



GO Global Organization
Design



Readings in Global Organization Design
2009 Conference Proceedings

Enhancer Venture Capital Case
By Enhancer Consultants

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ENHANCER[®]



Workshops with Owners, Boards, Management and Investors give:

- A clear picture of what the company can develop into
- A good base for evaluation of the industry, the company, management and the owners
- Consensus regarding the conditions for the ownership plan
- A good negotiation climate



Earlier Investments

- 5 cases where management at the right level was ensured – substantial value creation
- 3 cases where management was not at the right level – delayed development or potential not achieved.



6 of 12 Funds

- 4 earlier investment funds with partners at an insufficient level
 - 1 close down + 800 million Swedish crowns
 - 2 major loses
 - 1 limited result
- 2 funds with partners at required level
 - Good progression



Later Investments

- 8 of 9 with majority
- 8 of 9 with strengthened management
- 4 companies affected by the recession
- 3 companies exceptional and 4 companies with progressive development
- 2 companies with poor development



No Investment

- 5 companies - management related issues
- 3 companies with the right business potential and management – disagreement in company valuation
- 2 companies due to business potential



”Lessons learned”

- Management's capability at the required level is crucial for the desired result.
- Funds require partners/ investment managers at high levels to acquire, develop and ”exit” with high return.
- Initial resistance to analyze and strengthen management must be overcome, the earlier the better, preferably in advance.
- Minority ownership restricts the possibility to ensure that the required conditions are created.





OUR PURPOSE

The Global Organization Design Society is a not-for-profit corporation registered in Ontario, Canada to promote the following objective:

The establishment and operation of a world-wide society of academics, business users and consultants interested in science-based management to improve organizational effectiveness for the purposes of:

Promoting among existing users increased awareness, understanding and skilled knowledge in applying concepts of Levels of Work Complexity, Levels of Human Capability, Accountability, and other concepts included in Requisite Organization and/or Stratified Systems Theory.

Promoting among potential users of the methods, appreciation of the variety of uses and benefits of science-based management, and access to resources.

Sponsorship is provided in part by the generous support of the following organizations:



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