MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE

UKRAINIAN-AMERICAN CONCORDIA UNIVERSITY

School of Management and Business

Department of International Economic Relations, Business & Management

Bachelor's Qualification Work

Planning as a general management function

(based on Ontogeny Ventures, LLC case)

Bachelor's student of 4th year

Field of Study 07 – Management   Danylo Shchadnykh

and Administration

Specialty 073 – Management

Educ. program – Management

Research supervisor   Luidmila Serova

Ph.D. of Sience in Economics

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Abstract

The work is devoted to studying the concept of planning as a general management function. The work summarizes theoretical and methodological approaches of planning, and apllies this knowledge to practical analysis of planning process in start-up company. Author analyzed both financial and organizational spheres of a company, identified possible strong and weak spots, and provided recommendations on efficiency improvement.

Keywords: planning, planning process, management, manager, start-up, company, strategic planning, organizational structure.

Анотація

Робота присвячена вивченню поняття планування як загальної функції управління. Робота узагальнює теоретичні та методологічні підходи до планування та застосовує ці знання для практичного аналізу процесу планування в старт-ап компанії. Автор проаналізував фінансову та організаційну сфери компанії, виявив можливі сильні та слабкі сторони та надав рекомендації щодо підвищення ефективності.

Ключові слова: планування, процес планування, менеджмент, менеджер, старт-ап, компанія, стратегічне планування, організаційна структура.

PHEE-institute «Ukrainian-American Concordia University»

School of Management and Business
Department of International Economic Relations, Business and Management

Educational level: **bachelor degree**
Specialty: 073 "Management"
Educational Program   "Management"

APPROVED

Head of Department   Prof. L. Zharova

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TASK
FOR BACHELOR'S QUALIFICATION WORK
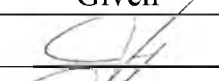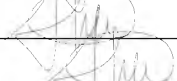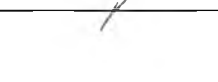
Danylo Shchadnykh

1. Topic of the work

Planning as a general management function (based on Ontogeny Ventures, LLC case)
Supervisor of the work Liudmyla Syerova PhD of Economics, Associate Professor
(surname, name, degree, academic rank)

Which approved by Order of University from **"22" September 2022 № 22-09/2022-3c**

2. Deadline for bachelor's qualification work submission **"10" May 2023**

3. Data-out to the bachelor's qualification work

Materials from internship received during consultation with representatives of the company. Information from open resources in the Internet, official reporting of financial and economic activities of the enterprise.

4. Contents of the explanatory note (list of issues to be developed) *There are three main topics/tasks for the thesis: theoretical and methodical bases of planning; research of the organizational and economic mechanism of management of the enterprise; development of measures to improve the planning of the enterprise.*

5. List of graphic material (with exact indication of any mandatory drawings)

Graph for illustrating the dynamic of financial indicators of the company activity and schemes for visualization the organization management system of the company.

6. Consultants for parts of the work

Part of the project	Surname, name, position	Signature, date	
		Given	Accepted
1			
2			
3			

7. Date of issue of the assignment

Time Schedule

№	The title of the parts of the bachelor's qualification work	Deadlines	Notes
1.	I chapter	31.12.2022	In time
2.	II chapter	20.02.2023	In time
3.	III chapter	11.04.2023	In time
4.	Introduction, conclusions, summary	23.04.2023	In time
5.	Pre-defense	27.04.2023	In time

Student_____
(signature)

Supervisor_____
(signature)

Conclusions:_____

The bachelor thesis of D. Shchadnykh is relevant and devoted to planning as a general management function. The reviewed bachelor thesis consists of content, introduction, 3 sections, conclusions, and recommendations. The content of the paragraphs is fully complied with the parts' titles and the topic of the bachelor thesis. The content and structure of the work meet the requirements and current standards for obtaining an educational bachelor's degree. Illustrative materials facilitate the perception of presented information and indicate persistence in the collection and processing (analyzing) of statistical data. The practical significance of this bachelor thesis is proved by the opportunity of using of a proposed improving set of measures on the company. Proposed recommendations will increase the efficiency of the management system of the company. The bachelor thesis is a completely independent study of current theoretical and practical aspects of management. The bachelor thesis of D. Shchadnykh is recommended for defense.

Supervisor_____
(signature)

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INTRODUCTION

Long history of the development of management has shown that it is crucial for every company to have an efficient and experienced leader, which has a vast experience of dealing with different problems which may occur within the company. Every manager should be able not only to run and represent the company or its department, but also deal with numerous day-to-day challenges. The key feature of success in management process is being able to solve occurring problems quickly and effectively. For every specialist in management sphere it is vital to be familiar with principles of management, which are categorized into four main functions, They are organized into P-O-L-C framework - planning, organizing, leading, and controlling. This basis is highly important due to the fact that every function from this framework is influencing daily processes within the company and are very useful for achieving both short-term and long-term goals.

Planning is an essential process in various aspects of life, such as business, education, and personal life. The ability to plan and execute plans effectively is a critical skill for success in today's world, making planning first and one of the most important function in management. It is essential for manager on every level of organization because it requires setting goals and milestones, foreseeing possible challenges, and defining key elements of achieving the result. In case all of these features are planned correctly, the possibility of failure is reduced nearly to zero. Successful implementing of planning experience not only reduces the likelihood of setback, but also may open new opportunities of optimizing the current processes in the company, or improving the efficiency workflow.

