REDWOOD ADVISORS

Sample materials:

Organization Design & Excellence for B2B SaaS

Case Study: NexAlign Org Design

Context:

- NexAlign has historically focused on product driven growth to create success. However, the leadership team has recently invested into growing their marketing team to reach their 20XX financial goals.

- The marketing team is currently divided into Customer Lifecycle Marketing (CLM) & Product Marketing (PM) teams, with PM covering customer acquisition and CLM covering post-sales motions (e.g., upsell, upgrade, cross-sell, retention)

- The team is looking to update their CLM team's org structure to more effectively engage their customers, and is looking for support in designing & implementing this change before the next annual board meeting in H2 20XX

Top illustrative insights:

- **NexAlign can implement a new, optimized org model with its current headcount** to generate an additional estimated topline growth of ~$15M+

- **NexAlign will implement the new model by the end of Q2** with potential for hiring to extend to mid-Q4

- **A market-focused org will create dedicated POCs for PM and Sales** to streamline cross-functional cooperation

- **A new ABM team will be stood up to drive engagement with top customers** to unlock an estimated additional ~$8M+ in sales

Note: Names and details have been changed for client confidentiality

REDWOOD ADVISORS

Organizational Design & Excellence: Process Overview

Phase	Current State Diagnostic	Future State Design	Implementation
Key outcomes	• Assess top strengths and major gaps of current org across structure, roles, processes, etc.	• Design future-state org model by developing and assessing 1-3 key options	• Align around a future-state org model and develop plans to execute & de-risk the transition
Key activities	• Assess the effectiveness of the current org's structure, processes, roles & responsibilities, governance, talent, and outcomes & metrics • Create a comprehensive, vetted, granular map of the current organization (i.e., lines and boxes), including roles and reporting lines • Identify key activities and responsibilities for current roles and levels	• Set the strategy and guiding principles for the new organizational structure • Draft potential org models • Articulate the pros and cons of each org model; refine models as helpful • Select and align on a future-state org model • Define key activities and responsibilities for future-state roles and levels • Estimate future-state staffing levels for all key roles	• Develop a detailed timeline for executing the transition to the future-state org • Identify the key gaps between current- and future-state org • Articulate and assign key next steps to key stakeholders • Map employees from the current to new org structure • Identify critical processes to manage while transitioning

REDWOOD ADVISORS

Agenda

Current State Diagnostic

Future State Design

Implementation

REDWOOD ADVISORS

When assessing an organization, RWA takes a hard look at the who, what, and how

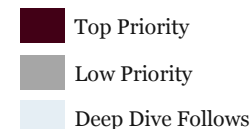| Category	Overview
Who	• An organization's structure (i.e., lines and boxes) and staff
What	• The objectives and responsibilities of key staff and groups – and key measures to track over time
How	• The systems, processes, and cultural practices that drive day-to-day operations & get things done

REDWOOD ADVISORS

RWA has identified 6 core elements of a healthy B2B SaaS organization to analyze across those 3 categories

Who
What
How

Who should report into what roles?

How are leads determined for each step and how is a final decision made?

Who do we need on our team to do this work?

Organizational Structure

Talent

Core processes

Governance

Roles & Responsibilities

Key Outcomes & Metrics

How should we manage and track progress over time?

What roles and responsibilities do we need to accomplish our goals?

What are the most important metrics for measuring this group's success?

REDWOOD ADVISORS

5

Based on interviews & our research, the team conducted a clear-eyed assessment of the current state

