

IVY GLOBAL AND THE INVISIBLE PYRAMID

SEMCO STYLE STORIES

Ever wondered what your company would look like if self-direction was having full attention since the start? During this edition of Semco Style Stories we take you on a journey to The Netherlands. At Dutch recruitment agency Ivy Global, employees had the freedom to decide working times, salary and holidays themselves since its start in 2014. Nevertheless, in the years thereafter founder Jorn van der Schaaf felt that the organization got stuck somewhere on the way to self-direction. How did Ivy Global refine their way forward?

With their unique market approach, Ivy matches students with project managers for technological projects, and in doing so Ivy Global aims to create a bridge between education and the industry.

Jorn is the founder of Ivy Global, which he established in 2014. He is an enthusiast by nature with the dream of creating a platform for students that will help them bridge their path to the industry. He shared that dream with Erik, who was the first one to join Ivy Global in 2015. With both sharing an entrepreneurial drive, Jorn and Erik decided to partner up. Even before the partnership Jorn had been incorporating Semco-like principles into the organization. Coming from backgrounds where both of them had to endure the rigidity of bureaucracy, they wanted something else for their organization and the young people they employed. And with that, they believe, comes a unique business approach.

“WE HAD TO FIND OUT SELF-MANAGED WAS NOT THE SAME AS SELF-DIRECTED”

And so they did just that! No job descriptions were created, no formal management was set-up, no registrations of holidays or days off, no one telling you what to do, and total transparency in their finances. These Semco-like principles were all implemented from the start and seemed to be the foundation of their successes. Since their start in 2014, Ivy Global had grown into an organization that employed 50 to 60 people in 2018. Both Jorn and Erik felt like true entrepreneurs who now employed well-performing and responsible individuals. Ivy Global was in the spring of their organizational existence. Or, so it seemed. But, as the saying goes in Dutch, “April does what he wants”. Ivy Global was no exception. On the road to their success, they had to face several challenges.

Responsibility Beyond the Individual

As Jorn mentions, “Under the surface we still created a pyramid, albeit an invisible one”. Even though it was not there on paper, hierarchy was there in the minds of employees. This became clearly visible when Ivy Global started to make losses. In the first month, it seemed normal that the organization could not maintain generating profitable results consistently, but after they constantly experienced losses over several months, they knew they had to rethink their way of working. Declaring that something is going wrong is one thing, but determining what actually is going wrong was the harder task at hand. While analyzing their losses and searching for causes, reflecting on their managerial approaches appeared to be the answer.

Jorn and Erik realized that they were still telling others what to do and therefore controlling the organization. It was hard to spot however, since both felt they employed highly responsible and high-performing individuals. Deadlines were met and new offices were created in other cities. So the question was where did it all go wrong? It started with individuals being responsible for their own work, but at the same time they lacked responsibility when it came to the long-term vision of the organization. Transparency in their finances was present, but it was still only Jorn who read them and acted accordingly. That meant that only Jorn and Erik were able to connect the long-term vision of Ivy Global with their day-to-day responsibilities. According to Jorn, this meant “that we had to find out self-managed was not the same as self-directed”.

And, indeed, implementing Semco-like principles such as full transparency and no job descriptions does not imply that an organization is self-directed. Strategic awareness and long-term thinking are necessary for all members of the organization to enter the road to self-directed teams.

Clarifying the Playing Field

When Ivy Global was founded, one of the driving beliefs was that blindly following your manager's orders won't work. However, Jorn and Erik learned that blindly following the steps that Ricardo Semler's books, “Maverick” and “Seven-day Weekend”, provide did not work either. “When you read the books, you think this is probably pretty easy”, says Jorn, which hints at the difficulty of creating your own version of the Semco Style. That is when the founders of Ivy Global asked for guidance from the Semco Style Institute.

With the entrance of Semco Style Institute, the question remained what to do about the invisible pyramid. “It started out simple, with the creation of a framework”, says Jorn. “It created boundaries within our organization. For important decisions you have to grow into knowing what you can and cannot do, when you need the team and when you don't.”