The main aim of this bachelor's thesis is to explore the concept of planning as a general management function, its significance in different fields of study, and apply this knowledge to a deep analysis of planning process in a start-up company on a basis of a completed internship practice, as well as provide suggestions of how different aspects of planning process may be improved. This analysis will include main information about the company, including description of organizational structure and main planning processes, internal and external environment, and financial indicators.

In order to achieve the aim of Bachelor's work the following goals were set:

- study and explain the concept of planning process in management
- explore and analyze different types of the planning process in a modern company
- derive main principles of planning
- examine the role of planning in achieving organizational goals and objectives
- provide complete information about start-up company Ontogeny
- analyze the work of main departments and environment of the company based on completed internship practice
- implement theoretical knowledge about planning on the management processes of Ontogeny
- derive suggestions about how planning processes of Ontogeny may be improved according to previous analysis
- analyze the effectiveness of suggested proposals

The **methodological basis** for this work consists of academic literature, acclaimed internet publications, and personal data analysis and calculations.

The **research object** is planning as a function of management, different aspects of planning, and how it is carried out in modern companies.

The **research subject** is a set of theoretical and practical approaches to determine the ways of how business managing process of "Ontogeny" may be improved.

Bachelor's work consists of an introduction, three chapters, conclusion, list of references, and annexes. The first chapter of this work provides theoretical information about the planning in a modern world and explains advantages and limitations which are present in planning nowadays. The second chapter is dedicated to the analysis of how planning process is structured in an American start-up Ontogeny, with information about organizational structure and financial activities of the company. The third chapter will explain how studied material can be applied to a company in order to increase the level of performance and efficiency with the further analysis of proposed suggestions. Bachelor's

work is carried out on 76 sheets, contains 13 tables, 2 formulas and 16 figures. References include 45 literature and internet sources.

CHAPTER 1.   THEORETICAL AND METHODOLOGICAL FUNDAMENTALS OF PLANNING

1.1   The essence of planning as a component of the system management of a modern enterprise

Planning is the first managerial function from P-O-L-C framework, which also includes organizing, leading, and controlling. It is the process of setting up goals and outlining the ways of how these goals can be achieved in a most efficient way. This process mainly consists of analyzation and decision making, or choosing from numerous possible options the best and the most efficient way. A very important part of planning process is environmental scanning, which means that managers must learn and point out every possible condition or event which may affect the process of achieving goals. This scanning mainly analyzes the economic conditions of the company, who are the competitors and how they perform at the moment, who are the main customers, how company can reach to the target audience, and so on. After the analysis is made managers create a forecast, which mainly represents the basis of planning and allow company to use it as a foundation for any further decision-making processes (1.5 Planning, Organizing, Leading, and Controlling, 2008). However, forecasts cannot be accurate enough to predict every obstacle which may occur in the future, so this is important to set up the workflow in a certain way when every employee is ready to sudden problems and can respond without losing efficiency. So the best way to formulate a successful plan is to include all the necessary information about everything which may influence the process and constantly evaluate the process to be able to respond when necessary.

In a process of predicting the likelihood of possible results during planning it is important to analyze as many factors as possible. History shows that many managers and experts often predict the outcome of a certain project or business plan by selecting the result which has the most input data and ignoring the data which limits the accuracy of their prediction. Their extreme confidence in the precision of predicted outcome may ruin the entire plan due to the fact that not all inputs are analyzed and explored (Kahneman, 2022). Another important thing is to check the relevance of gathered data and be sure that it matches

the state of affairs which is present in a sphere you were analyzing. Many predictions, which seemed accurate at the first glance have influenced the result in a bad way due to the fact that managers didn't pay attention to the relevance of used information during the planning stage (Rosling, 2019).

Planning as a managerial function can be divided into three approaches, which are strategic, tactical, and operational planning. Each of them are covering different stages of planning process. Strategic planning is performed mainly by the top management of a company and consists of defining the goals and milestones of an organization, as well as analysis of competitive strengths, weaknesses, opportunities, and threats, which can be depicted in a form of SWOT analysis - a review all internal and external factors which are influencing the company, including potential opportunities and threats for the development in the future (Kenton, SWOT Analysis: How To With Table and Example, 2022).

Strategic planning mainly represents mid-term and long-term goals of a company. Companies may conduct this type of planning during different stages of business development, for example when there is a big threat of new competitors entering the market, or simply when they want to reconsider their business strategy. This type of planning shows a company a direction in which it may develop as well as help in defining goals in a SMART framework - specific, measurable, achievable, realistic and time-bound. Defining these goals right are crucial because they allow company management to monitor the efficiency of the business, as well as adjust day-to-day tasks in order to fit the workflow to the business strategy. Examples of successful companies, such as Apple and Amazon, show that the most common approaches of doing quarterly and annual reviews of their strategy are proved to be the most efficient (Bigelow, 2022).

In comparison with strategic planning, tactical is used to determine short-term tasks required in order to achieve goals, which were set during strategic planning process (Hart, 2022). These short-term tasks should be viable and easy to achieve, and their completion should eventually lead to fulfilling all the requirements to achieve strategic plans. To set up short-term goals effectively every manager should remember about several key factors, which are similar to strategic planning. They are goals, tactic, deadlines, and resources.

Goals are very important in tactical planning, they also should be identified according to SMART framework allowing managers to improve efficiency and productivity. Defining the main tactic to achieve goals will help to understand in which way desired goals can be achieved. Deadlines set up time limits for the completion both entire tactical plan and its subtasks. Resources include everything needed to achieve goals in terms of equipment and workforce, for example, financial resources, materials, products, and so on (Learn more about Tactical Planning, 2022).