■ Top Priority
■ Low Priority
□ Deep Dive Follows

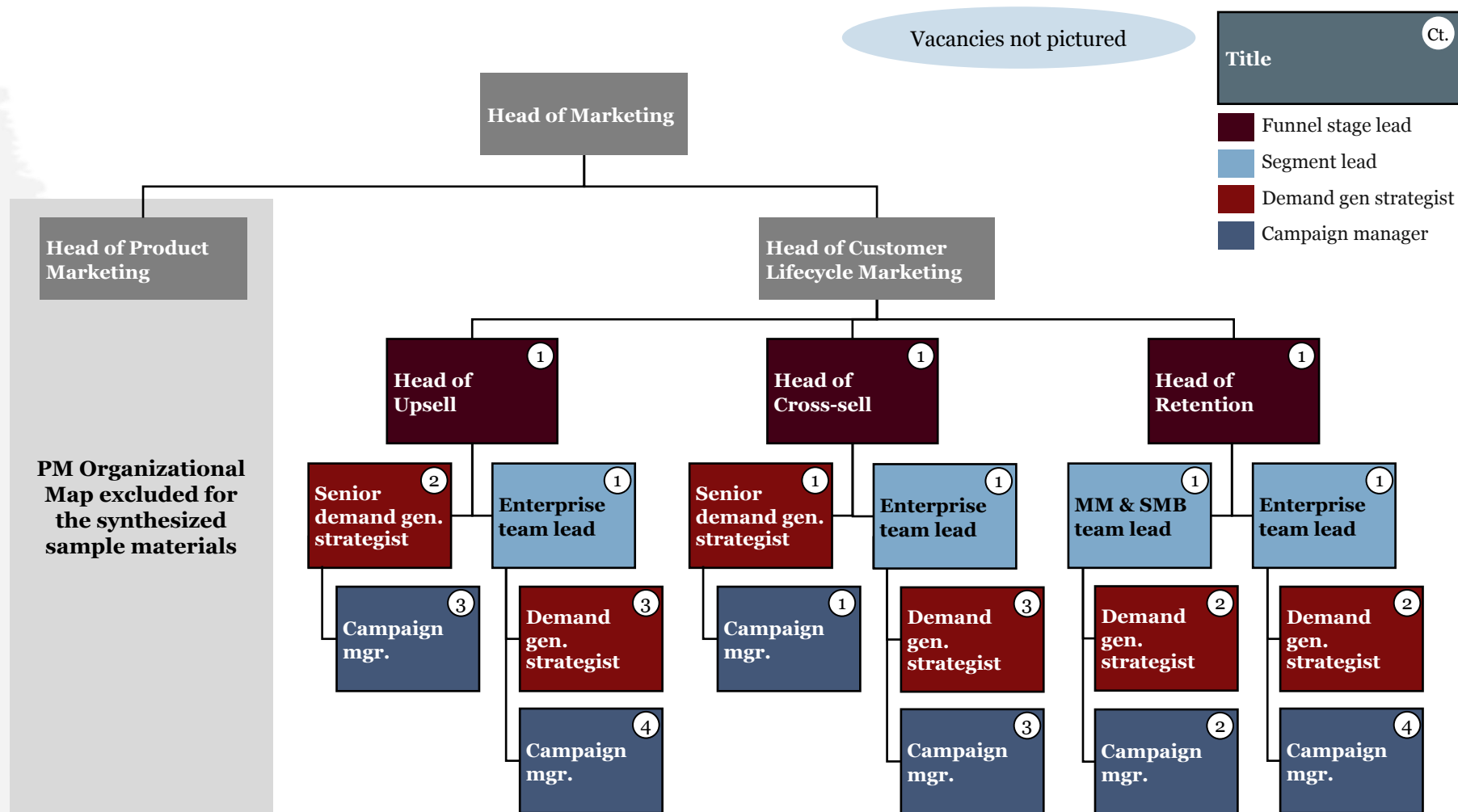| Core Elements	Overview	Pain Points *(Illustrative)*	Current State
Organizational Structure	• Organization and reporting structure	• CLM & PM teams structured differently & struggle to communicate with each other • CLM has no clear POC for Sales	
Roles & Responsibilities	• A clear articulation of each member's responsibilities	• On average potential clients need to go through 3-5 sales team members over their journey, creating role overlap & confusion	
Talent	• A set of people that have critical skills, mindsets, & attitudes that align with the organization	• …	
Outcomes & Metrics	• Key measures that align the organization around critical priorities	• …	
Governance	• A system & cadence that enables interaction & collaboration to create effective strategic & operational decisions	• …	
Core Processes	• Clear and explicit pathways that enable important things to get done	• …	

REDWOOD ADVISORS

Several key pain points stem from the current CLM team org structure and operating model

- The **CLM and Product Marketing (PM) teams require multiple distinct points of contact to share product-specific messaging** due to inconsistent org structures (PM is organized by market)

- **CLM has no clear point of contact for Sales**, delaying communication and causing some missed opportunities (e.g., salesperson misses that lead is interested in a new product *and* an upgrade to their current subscription)

- There is **no existing dedicated marketing for high-value customers** (e.g., our top customer is treated as any other Enterprise customer)

- **Duplicative content created between sub-teams** (e.g., Enterprise cross-sell vs. middle-market cross-sell) due to decentralized content development & storage and a lack of enterprise-wide marketing themes

