

Designing the Scaling Operating Model

How to align experimentation, expansion, partnerships, decision rights and resource allocation into one working system.

Theory session

Intermediate

Running case: Northstar Habitat



Where this session sits

The final session assembles the whole course into one operating model

MODULE 1

Growth Architecture
and Market Entry

MODULE 2

Commercial Engines
and Expansion

MODULE 3

**Strategic
Scaling Choices**

SESSIONS IN THIS MODULE

3.1

Building an Experiment Portfolio

Allocating tests across uncertainty, evidence and deadlines

3.2

Expanding Markets Through Partners

Partner roles, incentives, governance and local credibility

3.3

Designing the Scaling Operating Model

Decision rights, phases and resource allocation

YOU ARE HERE

What this session explains

Turning a set of good decisions into a system that keeps making them

01 **An operating model is five connected choices**

Structure, decision rights, processes, metrics and people — changing one without the others fails.

02 **Decision rights are the hardest part**

What is standard everywhere, and what is decided locally.

03 **Phases beat a single launch**

Staged delivery lets the model learn before it is committed everywhere.

04 **Incentives carry the design**

SOFF linked funding to a technical standard, so compliance did not rely on persuasion.

What an operating model is

The arrangement that produces decisions, not the org chart

WORKING DEFINITION

An operating model is how a company organises people, decision rights, processes, metrics and resources so that the strategy gets executed repeatedly — by people who were not in the room when it was chosen.

1

It outlives the founders' attention

The test is whether good decisions still get made when nobody senior is present.

2

It is mostly about decision rights

Structure gets debated; what actually changes behaviour is who may decide what, without asking.

3

It encodes the strategy

SOFF's funding was tied to GBON. The standard was enforced by the incentive, not by exhortation.

Galbraith, J. (2014). Designing Organizations (3rd ed.). San Francisco: Jossey-Bass.

Five parts that have to move together

Changing one in isolation is the most common cause of failed reorganisation

STRUCTURE

How teams are grouped — by function, segment, geography or product.

DECISION RIGHTS

Who decides what, alone, and what must be escalated.

PROCESSES

The standing workflows that connect teams, including handoffs.

METRICS

What is measured, by whom, and on what cadence.

PEOPLE AND INCENTIVES

Who is accountable, and what their reward is tied to.

THE COMMON ERROR

Structure alone

Redrawing the chart without changing decision rights or incentives leaves the same behaviour with new titles.

THE STRONGEST LEVER

Incentives

SOFF tied funding to GBON compliance. That did more than any coordination meeting could.

What is fixed everywhere, and what is local

The central question in any scaling model

STANDARD EVERYWHERE Quality bar, data definitions, pricing floor, brand, compliance. Common standards are what let scale mean anything.	FRAMEWORK, LOCAL CHOICE Channel mix, messaging, partner selection, staffing shape. Bounded discretion.	FULLY LOCAL Relationships, language, local regulation and cultural practice. Central control here produces delay and resentment.
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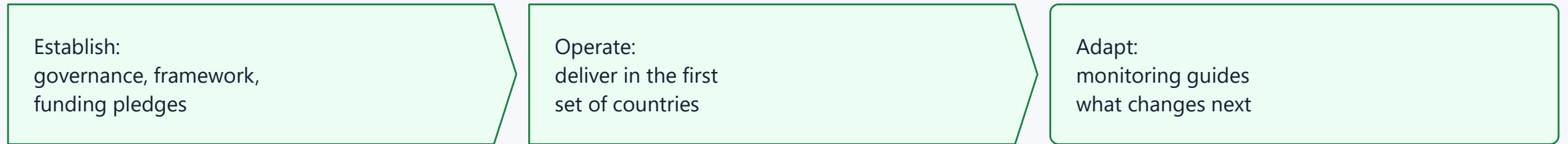
DECIDING WHICH COLUMN SOMETHING BELONGS IN

Ask	If yes, standardise it
Would variation break comparability across markets?	Yes — metric definitions must be identical or the portfolio cannot be read.
Would variation create legal or safety risk?	Yes — compliance is never a local choice.
Does the local team have better information than the centre?	No — then the decision belongs with them.

SOFF's three linked phases

Staged delivery lets the model be corrected before it is committed everywhere

THE SEQUENCE



THE PHASE THAT IS USUALLY MISSING

The third phase is what most scaling plans omit. Without an explicit adaptation stage, the model built for the first ten markets is applied unchanged to the hundredth.