Operational planning is a combination of outcomes of strategic and tactical plans, combining all previous takeaways into a one, consistent plan of how to achieve goals using everything mentioned in previous plans, including all the details and timelines. Deadlines must be set up according to the regular workflow rate of the company. Typically operational planning covers day-to-day tasks for a long term period. (Operational Planning, 2022).

Table 1.1

Comparison of different planning approaches

	Strategic Planning	Tactical Planning	Operational Planning
Length	Long-term tasks	Sort-term tasks	Day-to-day tasks
Management	Senior management	Middle management	Team Leaders
Tasks Examples	1. Define goals 2. Forecast environmental parameters and organizational changes	1. Elaboration of selected strategies 2. Plan capital, personnel, investments	1. Develop specific actions of achieving goals 2. Ensure task execution 3. Monitor deadlines

Source: made by the author

Many start-ups in the United States failed due to the lack of experience managers had during planning process, so they were unable to analyze every important factor either before

starting a business or while they operated on the market (Why startups fail?, 2022). Detailed information about the most common reasons for start-up's failure can be found in Annex B.

1.2   Methodological approaches of planning (6 P's of Planning)

Depending on foundational elements, such as organizational philosophy, cultural code, interests, and amount of resources, managers may use different methods of planning in order to achieve set up goals. There are four main methods, and all of them have the same aim – make the planning process as effective as possible. Implementation of these methods may allow company to achieve its goals differently, depending on such factors as organizational structure and complexity of project (5 Common Methods of Planning In Management, 2022).

Figure 1.1 shows all four methods of planning.

Fig. 1.1 Methods of planning
Source: compiled by the author

The first and the most common method for middle to large-sized organizations is top-down method, where senior management is directly involved in the first stages of planning process. They set up tasks and expectations, develop programs of implementation, strategies, and the way how these tasks are meant to be done. After the initial plan is developed it is passed to middle management, where the workflow itself is carried out. In

this method middle and lower-level management cannot influence the initial stage of planning, their main role is execution of set up tasks based on the prepared plan. This method of planning is centralized, which means that only senior management have expected knowledge and skills to prepare efficient plans. One of the biggest disadvantage of top-down method of planning is the fact that executive management doesn't have tights to interfere the planning process and suggest their own ideas about implementation, which eliminates creativity.

The second is bottom-up method, which is a complete opposite of the first one. This method assumes that the initial planning process is started by low-level management, and then passed to middle management to be assessed and adjusted. Then the ready plan is passed to senior management for the final review and approvement. Bottom-up method doesn't require the imitative from senior management. Instead, it allows operational managers to show their skills and vision to the top-level management. At the same time, this method may be ineffective due to the fact that vision of senior management may not be well understood and supported by other managers and thus many adjustments may be required (Top-down approach vs. bottom-up approach: What's the difference?, 2021).

The next is a composite method one and called method by objectives, or MBO. It is a combination of previous two methods, which means that all levels of management are involved into the planning process. Senior manager provides a broad vision and guidance to middle and low managers, who at the same time formulate and develop the complete plan, which is then revised by senior management and passed back in case any additional changes are need. After the final plan is agreed by every level it is forwarded to the implementation stage. This method is the most democratic because managers from every level are involved, and there is a broad range of possibilities for suggestions and creativity.

The fourth and the final one is called team method. This method suggests creation of a separate planning team for every stage of planning process. Team is responsible for formulating the plan, analyzing all the details, and forecasting possible challenges. However, team is not supposed to create the final draft of plan, the task is outlining a basis, which is then reviewed and finalized by chief executive. In comparison with other methods

this one provides an independent and open workflow to the planning team and allows to include high-level planning specialists in the process (Methods of Planning: Top-Down, Bottom-Up, Composite, and Team Method, 2022).

All of these methods are equally distributed among modern companies, which shows the effectiveness of these methods and their reliability. However, for every manager it is vital to know the main principles of planning in order to understand the process better and improve the efficiency. The main principles are combined in the 6 P's framework, which is widely spread among different spheres, including marketing, manufacturing, strategy development, and so on. Each of these spheres has their own, differently interpreted rule of 6 P's, and managements is not an exclusion. The concept in this sphere relies on six different key elements which are determined when organization is formed important for the successful development of strategy during planning, or when the company is changing the way it operates.

Figure 1.2 shows the concept of 6 P's of planning.

Fig. 1.2 The concept of 6 P's of planning
Source: compiled by the author

The first P from 6 P's concept stands for purpose. To be as effective as a specialist as possible every manager should be able to outline the reasons why the plan should be done in a certain way and provide particular proves to their suggestions, and at the same time,

management should clearly understand what is the main purpose for them to plan and execute certain steps. For example, during the process of strategic planning in order to increase profits of the company it is vital to increase its market share, and at the same time after profits are risen company can improve other departments in order to succeed better. The second P is described as plans. This principle is applied at any level of planning approaches, because well-developed plans are basically the foundation for your team and they may prevent the organization from low level of tasks realization. The level of how well plans are prepared influences the way of how quickly organization in will achieve its goals, and what will be the level of efficiency after the tasks will be completed (6Ps of strategy planning, 2021).