- **Customers receive emails from multiple CLM sub-teams at once** given separate initiatives driven by each sub-team
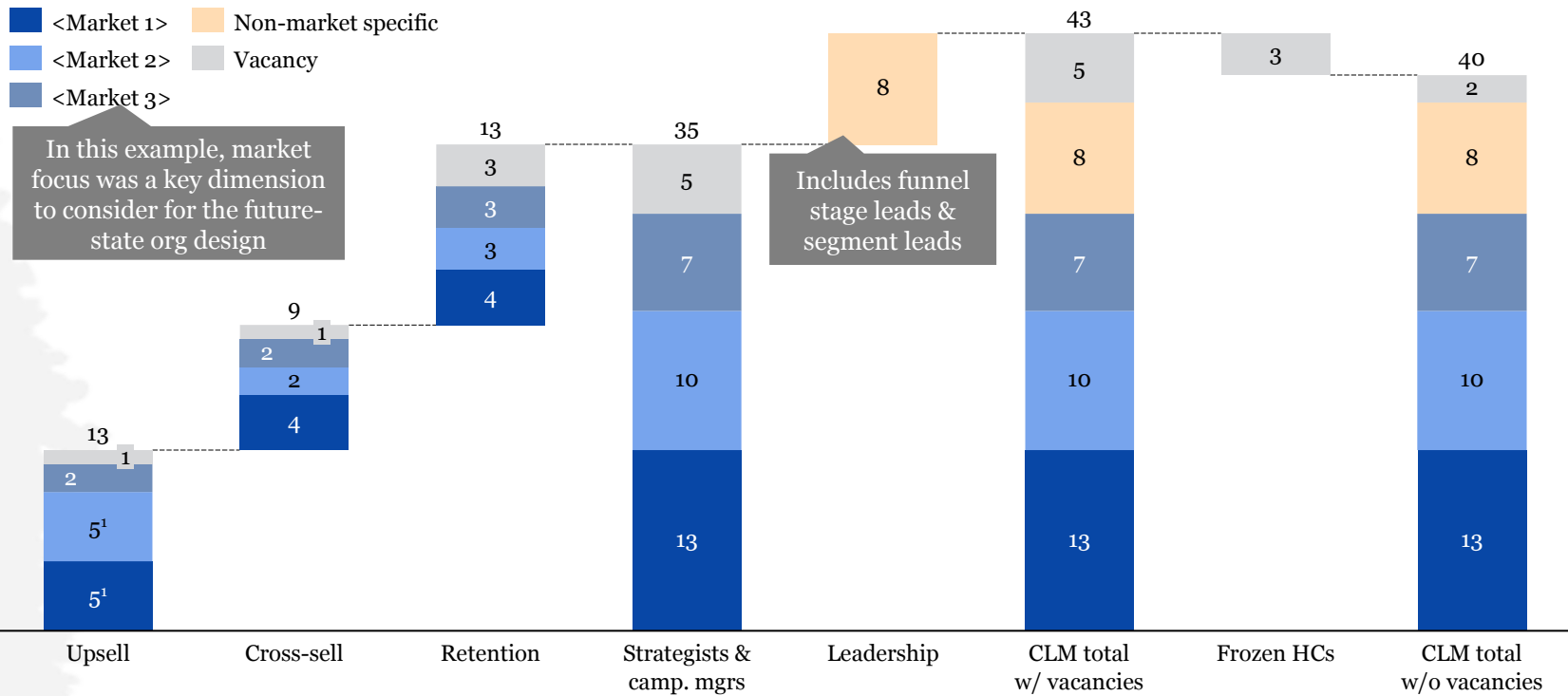
REDWOOD | **ADVISORS**

The current CLM team org structure is organized by funnel stage then segment size

Vacancies not pictured

Title	Ct.

- ■ Funnel stage lead
- ■ Segment lead
- ■ Demand gen strategist
- ■ Campaign manager

Head of Marketing

Head of Product Marketing

Head of Customer Lifecycle Marketing

PM Organizational Map excluded for the synthesized sample materials

Head of Upsell — 1

Head of Cross-sell — 1

Head of Retention — 1

Senior demand gen. strategist — 2

Enterprise team lead — 1

Senior demand gen. strategist — 1

Enterprise team lead — 1

MM & SMB team lead — 1

Enterprise team lead — 1

Campaign mgr. — 3

Demand gen. strategist — 3

Campaign mgr. — 1

Demand gen. strategist — 3

Demand gen. strategist — 2

Demand gen. strategist — 2

Campaign mgr. — 4

Campaign mgr. — 3

Campaign mgr. — 2

Campaign mgr. — 4

REDWOOD ADVISORS

RWA outlined the current state staffing levels by team and market focus

CLM current-state FTEs by team (*# of FTEs*)

Legend:
- <Market 1>
- <Market 2>
- <Market 3>
- Non-market specific
- Vacancy

> In this example, market focus was a key dimension to consider for the future-state org design

> Includes funnel stage leads & segment leads

Team	Upsell	Cross-sell	Retention	Strategists & camp. mgrs	Leadership	CLM total w/ vacancies	Frozen HCs	CLM total w/o vacancies
Total	13	9	13	35		43	3	40
Vacancy	1	1	3	5		5	3	2
Non-market specific					8	8		8
<Market 3>	2	2	3	7		7		7
<Market 2>	5[1]	2	3	10		10		10
<Market 1>	5[1]	4	4	13		13		13

Team: Original client materials included a list of individuals per group

REDWOOD ADVISORS

The team then developed an overview for all activities performed by each role in the org

