABOUT BALANCE



Hiring more people doesn't mean diluting your brand's essence or burning through your capital. By taking strategic steps, you can ensure that as your numbers grow, so does your company's spirit and cost-efficiency. Remember, it's not just about filling seats; it's about making every seat count.

9 REASONS WHY YOUR COMPANY CULTURE MATTERS DURING A SCALE-UP

Maintaining your company culture during a scale-up acts as the glue that holds your organisation together, ensuring that the essence of your brand's identity and values remains consistent and strong throughout your company's growth journey.



Identity and brand consistency

Company culture defines your business's identity and as your company scales, it's essential to ensure that this identity remains consistent. A strong, consistent culture helps in building a recognisable brand that both your employees and customers can relate to.

Employee retention

Employees who resonate with your company's culture are more likely to stay long-term, and as your company grows, retaining experienced employees becomes vital to maintain continuity and reduce the costs associated with high turnover.

Attracting talent

A well-defined and positive company culture can be a significant draw for potential employees. As your company scales and needs to hire more people, having a strong culture can make the recruitment process more efficient and ensure that new hires will be a good fit.

Operational consistency

A strong culture often means there's a shared understanding of how things are done within your company. This shared understanding can lead to more consistent operations, especially important when new teams or departments are formed during scale-up.

Decision making

When faced with challenges or opportunities, having a clear set of cultural guidelines can help your leaders and teams make decisions that align with your company's core values.

Employee engagement and productivity

Employees who feel aligned with your company's culture often have *higher levels of engagement*. Engaged employees are typically more productive, more customer-focused, and more likely to drive innovation.

Adaptability and resilience

Companies that maintain a strong culture during scale-up are often better equipped to handle challenges. A shared sense of purpose and values can help your teams navigate uncertainties and adapt to changes more effectively.

Stakeholder trust

Investors, partners, and customers often place their trust in companies that have a consistent and transparent culture. As your company scales, maintaining this trust becomes even more critical to ensure continued support and business growth.

Long-term vision

As your company scales, having a long-term vision of your company provides direction and ensures that growth strategies align with your company's foundational goals and culture.

“...A strong, consistent culture helps in building a recognisable brand that both your employees and customers can relate to...”



CHALLENGES OF MAINTAINING COMPANY CULTURE DURING SCALE-UP

However, maintaining your company culture during a scale-up is a challenge, and the degree of difficulty varies based on several factors.

Rapid Hiring

With fast growth, you often need to hire many new employees in a short time. Ensuring that each new hire aligns with your company's culture becomes especially challenging when hiring across different regions or countries.

Varied Workforce

As you expand, your company will often diversify in terms of roles, departments, and even geographical locations. Managing and maintaining a consistent culture across such diversity can be complex.

Operational Changes

Scale-ups often involve introducing new tools, processes, or structures. These changes can disrupt established ways of working and challenge the existing culture.



Communication Barriers

As teams grow, ensuring effective communication across all levels and departments also becomes more challenging. Miscommunication or lack of communication can then lead to a dilution or misinterpretation of cultural values.

Leadership Changes

Scale-ups might involve changes in leadership or the introduction of new leaders. If these leaders don't embody or understand your existing culture, they might inadvertently steer the company in a different cultural direction.

6 FACTORS INFLUENCING THE EASE OF MAINTAINING CULTURE

While it's challenging to maintain company culture during a scale-up, it's not impossible. The ease of doing so largely depends on your company's initial cultural foundation, your leadership commitment, and the strategies implemented to preserve it.

As Joel Gascoigne, co-founder/CEO of Buffer said: "We had to put our values into words as soon as possible. After we did so, it really moved us from the company culture being ad-hoc and left to fate, to us deliberately shaping it."



1. Strength of foundational culture

Companies with a strong, well-defined initial culture find it somewhat easier to maintain it during scale-up. This is because a clear set of values and principles can serve as a guidepost.

2. Leadership commitment

If as a leadership you're committed to preserving your company's culture, you'll prioritise and allocate resources to ensure it remains intact.

3. Employee involvement

Engaging your employees in the process of maintaining and even evolving your company culture can make it more sustainable.



WHEN EMPLOYEES
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4. Feedback mechanisms

Companies that have regular feedback mechanisms can quickly identify and address any cultural drifts.

5. Training and onboarding

A robust onboarding process that emphasises cultural education can ensure that new hires understand and align with your company's values from day one.

6. External partnerships

Collaborating with partners, like recruitment agencies, that understand and value your company's culture can help in maintaining it during scale-ups.

IS IT POSSIBLE TO MAINTAIN COMPANY CULTURE DURING A SCALEUP AND TO KEEP COSTS DOWN?

The short answer is yes. However, it requires strategic planning, prioritisation, and consistent efforts. Below are our top tips on how you can achieve this balance:

→ Prioritise cultural fit in hiring

Efficient recruitment: Hiring individuals who resonate with your company's culture reduces the need for extensive training and decreases turnover rates, which can be costly.

Employee referral programmes: Encourage current employees to refer potential candidates. This not only reduces recruitment costs but also often results in hires that are a better cultural fit.

→ Leverage technology

Digital communication tools: Use platforms like Slack, Microsoft Teams, or Zoom to maintain open communication across growing teams without the need for physical office spaces or frequent travel.

Online training platforms: Onboard new employees using digital training platforms, ensuring they understand your company's culture and values without the costs associated with in-person training sessions.

→ Foster a culture of autonomy

Trust-based approach: Empower employees to make decisions, reducing the need for managerial oversight and layers of approval, which can add to costs.

Remote work: Embrace flexible work arrangements or remote work, reducing overhead costs associated with office spaces.