The third P is promise, which is basically the assessment of strengths and weaknesses of a company based on SWOT analysis. Another way how managers can better understand the promise of organization is by forecasting vital factors, like possible outcomes of new product introduction, or creation of an logistics department in order to increase the amount of operations running at the same time. Understanding strengths and weaknesses of the company or future projects allows manager to respond to any possible threats emerging in the future with a high level of effectiveness. The next P stands for philosophy. This principle consists of convictions, which are vital for the organization in order to achieve its goals. Philosophy may be based on different aspects, such as improving customer satisfaction level, and mainly connected with the purpose of an organization. History also shows that developing a well-performing company requires not only a clear philosophy, but also detailed and comprehensive code of conduct.

The fifth P are policies, or common rules which explain the workflow in the company and are clear to its employees. Policies are also helpful for every level of management because they are used as a stage direction in decision-making 12mall12s. As an example, most of modern companies use production policies, marketing policies, financial policies, and so on. The last out of six P's are priorities. This is one of the most important principle of planning because all resources which any company obtains, like capital, employees, and materials, are limited, and it is important to use and allocate them wisely according to the

priorities. In order to do this management must be aware of the philosophy company created, as well as the status of social and political environment (Singh, 2016).

Right implementation of these principles allows managers to do planning effectively, because they can concentrate on certain parts of planning process, analyze the situation with attention to small details, which may be inconspicuous at the first glance, and thus, plans they made are more efficient and chance of failure is kept to a minimum.

1.3 Advantages and limitations of planning

As every other function in management, planning has its own advantages and disadvantages, which may influence decision-making process. A short summary of them can be found in the Table 1.2, which is a list of all advantages and limitations planning process may provide.

Table 1.2

Advantages and Limitations of Planning

Advantages	Limitations
Better resources allocation	Time consuming
Limitation of uncertainty	Cost of effective planning
Better distribution of capital	Risk presence
Better coordination	Limited forecasts
Encouragement of creativity	Lack of reliable data
Creation of alternative plans	

Source: made by the author

One of the main advantages is the fact that well-prepared planning process allows companies to allocate and utilize their resources better. During tactical planning highly qualified managers are able to create a detailed plan of how resources should be distributed in order to optimize the workflow as efficient as possible and prevent their irrational usage. As a result of this, organization has a clearer vision of future possibilities and uncertainty is

minimized, which in its turn give managers more confidence in the future of a company and they are able to distribute the capital more effectively according to previously made tactical plan. Another big advantage of planning is encouragement of creativity. Small to medium-sized companies may be very limited in terms of physical or financial capital, which prevents them from expanding faster, for example. But having a manager with creative approach to planning may provide them with opportunity of looking for alternative ways to reach goals and allocate their capital. Eventually, they may even consider restructuration of their current departments in order to obtain better coordination within the organization.

Despite the fact that high level of planning in organization allows company to prevent from uncertainty, there is still a high risk level present. History shows that not every obstacle may be predicted, as it was with COVID-19 pandemic. Of course a chance of such unexpected challenge to emerge is very low, but it still may become the reason why plans may go wrong. Another big limitation of planning is the fact that high-level specialists with a vast experience in the sphere are very expensive, and 14 small-companies may not afford them in their team. Even in case company has enough money to hire an experienced specialist who may help them, they should do it in advance, because good planners study and analyze every aspect very meticulously, and it may take months before the final plan will be ready, depending on the size of a project. Reliable data is another issue which may ruin the planning process, because usage of unreliable sources will influence the final result of planning and make the entire process inefficient, so it's vital for planning specialist to know and use sources which provide only reliable data. (Advantages and Limitations of Planning, 2022).

CHAPTER 2.   STUDY OF PLANNING PROCESS IN ONTOGENY

2.1   Organizational structure and characteristics of financial and economic activity of Ontogeny

Ontogeny is a start-up, which was founded in November of 2019, making it a young and still developing company. It is based in the USA. The company provides project management services for client's project of different level. The spheres in which Ontogeny operates are multiple, but the main focus is on IT sector (Services, 2023). Ontogeny has a wide range of services, which cover all the basic needs and focusing on main targets and challenges people may face during every stage of business development. They include:

• Internet services

- o Web Development
- o Application Development
- o Design Creation
- o Marketing Campaigns

• IT consulting

- o Business Strategy
- o Branding Services
- o Competitive Analysis

Most of employees work remotely, so this allows the company to modify and adjust the budget for salary. There are 8 members of personnel, which work directly for the company. They are – CEO, Senior Project Manager, Senior Project Manager Assistant, and Digital Business Assistants. Also company actively cooperate with freelancers, such as web developers, designers, social media managers, SEOs, marketing campaign specialists, and others. This allow the organization to diversify the portfolio of work and extend the number of services (Selected work, 2023). Due to the fact that there are not so many employees there is no particular organizational structure, but mainly the company operates according to the hierarchical structure, with CEO at the very top, Senior Project Manager and his/her