Scale reveals requirements the design did not anticipate

SOFF's demand exceeded both the volume and the scope it planned for

SOFF AFTER EIGHTEEN MONTHS OF OPERATIONS

Countries requesting support



101

Months of operation



18

Requests included middle-income countries beyond the initial scope — a scope question, not only a capacity one.

TWO DIFFERENT PROBLEMS

Volume and scope

More of the same demand is a capacity question. Demand from outside the intended group is a strategy question.

WHY IT NEEDS A ROUTE

Learning inside delivery

SOFF made monitoring part of delivery, so adaptation had a mechanism rather than depending on someone noticing.

THE DECISION

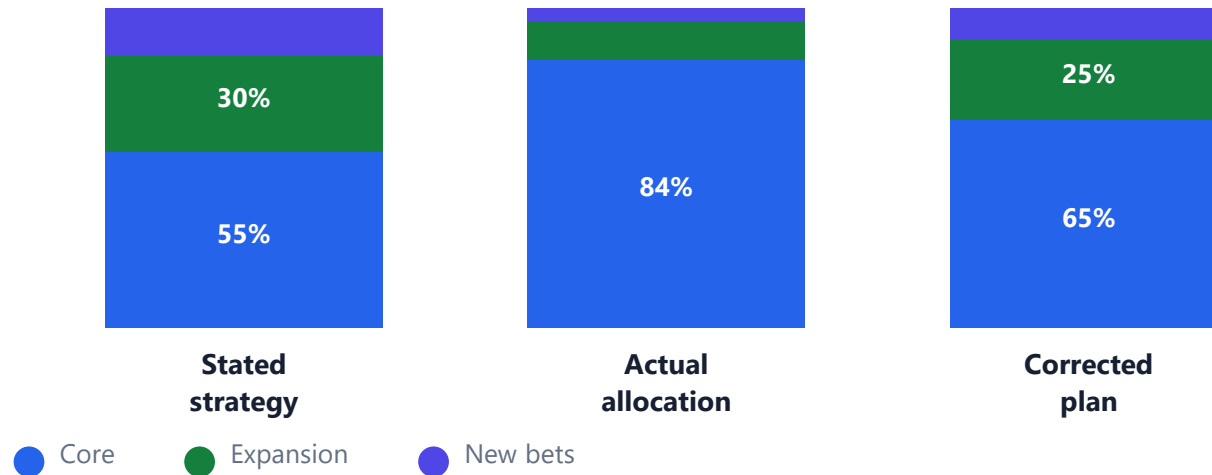
Serve, defer or decline

All three are legitimate. Not choosing explicitly means drifting into the largest segment by default.

Where the resource actually goes

The allocation is the strategy; everything else is commentary

SHARE OF GROWTH CAPACITY BY HORIZON



Stated and actual allocation diverge in almost every company. The gap is where strategy quietly fails.

THE AUDIT

Count people, not slides

Take the headcount and the calendar. Whatever they are actually working on is the real strategy.

WHY IT DRIFTS

Core work is always urgent

Expansion and new bets have no deadline, so they lose every week to something that does.

THE DEFENCE

Ring-fence it

Protected capacity with its own owner, or the allocation returns to core within a quarter.