Illustrative positions	Role overview	Key activities
Funnel stage lead	• Develops funnel stage-specific strategy, plan, and core messaging to be implemented by demand gen strategists & campaign managers • Work with other Funnel Stage Leads to align on integrated marketing-wide strategy and segmentation	• Accountable for key goals & outcomes by each funnel stage • Drives high-level strat. coordination • Cultivates industry expertise • Drive perf. improvement projects • Manages the relationship & demand strategy coordination w/ partner orgs
Demand gen strategist	• Develops campaign plans for key product(s) according to overall strategy and core messaging • Approve specific outputs (e.g., emails, in-product comms) from campaign managers	• Generate expand revenue • Cultivate and share best practices • Connect with PM product partners • Define micro-segmentation & contact strategy for each channel • Create funnel stage distribution strategy
Campaign manager	• Executes on campaign plans developed by demand gen strategists including compiling content and submitting requests to partnering teams (e.g., Ops)	• Develop campaign calendar • Track overall funnel campaign perf. • Optimize campaign & channel messaging • ID key campaign perf. takeaways • Identify perf. oppts. among teams

REDWOOD ADVISORS

# For each key role, high-level activities were assigned a level of effort for comparison

Legend:
- 🟩 High level of effort
- 🟨 Medium level of effort
- 🟥 Low level of effort
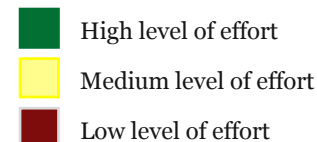
	Strategy & planning			Camp. execution			Team coordination		Perf. mgmt.	
	Develop quarterly plans	Set key campaign themes	Update mktg. calendar	Develop content	Set campaign audiences	Launch campaigns	Set weekly goals	Run feedback sessions	Monitor campaign perf.	Report on key goals
Campaign manager	🟥	🟥	🟨	🟩	🟨	🟩	🟨		🟥	
Demand gen strategist	🟥	🟥	🟨	🟩	🟥	🟨	🟨	🟥	🟥	
Segment lead		🟨	🟨			🟥	🟩	🟩		🟨
Funnel stage lead		🟨				🟥	🟨	🟨		🟩
Events lead		🟩	🟥	🟥	🟥	🟩		🟩		🟨

No regular, comprehensive planning process

Two different roles responsible for content

Campaign perf. not consistently tracked

REDWOOD ADVISORS

Percentage of time devoted to high-level activity categories was calculated by role to determine what activities made up the most time for each

Percentage of time for activity category by role
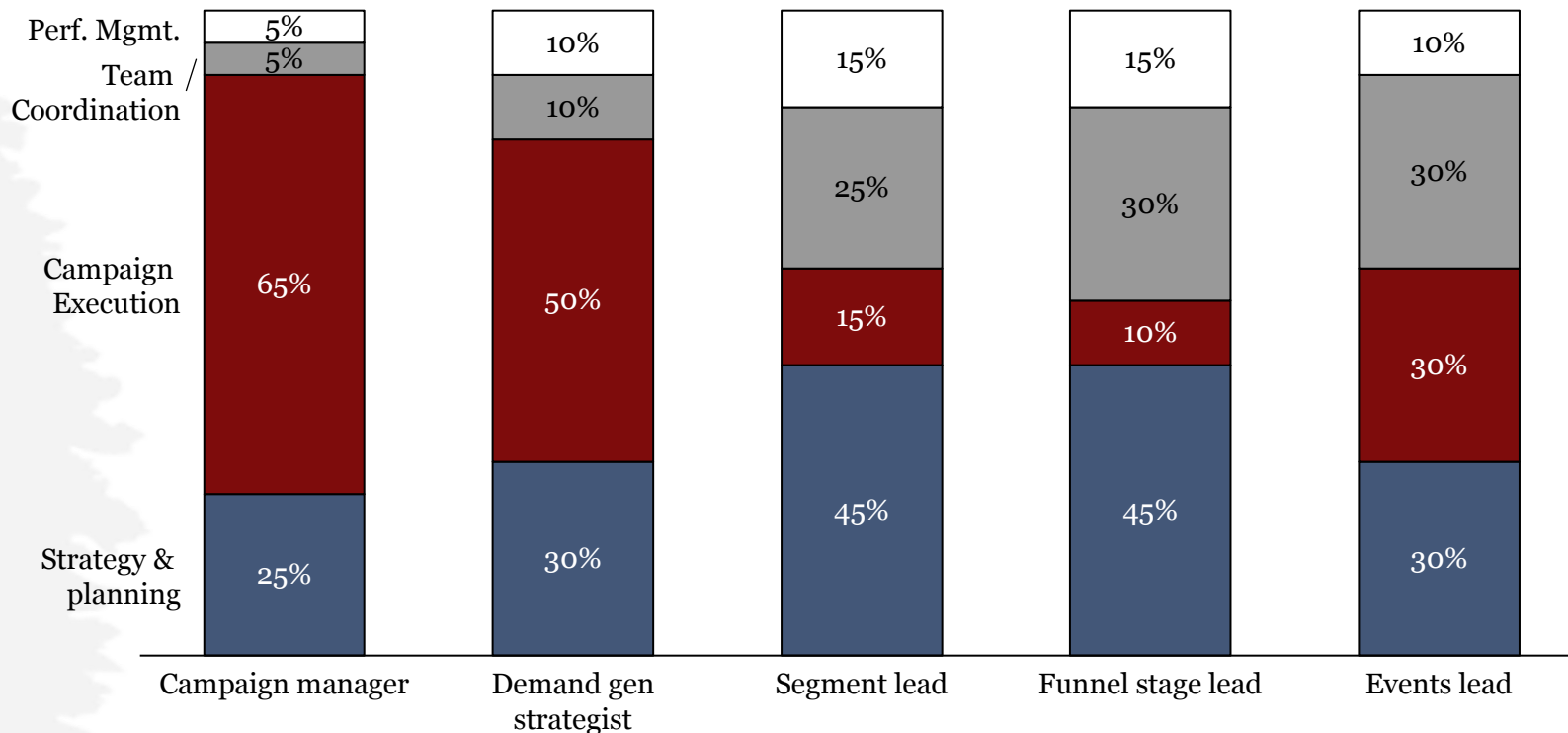
Execution of campaigns is driven primarily by campaign managers and strategists while enterprise and funnel stage leads focus on strategy setting