assistant below, and Digital Business Assistants and Freelancers at the very bottom (Hierarchical organizational structure, 2022).
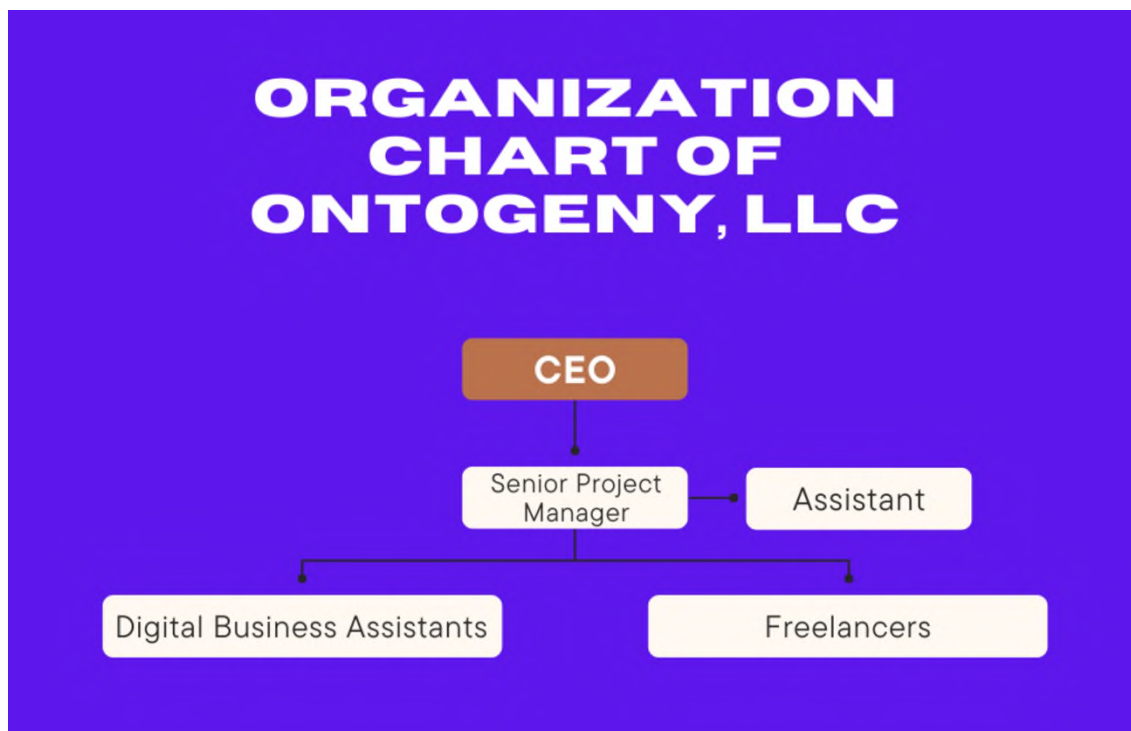

Fig. 2.1 Organizational structure of Ontogeny
Source: compiled by the author

CEO, and the owner at the same time, controls all the processes which are happening in the company. He is also responsible for initial communication with new clients and dealing with some tasks, which require his attention. The working process is mainly built around Senior Project Manager. This position requires communication with clients and employees, building strategy for every project, task delegation and monitoring, day-to-day calls with clients to receive feedback for intermediate results, preparation of reports for CEO, and HR work. The position of Senior Project Manager Assistant is very important for the company because it allows to delegate several crucial tasks which may be time consuming and thus focus more on other work. Digital Business Assistants are mainly the executive part of the company, doing most of day-to-day tasks, such as database management, SMM, content creation, research activity, and so on. Freelancers are mainly independent, but also very important for the organization, because they are responsible for the most complicated work, such as front-end and back-end development and design creation. This organizational structure highly depends on the vertical feedback, from top to

bottom and vice-versa. This sometimes cause delays in tasks execution because there is no way how executive employees can proceed, but overall the working process is well-developed due to the high efficiency of Senior Project Manager and well-organized workflow.

From the very beginning Ontogeny has successfully completed 25 different projects and currently have 7 clients. The main reason why clients choose to cooperate with the company is the fact that services this start-up provides are diversified and there is no need to look for several different companies to carry out the project when you can do it with one team, which will know the requirements and build the unique business strategy just for you.

Ontogeny has a well-developed working structure, which allows to track how much time was spent on work for each client during the week using special desktop application. There is no special economic department in the company due to the fact that the amount of financial work is not as big as in other companies and one person is enough to do it, so Senior Project Manager is also an accountant in the company, who monitors all internal and external financial activities. Every Friday he or she creates weekly reports with information about total hours of work for every project and the completed tasks for each of them. After that reports and invoices are sent to every client so they can check the workflow and pay for the amount of work done. However, clients can be billed differently, it all depends on how they agreed with CEO. Usually they either prepay services the company provide (e.g. building of a mobile application, LinkedIn advertisement campaign, etc.) or they agree on the terms when the invoice is sent every week and they pay according to how much time was spent on their project.

Every decision, which requires any financial investment is discussed directly with the CEO. All the financial statements of a company is prepared by CEO and Senior Project Manager, and any further information is not available for other employees. The main indicator for the efficiency of a company is the difference between income and expenditures. In case the workflow of a company is violated the Senior Project Manager will be the first to notice this and then they discuss with the CEO the state of affairs in the company, determine the key reasons for issues, and come up with the way how to overcome these

problems. A document with prices indicated for every service Ontogeny provides can be found in Annex C.

Concerning cross-border economic activity, Ontogeny doesn't work with clients or organizations from other countries. According to OCDE, cross-border economic activity means all the transactions of goods and services between different countries, which are measured in USD (Cross-Border Trade, 2023). For now Ontogeny mainly focuses on providing project management services to the US market. However, there were several companies which contacted organization from Western Europe.

Due to the fact that all the work can be done remotely it makes the workflow very easy, especially when services are requested by companies from Europe. Even though there were not so many requests, a differences between demanded services in the US and Europe can be noticed easily. For example, the top 2 services of Ontogeny for US based companies are Data Analysis and Web development, while in Europe most popular are Mobile Development and Marketing Campaigns.