“TRY AND EXPERIMENT: THAT IS WHAT SEMCO STYLE IS ALL ABOUT”

These boundaries created our playing field”. Mostly, decision-making and the broad sense of responsibility benefitted from these boundaries, but it starts with evaluating what is important and what is not. Which decisions need to be discussed with the team and which do not. It takes time to get a feel for that and

to structure these elements wisely. But, as Jorn says: “First you want to create responsibility, the structure comes later.”

Being Your Own Manager

The sense of responsibility over your own work and over the sustainability of the organization is something that is built through continuous experimentation. What works and what doesn't? At Ivy Global, the introduction of a capacity-meter started the process of being responsible as a team.

By measuring your workload on a scale from 1 to 5, each person could indicate if they were open to help others (1) or if they were too busy with their own projects (5). It created more alignment within the organization, since more cross-functional collaborations started to arise. In this manner, work allocation became more self-managed instead of being directed by Jorn or Erik. The beautiful side effect of these collaborations was the increased awareness, among employees, about all the projects Ivy Global was working on. It led to a better understanding of the workload of others, as well as stronger personal connections.

This is a prime example of how alignment between teams can take shape immediately. In order to create alignment in the long run, however, they decided to establish 6-month plans in which they share the goal for that period. How will we reach that goal?

What happens when we don't reach it? These questions are central and are specified for every department within the organization. In doing so, the organizational goals are aligned and shaped to the character of all functions within the organization. In addition, they introduced ‘balanced days’ where, once every two months, everyone could share the

projects they've been working on. These company-wide days gave an even better insight into other projects, and the ones who worked on a certain project had the opportunity to ask for help or step down and look for other projects. In other words, the process of each employee becoming their own manager started to take shape.

At present, Ivy Global continues the process of breaking down the pyramid, but does consider itself quite self-managed now. “We still aim to be self-directed”, says Jorn, but they fully embrace the process now in a responsible way. “We know the long-term vision needs to be improved. We want to be responsible for the long-term, but we have to envision that long-term in more concrete ways.” Their next experiment will be focused on giving continuous feedback. Not just Erik and Jorn, but every Ivy Global employee. It will help them in creating high-performing employees due to a great sense of team awareness. Besides that, they will be aware of their own strengths and weaknesses, and how to improve them. With such bottom-up approaches, they aim to learn more about themselves and how to remain entrepreneurial.

“RESPONSIBILITY FIRST, STRUCTURE LATER”

Jorn captures this learning process perfectly: “That is what Semco is all about; you know where you want to go, but you have no clue how to get there, so you just try and experiment.”



WHAT HAPPENED IN A YEAR THAT IVY GLOBAL DIDN'T HAVE A DIRECTOR?

In the fall of 2022, Jorn announced that he would be taking a one-year break. He was particularly curious about how Ivy Global would further develop in self-management if he was no longer involved in (daily) business operations.

What happened in the year that Ivy Global didn't have a director? Jorn summarizes the key events, learnings, and updates in his own words:

- “The preparation was very important, and we had made very good agreements about how I would be kept informed if things went badly. That provided clarity, peace, and space on both sides and made it easy to distance ourselves.”
- “Because of that good preparation and because I had gradually become less involved in the course of events in the last few months, the first period really felt like spring: relief and freedom.”

• “All in all, it was an interesting year. You expect it to be very exciting in the beginning, but it was actually very easy, and it became increasingly difficult towards the end.”

- “During the period that I was away, some people also took on tasks, initiatives, and projects. And that was exactly what I was hoping for.”
- Jorn is currently focusing more on the long-term vision regarding self-management and self-organization.
- No managers, just teams - The absence of a director for a year forced the team to collaboratively manage tasks, ensuring a shared sense of ownership and accountability. The decision-making process evolved, and it is now driven by consent.
- Transparency reigns supreme, and teams have begun to set their own salaries.

Ivy Global's growth comes with various challenges. In the end, the modern way of organizing is never complete. As a company, you continuously strive to solve new problems and innovate to ensure a dynamic and adaptive workplace. This can be quite challenging but also offers many new possibilities and creative developments.

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