REDWOOD ADVISORS

Agenda

Current State Diagnostic

Future State Design

Implementation

REDWOOD ADVISORS

Interviews with NexAlign leaders surfaced 6 key principles to guide the future state org design

1 **Build for the future** and focus on what will work best in the long-term

2 **Thoughtfully align the future-state PM & CLM org models** within NexAlign's broader GTM strategy

3 **Engage, dialogue, and co-design with designated key stakeholders** to ensure a thoughtful, high-impact future-state org model

4 **Gather and use insights from other leading technology companies**, largely sourced from previous NexAlign staff experience

5 **Be hypothesis-driven** and boldly lay out potential options

6 **Rigorously consider and think through key decisions** (e.g., staffing levels)

REDWOOD ADVISORS

4 key dimensions could be used to organize NexAlign's product-oriented groups in the future-state CLM org

Category	Overview	Illustrative examples	Key consideration
Product market	• NexAlign's three core product markets	• \<Market 1\> • \< Market 2\> • \< Market 3\>	• Sales and Product Mktg. currently organize around product market
Product	• Specific NexAlign products and/or solution sets	• \<Product 1\> • \<Product 2\> • \<Product 3\>	• Product Mktg. currently organize around product market and then product
Customer funnel phase	• Specific customer funnel phase, including onboarding, upsell, cross-sell, retention, etc.	• Onboarding • Upsell • Cross-sell • Retention	• Core CLM skills meaningfully differentiated at the funnel phase (e.g., onboarding & activation different than cross-sell)
Customer segment (size)	• Key customer segments including seats, employees, revenue, etc. (in alignment with the Growth and Sales orgs)	• SMB • Mid-market • Enterprise	• Customers meaningfully different based on segment; different sales approaches used for SMB vs. Mid-market vs. Enterprise