→ Encourage internal growth

Promote from within: Instead of hiring external candidates for higher positions, train and promote existing employees. This not only maintains cultural continuity but also saves on the costs of external hiring processes.

Continuous learning: Offer online courses or workshops for employees to upgrade their skills, which can be more cost-effective than hiring specialists.



Community Building

Regular check-ins: Instead of expensive team-building retreats, have regular check-ins or virtual team-building activities to foster camaraderie and maintain culture.

Feedback mechanisms: Use digital platforms for feedback and suggestions, ensuring that employees feel heard and valued without the need for costly formal processes.



Stay true to core values

Clear mission: Ensure your company's mission and values are clear and consistently communicated. This provides a guiding principle for all decisions, ensuring that growth doesn't lead to unnecessary expenditures that don't align with your company's culture.



Collaborative cost management

Employee involvement: Involve employees in cost-saving initiatives, fostering a culture of collective responsibility. Employees often have insights into potential efficiencies that can be gained in their areas of work.



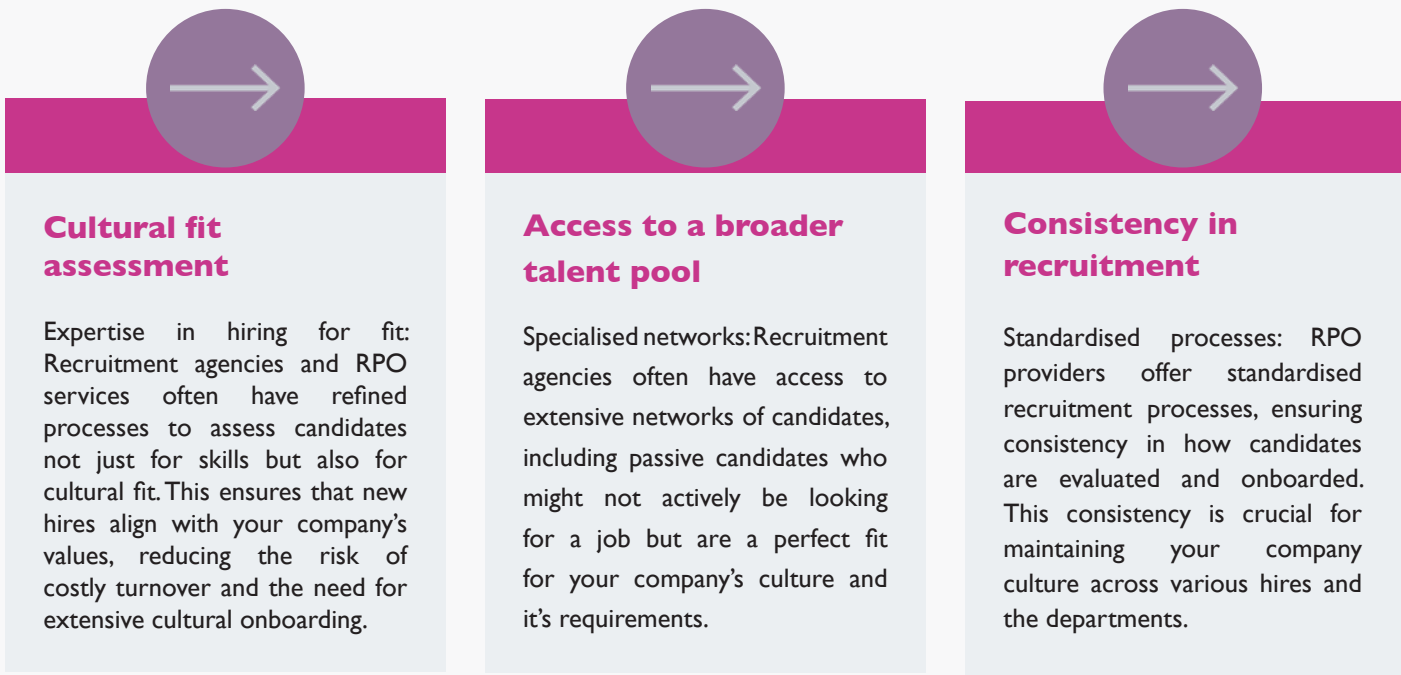
Streamline operations

Process optimisation: Regularly review and optimise processes to eliminate inefficiencies. This not only reduces costs but also ensures that you remain agile and adaptable, key components of a strong culture during scale-up.



DO RECRUITMENT AGENCIES AND RPO ON DEMAND SERVICES HAVE A ROLE TO PLAY IN ALL THIS?

Yes, and here's how:



Cost efficiency

Scalable solutions: RPO on Demand services allow you to scale your recruitment efforts up or down based on immediate needs, ensuring you only pay for the services you require.

Reduced overhead: By outsourcing recruitment, you can avoid the overhead costs associated with maintaining a large in-house recruitment team, especially during peak hiring periods.

Expertise and best practices

Industry insights: RPO services often bring insights from various industries, helping you understand best practices in hiring and onboarding that can aid in maintaining culture.

Continuous improvement: RPO providers often have metrics-driven approaches, continuously refining their processes based on feedback and results. This ensures that the recruitment process remains efficient and aligned with your company's cultural objectives.

Flexibility and adaptability

Adapting to company needs: RPO on Demand services can be tailored to your company's specific needs, ensuring that the recruitment process aligns with your cultural and financial objective.

Training and onboarding support

Cultural onboarding: Some RPO providers offer onboarding services, ensuring that new hires are not only introduced to their roles but also to your company's culture, values, and mission.





UNLOCK YOUR POTENTIAL

Any questions?

Contact us

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