Writing down who decides what

Ambiguity here is the most reliable source of delay in a scaling company

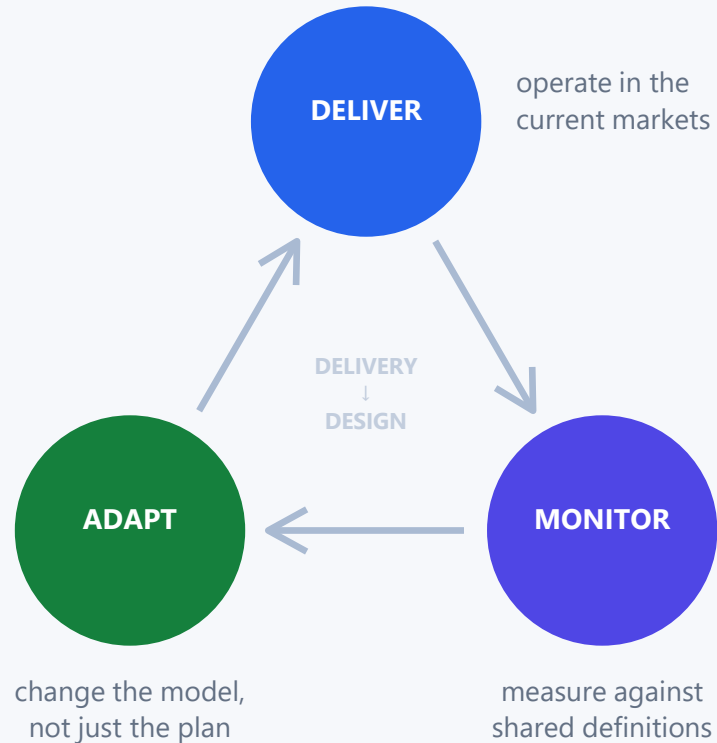
Decision	Decided by	Consulted	Escalates when
Discount within 15%	Account owner	—	Beyond 15%, or a non-standard term.
New channel test under £20k	Growth lead	Finance	Beyond budget, or a brand implication.
Entering a new market	Executive team	Local lead	Always — this is never delegated.
Partner agreement	Partnerships lead	Legal, finance	Exclusivity, or a term beyond twelve months.
Product roadmap change	Product lead	Sales, support	A committed customer date is affected.

THE COLUMN THAT MAKES IT WORK

The escalation column is what makes this usable. A decision right without a stated boundary gets escalated anyway, and the table stops being trusted.

The loop that keeps the model current

SOFF made monitoring part of delivery rather than a separate reporting task



SHARED DEFINITIONS

Comparability is the point

If each market measures differently, the portfolio cannot be read and adaptation becomes guesswork.

ADAPT THE MODEL

Not only the targets

Missing a target and resetting it is not adaptation. Changing decision rights or phases is.

CADENCE

Quarterly is usually right

Fast enough to correct, slow enough that markets are not re-planned before they have run.

Three scaling models that do not hold

Each is announced with confidence and erodes within two quarters

Ambition without architecture

Looks like A scaling plan stated as targets.

Why it fails Nothing in incentives, roles or phases changed, so behaviour does not either.

Fix Express the intent in funding, decision rights and sequence — as SOFF did.

Structure without decision rights

Looks like A reorganisation and a new chart.

Why it fails The same people still ask the same person for permission.

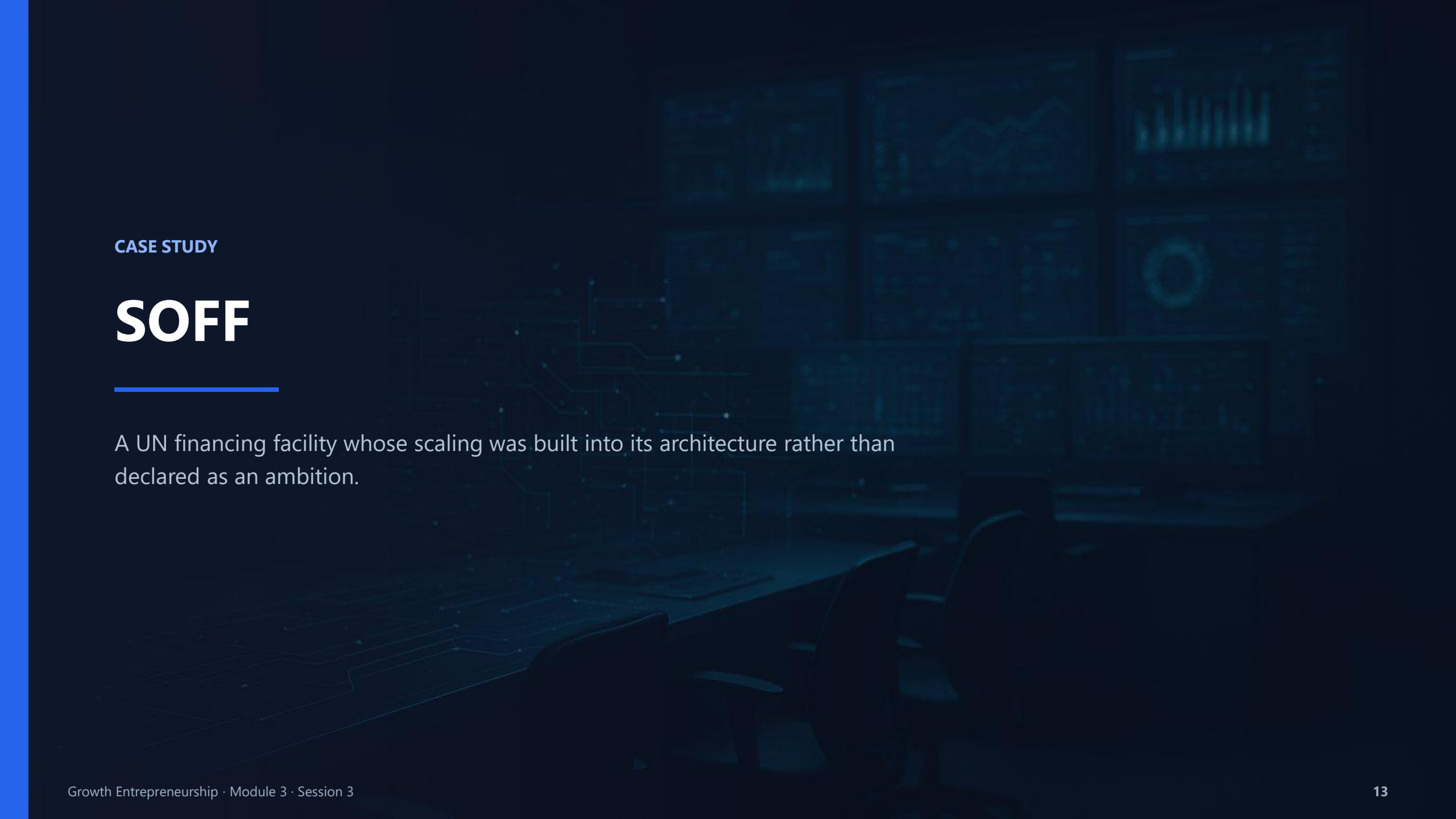
Fix Publish the decision table with escalation boundaries.