REDWOOD ADVISORS

Over the course of the project three potential CLM org models emerged as the leading contenders
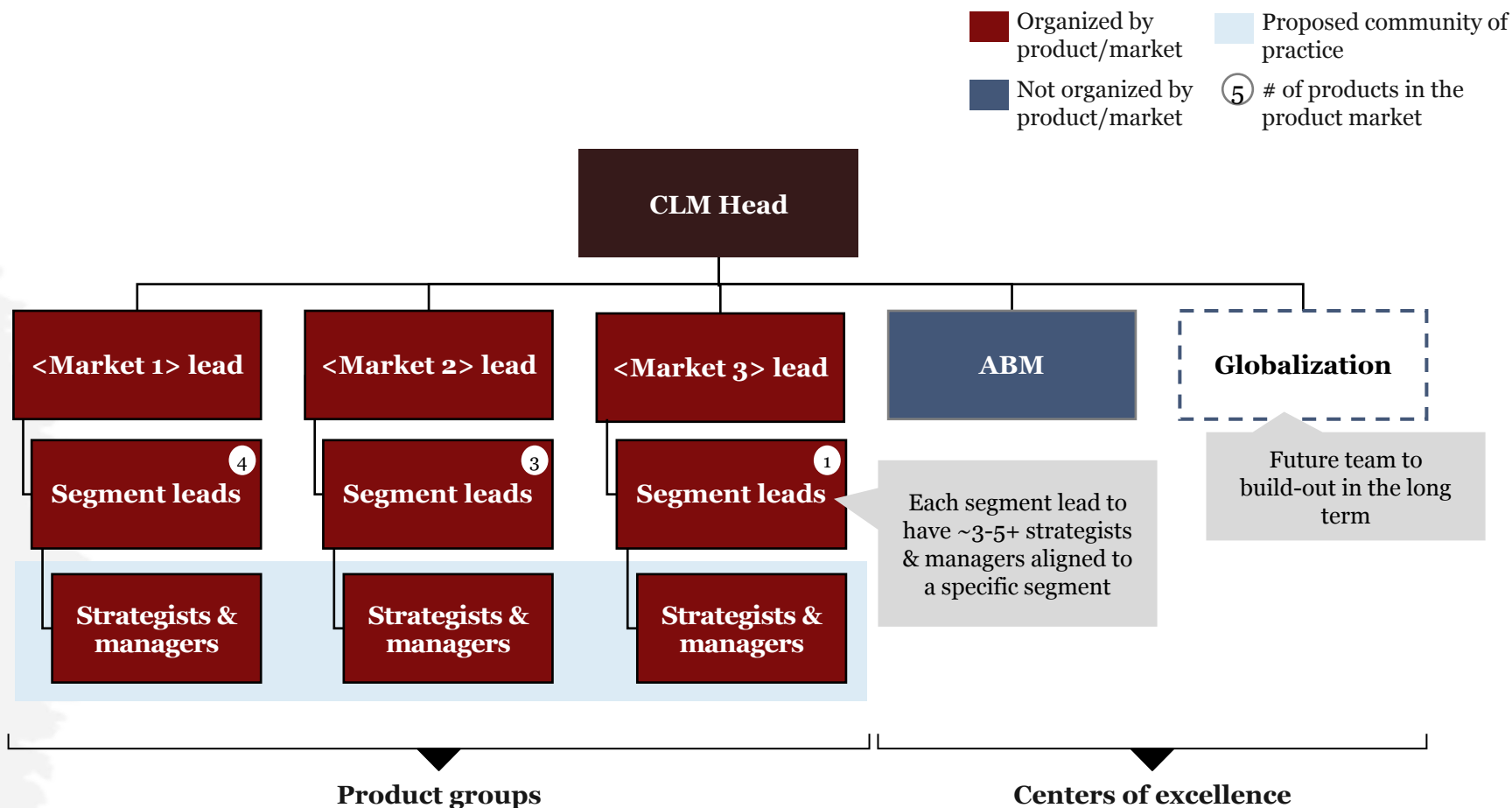
■ Deep dive follows

1 | **Organize by market and then cust. segment**

2 | **Organized by market and then funnel phase**

3 | **Organized by market *and* funnel phase**

Team built out in-depth org charts for each model

REDWOOD ADVISORS

16

Option 1: Organize by market and then customer segment

■ Organized by product/market	☐ Proposed community of practice
■ Not organized by product/market	⑤ # of products in the product market

CLM Head

<Market 1> lead | **<Market 2> lead** | **<Market 3> lead** | **ABM** | **Globalization**

Segment leads ④ | **Segment leads** ③ | **Segment leads** ①

Strategists & managers | **Strategists & managers** | **Strategists & managers**

Each segment lead to have ~3-5+ strategists & managers aligned to a specific segment

Future team to build-out in the long term

Product groups | **Centers of excellence**

REDWOOD ADVISORS

RWA worked with key stakeholders to rigorously identify the key pros and cons for each org model

| Org model:	Organize by market and then customer segment	Organize by market and then funnel phase	Organized by funnel phase and then market	Current state (size & funnel phase)
Pros:	+ Aligns CLM, PM, and Sales org structure, objectives, & operations + Aligns CLM structure with key NexAlign goals + CLM segment leads have clear customers to own (vs. centralized lead funnel phase COEs) + \<Pro\>	+ Aligns with PM and Sales at the market level + Allows for larger teams of funnel phase experts to serve multiple products + \<Pro\> + \<Pro\>	+ Creates clear POC for funnel phase and each market + Best optimizes funnel phase staff + \<Pro\> + \<Pro\>	+ Heavily focused on revenue outcomes + Centered around customers and customer objectives + \<Pro\>
Cons:	– Funnel phase-specific expertise not consolidated – Complicates cross-flow motion across markets	– Model less customer-centric than current state – Creates multiple POCs for each PM product-level lead (since this org has no product-specific CLM leader) – \<Con\>	– Lifecycle staff not mapped to specific products, potentially creating alignment issues – \<Con\> – \<Con\>	– \<Con\> – \<Con\> – \<Con\>