Ontogeny is more oriented on the US market because it is much easier to promote, generate new leads and clients. Out of 25 completed projects from the portfolio, only 3 of them were requested from Europe, and 1 for Asian company. The reason for this is simple – even though most of employees of the company work from Europe and it would be more convenient to perform business for this particular market, CEO of the company has been living in the US for a long time, and he is more acquainted to American business models rather than European or Asian ones. Before Ontogeny he has started several other start-ups, but they were not as successful as the current one.

Figure 2.2 shows the proportion of completed projects of Ontogeny and which market it operated on. Most of its project (83,3%) were completed for the clients from the US, as it is the main market for the company. However company had 3 clients in Europe and 1 client from Asia. This shows that Ontogeny's business model is applicable to clients from different countries.
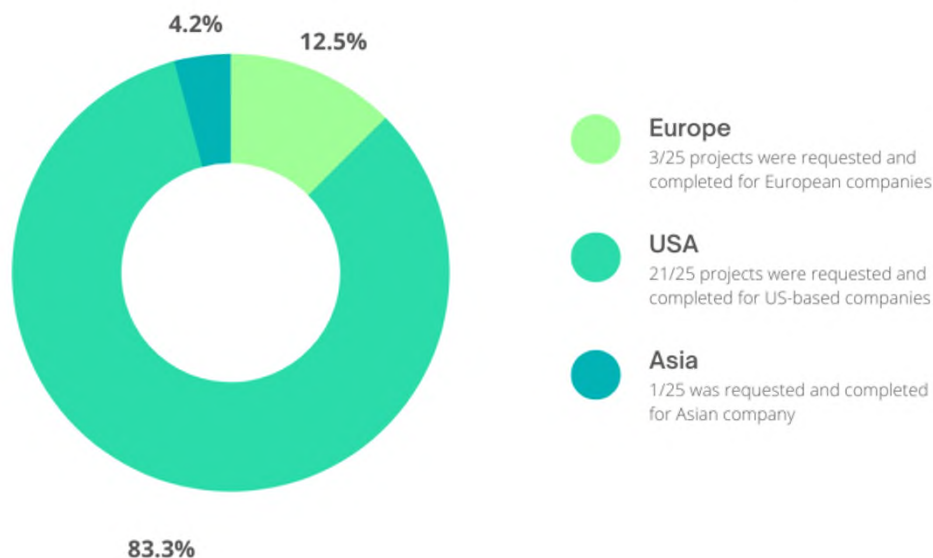
Total Projects of Ontogeny

Fig. 2.2 Total projects of Ontogeny
Source: compiled by the author

Ontogeny's accounting and financial information is managed by the CEO, his personal accountant, and Senior Project Manager. All money transactions are done using a corporate credit card, allowing to keep everything business related financial information in one place. To retrieve data for financial reports once in a month Senior Project Manager requests financial statements to monitor incoming and outgoing transactions, prepares a report and sends it to the accountant. Accounting period is one year, beginning at the 1st of January and ending at the 31st of December every year.

Due to the fact that Ontogeny has a small organizational structure with limited number of people working in the company and absence of structured department system there are no interconnections of documentation cycle within the company. All the documentation related to financial activities is available to the CEO, accountant, and Senior Project Manager. Company uses special applications to track information related to the workflow, which affects its financial status. There are several main criteria, which are important for financial analysis. They are:

- Number of hours worked

- Number of projects

• Income

• Salary expenses

• Project maintenance expenses

Number of hours worked is a main category for financial analysis because it is directly related to the income of a company. Number of projects and their complexity affects working hours, because different project require different amount of time of work which is needed to be dedicated to them. Projects can be divided into three groups: easy projects (SMM work, design creation, internet research, etc.), which don't require much complex work and can be done using just Digital Business Assistants; medium projects (website creation, database management, SEO), which require more complex calculations and highly responsible work of specialists; complex projects (mobile application development, strategy consulting, LinkedIn marketing campaigns, etc.), which requires constant monitoring of the progress, regular calls with client to provide feedback, and sometimes involvement of the CEO himself to create strategy for these projects. Income is a main criterion of financial analysis of company's success. Salary expenses are the biggest expenditures of the company, and they may vary from month to month because the amount of work from freelancers cannot be predicted beforehand, these expenses are calculated at the end of every month. Project management expenses usually are a fixed amount of money, which goes to website maintenance and backup of current projects, this criterion may go higher only in case new projects which require web development are agreed on.

Difference between expenses and income is the main indicator of company's financial efficiency. Every month a meeting between top management of Ontogeny is held to discuss whether company is doing good or no, what are the goals and milestones for the next month, and how the workflow may be affected to improve the efficiency.

Ontogeny uses up-to-date applications for tracking the workflow of every employee, project efficiency, and manage the data they need. The main application for managing employees' efficiency is Hubstaff. This application allows Senior Project Manager to track time which was spent on every task from every project, monitor the activity of an employee during the day, and make reports about projects the company is working on. Hubstaff has a

useful feature of weekly report for every project, showing how much time was spent on each task by every employee, so the workflow is clear for both clients and company. It also makes screenshots once in 1-2 minutes of user's screen to see where he or she was and both tracks mouse and click activity to measure the average alertness during the day. The biggest advantage of Hubstaff is that it allows Senior Project Manager to monitor the workflow using only one application. When it comes to financial management, Senior Project Manager and accountant use Google Sheets and Microsoft Excel for creation and managing of databases with financial information, linking it to previous databases and analyzing. After financial data are gathered, it is transferred to QuickBooks, where accountant analyzes it and prepares financial reports, such as profit and loss statements, calculates total income transactions and expenses, and taxes. After this reports are sent back to project manager and CEO, who review it and after an internal meeting where they discuss possible changes for the future year they send it to International Revenue Center (IRS), to close the taxation period for the previous year.