Allocation drift

Looks like A stated 70/20/10 that is actually 90/8/2.

Why it fails Core work is urgent and expansion is not.

Fix Ring-fence capacity with its own owner and audit it quarterly.



CASE STUDY

SOFF

A UN financing facility whose scaling was built into its architecture rather than declared as an ambition.

Scaling built into the architecture

Incentives, phases and feedback rather than a declaration

THE DESIGN

Scale expressed structurally

ESTABLISHED

A UN Multilateral Partner Trust Fund created at COP26 in November 2021; operations from 2022.

THE TECHNICAL ANCHOR

Funding linked to GBON, so money and compliance with a common standard moved together.

THE DELIVERY SHAPE

Three linked phases rather than a single-stage intervention, with governance and an operational framework in place first.

WHAT SCALE REVEALED

Demand beyond the design

THE SIGNAL

After eighteen months, 101 countries had requested support — including middle-income countries beyond the initial scope.

THE RESPONSE

Monitoring was made part of delivery so learning could guide adaptation rather than sit outside it.

THE OBSERVATION

Scaling principles shaped the facility without a standalone scaling declaration.

READING THE CASE

Scaling becomes durable when it is expressed through incentives, roles, phases and feedback — not through ambition. Intent and architecture are different things.

Bringing the theory to Northstar Habitat

An operating model for the next eighteen months

Component	What you decide	Northstar example
Structure	How teams are grouped.	By region, with a central methods team owning the standard.
What is standard	Everywhere, without local choice.	Assessment methodology, metric definitions, quality review.
What is local	Bounded discretion.	Partner selection, pricing within a floor, sequencing of clients.
Decision rights	With escalation boundaries.	Regional lead signs below £80k; market entry never delegated.
Allocation	Ring-fenced, with an owner.	65% core delivery, 25% expansion, 10% new bets — audited quarterly.
Feedback	Monitoring inside delivery.	Every engagement records adoption conditions, not just outcomes.

WHAT COMES NEXT

That last row closes the loop back to Session 3.1: the portfolio and the operating model feed each other.

What to carry out of this session

1

An operating model is five choices, not an org chart.

Structure, decision rights, processes, metrics and incentives move together or not at all.

2

Decide what is standard and what is local, explicitly.

Comparability and compliance are central; relationships and language are not.

3

Phase the rollout, and include an adaptation stage.

Without it, the model built for ten markets is applied unchanged to a hundred.

4

Audit allocation against the stated strategy.

Count people and calendars — whatever they work on is the real strategy.

5

Encode intent in incentives.

SOFF linked funding to a technical standard; compliance did not depend on persuasion.

Sources for this session

Primary references behind each concept

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