Each org model was then stress-tested against three "acid test" scenarios

Scenario focus	Problem statement	Scenario
Centralized product strategy	• \<Market> is a top business priority moving forward as part of NexAlign's growth goals • In the current state, all key revenue "levers" are distributed across the CLM team such that they can be a primary driver of revenue generation	• Can the new org develop and drive a centralized product strategy across customer segments (including SMB and Enterprise) that aligns all levers to reach our revenue goals?
Retention campaigns	• Today, we do not drive strategic retention efforts according to customer behavior (e.g., product usage and adoption) • Strategic retention campaigns driven across the organization could help further reduce customer churn	• Can our future-state org model support the cross-functional efforts needed to drive high-quality, customer driven retention campaigns?
Sales partnership	• We do not have a clearly defined operating model for working with Sales to create an integrated approach to marketing & sales; today, we have inconsistent messaging and ad-hoc content creation	• Does our org model include key POCs to drive our processes for working with Sales (e.g., developing messaging, aligning on customer targets) in the future state?

We worked with NexAlign leaders to **identify the top risks & scenarios** that might affect NexAlign in the coming years and determined **how well each proposed org design model would handle each scenario**

REDWOOD ADVISORS

19

Based on the acid tests, NexAlign chose to organize their CLM team by market, product(s), & then customer segment

Org. Model Option	Centr. product strategy	Retention campaigns	Sales partnership	Overall Score
Organize by market and then cust. segment	*PM to drive centralized strategy*	*Clear cross-flow owners identified per key process*	*Structure aligned with sales team structure*	
Organize by market and then funnel phase	--	--	--	
Organized by market & product *and* funnel phase	--	--	--	
Current state (size and funnel phase)	--	--	--	

Full explanation for each assessment would be included in the appendix

Future State Design

The team then reviewed & approved the following proposed organizational model for the future state

⑤ # of team members — Organized by product/market

▢ Contractor — Not organized by product/market

40 FTEs

CLM Head

| **<Market 1> lead** | **<Market 2> lead** | **<Market 3> lead** | **ABM** |

Enterprise pod
Enterprise lead
- <Prod. 1> strat. ②
- Ent. camp. mgr. ②

Middle-market pod
Middle-market lead
- <Prod. 2> strategist ①
- <Prod. 2> camp. mgr. ②

SMB pod
- <Prod. 3> strategist ①
- <Prod. 3> camp. mgr. ①

Enterprise pod
Enterprise lead
- <Prod. 4> strat. ①
- Ent. camp. mgr. ②

Middle-market pod
Middle-market lead
- <Prod. 5> strategist ①
- <Prod. 5> camp. mgr. ②

SMB pod
- <Prod. 6> strategist ①
- <Prod. 6> camp. mgr. ①

Enterprise pod
Enterprise lead
- <Prod. 7> strat. ①
- Ent. camp. mgr. ②

MM & SMB pod
- <Prod. 8> strat. ①
- <Prod. 8> camp. mgr. ②

ABM
- **AMER strategist**
- **AMER camp. mgr.**
- **EMEA strategist**
- **EMEA camp. mgr.**
- **APAC camp. mgr.**
- **Copywriter** ②

REDWOOD ADVISORS

The future state organizational model did not require any new hires or major role changes, accelerating implementation

CLM future-state FTEs by team (*# of FTEs*)

Legend:
- CLM lead
- ABM
- Market lead
- Segment lead
- Strategist
- Campaign mgrs

<Market 1> — 11: 2, 4, 5
<Market 2> — 10: 2, 3, 5
<Market 3> — 7: 1, 2, 4
Product strategists & camp. mgr FTEs — 28: 5, 9, 14
ABM — 7
Leadership — 5: 1, 1, 3
CLM total — 40: 1, 8, 3, 5, 14