This process is a common practice for the company, but in the future in case management will decide to expand the company it must be adjusted, because with a high probability it will not be efficient for larger amount of workers or money transactions.
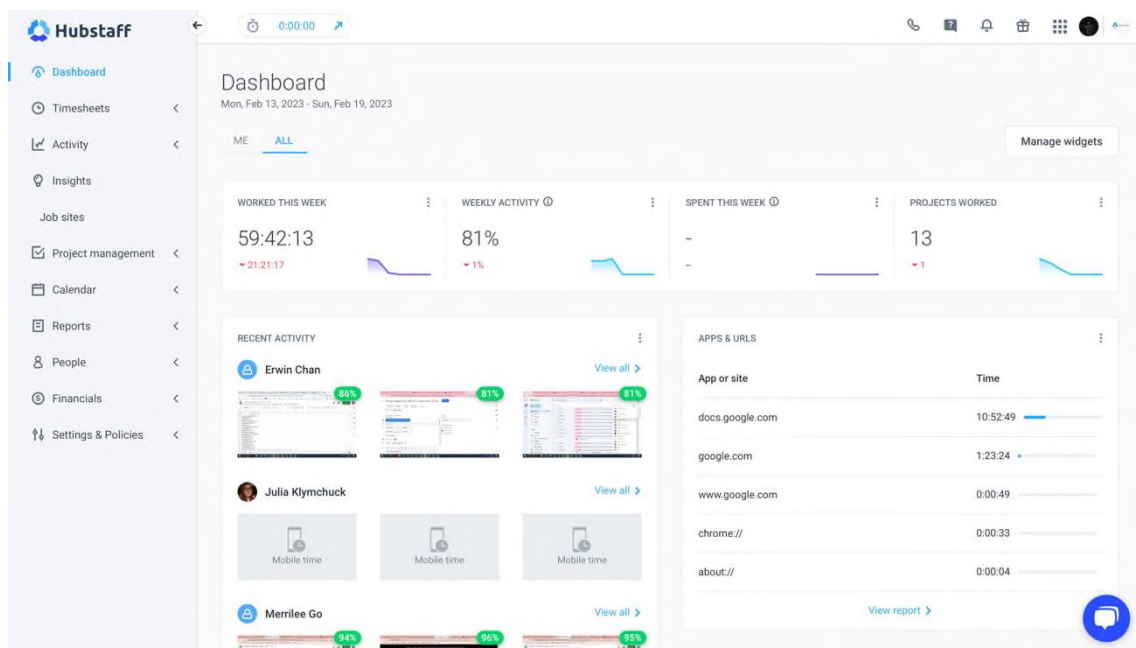

Fig. 2.3 Hubstaff's home screen
Source: compiled by the author

For methodological analysis of prices for services Ontogeny provides company launches meeting every 3 months. The overall strategy for setting a price requires market research of competitors' prices, current demand for certain services on the market among businesses, and analyzing it during the meeting. The prices for services Ontogeny offer have not changed during years 2021 and 2022. This means that company has built and set up the reasonable pricing model for its services which is affordable for the target audience and is acceptable in comparison with competitors. In the next year company plans to raise prices for its services by around 20%, because after a research performed in June this year management found out that the main competitors either changed their pricing model or raised prices for services. After a consultation the team agreed on the necessity of price raise not to lose the competitive advantage the company is aiming on. These meetings happened once or twice a year, but previously company management didn't see the reason to rise prices due to the fact that Ontogeny had stable increase in revenue, and with small amount of projects there were no need in this raise, because it could become the possible reason for losing new clients.
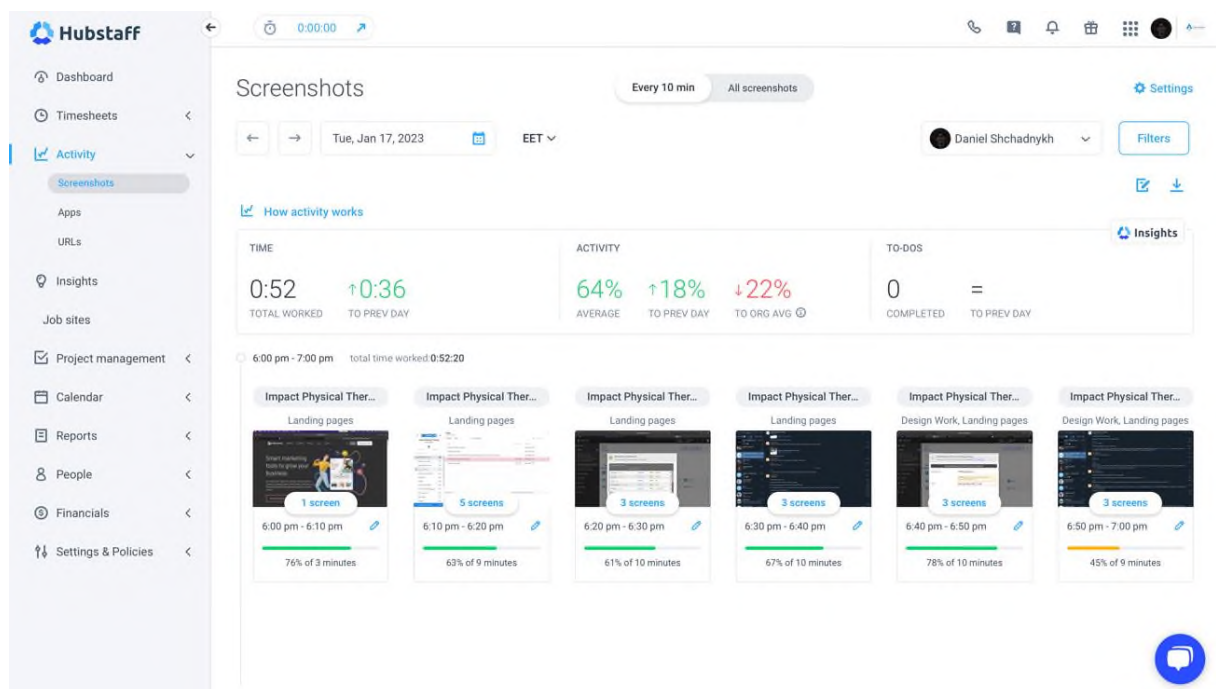