Team drafted 2 supporting cases on top opportunities for additional investment in new team members
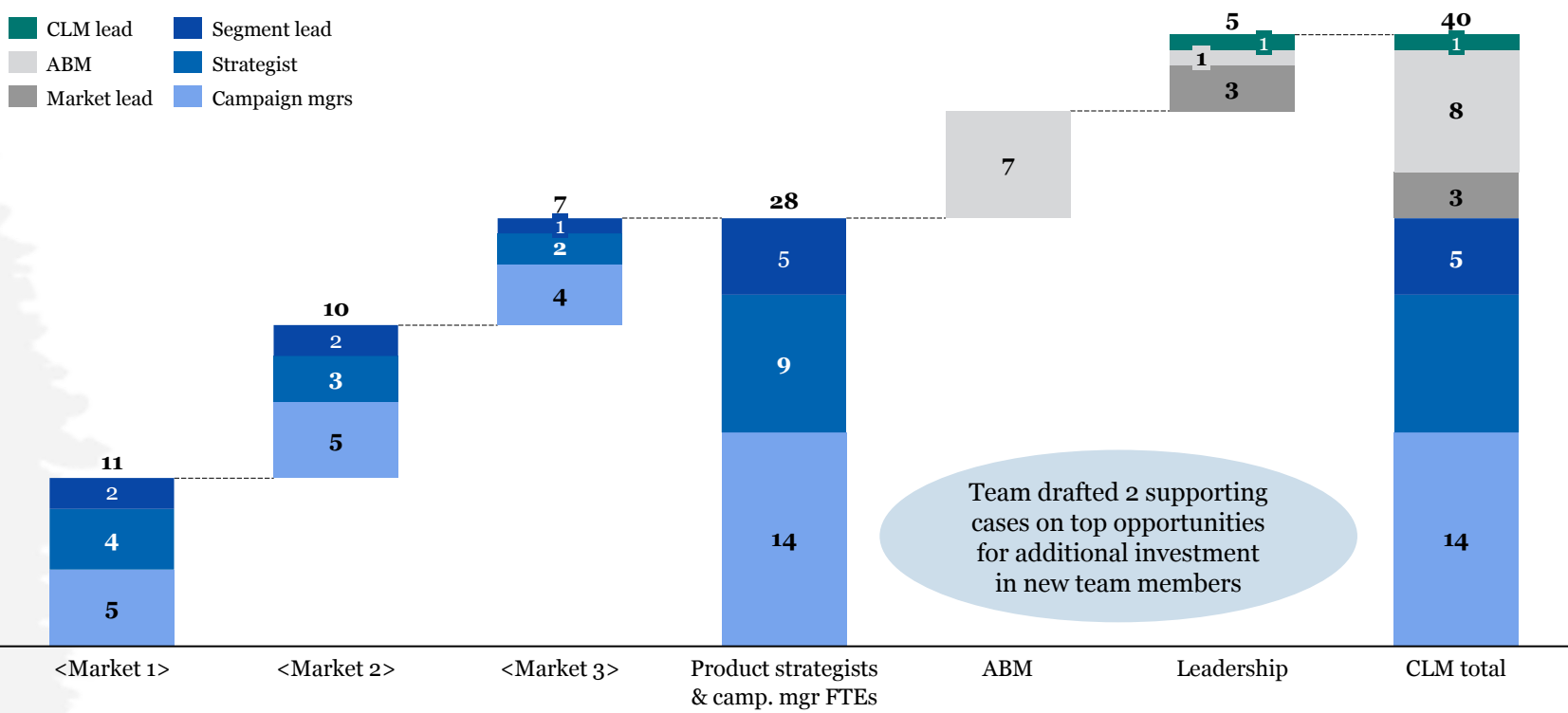
Current staffing:

Change:

REDWOOD ADVISORS

Agenda

Current State Diagnostic

Future State Design

Implementation

REDWOOD ADVISORS

Top activities to drive the transition are laid out and assigned owners to drive ongoing progress in the transition

Category	Top Activity	Responsible	Supporting	Current state	Top next steps	Status
Org. Structure	Transition to market pods	• Jeff	• Colson / Renner	• ~80% of transition to market pods completed	• Hold one-on-ones with market leaders • Finalize assignments for multi-market staff	
	HR enablement	• Jeff	• Colson	• Key future-state roles identified • Role objectives / activities drafted • Town hall scheduled	• Finalize mapping to future state roles • Finalize future-state R&Rs • Approve key roles with <CEO>	
	Annual planning	• Anne	• Jeff	• Planning forms fully drafted • Key planning meetings scheduled	• Pull in cross-functional stakeholders for input on next year plans • Align with CMOs on high-level campaign process	
Roles & Resp.	Finalize role descriptions	• Kristy	• Merida	• Aligned with HR on future-state roles and objectives / activities	• Need to redefine "campaign management" role by segment	
	Map staff to new roles	• Kristy	• Jeff	• ~40% of mapping to future roles completed for existing CLM team members	• Finalize 4 outstanding assignments • Finalize decision on manager assignments	

REDWOOD ADVISORS

Each key activity was then placed on a roadmap up to the target roll out date of H1 20XX

Intensity of focus

━━ High ━━ Low

━━ Medium

	Q1	Q2
Kick-start and test new model		
• Ensure staff understand job and role		
• Identify and manage key transitional risks		
• Gather feedback and make model adjustments		
Enable effective staff		
• Meet with staff to get input and solve pain-points		
• Develop full job descriptions with staff		
• Identify additional training needs for staff		
<Objective>		
• <Milestone>		
• <Milestone>		
• <Milestone>		
<Objective>		
• <Milestone>		
• <Milestone>		
• <Milestone>		
Ongoing executive alignment and discussion		

REDWOOD ADVISORS

25