Fig. 2.4 Hubstaff's User Activity Page
Source: compiled by the author

A good way to understand the financial success of a company is to prepare a Income Statement (or Profit and Loss Statement), which indicates all money which company

received and spent during a specific time frame, e.g. 3 moths or 1 year. This information helps management and investors to understand current state of affairs in the company in terms of finance and see how well company performed in a certain period (Fernando, 2022). Table 2.1, which is based on the income statement for the year 2022 you can find the information about Ontogeny's income and expenses (How to Calculate Net Profit, 2022). This information allows to calculate the net profit of the company, and net profit margin, which shows the percentage of revenue company can keep after all the expenses, using formulas 2.1 and 2.2.

$$NP = TR - TE \tag{2.1}$$

NP – Net Profit

TR – Total Revenue

TE – Total Expenses

$$NP\ Margin = \left(\frac{NP}{TR}\right) x\ 100 \tag{2.2}$$

NP – Net Profit

TR – Total Revenue

An optimal net profit margin varies for a start-up company is between 7-10%. Lower percentage shows that company struggles with effective control of costs for goods or services they provide, and higher percentage shows that company controls costs at a very effective level, which also shows a high level of efficiency in management (Net Profit Margin, 2022). Calculation of this indicator from time to time with existing data in the middle operation period may help company to adjust the workflow in order to prevent the loss of money or optimize the working process.

Table 2.1

Income Statement of Ontogeny for 2022

Revenue		Expenses	
Income Transactions	$74 929,98	Salary	$26 032,94
		Software and Platforms	$15 590,99
		Taxes	$14 989,00
		Other Expenses	$2 456,62
Total Income	**$74 929,98**	**Total Expenses**	**$59 069,55**

Source: made by the author

From the data in Table 2.1 using formula 2.1 net profit of Ontogeny for 2022 is $15 069,66, and net profit margin is 21,2%, which is a high indicator for a start-up. Detailed list of expenses can be found in Annex D.

In the Table 2.2 you can find the data for main indicators of the economic activity of Ontogeny for 2020-2022, which analysis total revenue, total expenses, net profit, net profit margin, and number of employees. Table also includes basic and relative deviation between data for last 3 years.

Table 2.2

Main indicators of the economic activity of Ontogeny for 2020-2022

Indicators	The value of indicators by years			Deviation			
				Basic, 2022/2020		Relative, 2022/2021	
	2020	2021	2022	Abs, USD	%	Abs, USD	%
Net income from the sale of products (goods, works, services)	31846,5	49973,2	74930,0	43083,5	235,3	24956,8	149,9
Total Cost (cost of goods sold (goods,	24634,9	38376,9	59069,6	34434,7	239,8	20692,7	153,9

works, services, overhead expenses)							
Gross profit	7211,6	11596,3	15860,4	8648,9	219,9	4264,1	136,8
Provision for income taxes	1298,1	2087,3	2854,9	1556,8	219,9	767,5	136,8
Net income	5913,5	9509,0	13005,6	7092,1	219,9	3496,6	136,8

Source: made by the author based on company data

Table 2.2 shows that from 2020 to 2022 total revenue of Ontogeny was increased by 135%, and total expenses, which raised by 140%. This is explained by increased amount of software Ontogeny uses, as well as increased prices for this software. Another factor for this raise is increased amount of employees, which went from 5 workers in 2020 to 13 workers in 2022, which means increase in salary and software expenses as well. At the same time, total cost more than doubled from 2020, which means a high increase of projects company completed.

Table 2.3

Analysis of the efficiency of financial activity of Ontogeny for 2020-2022

Indicators	The value of indicators by years			Deviation			
				Basic, 2022/2020		Relative, 2022/2021	
	2020	2021	2022	Abs, USD	%	Abs, USD	%
Effect of activity:							
Gross Margin	7211,6	11596,3	15860,4	8648,9	219,9	4264,1	136,8
Net Financial Result	5913,5	9509,0	13005,6	7092,1	219,9	3496,6	136,8

Source: made by the author based on company data

Table 2.3 shows an increase in gross margin and net financial result Ontogeny experienced during last three years. However, percentage of profitability income has fallen from 19,0% in 2021 to 17,4% in 2022. Even though net income indicator has risen, profitability shows that company lost the opportunity to keep this indicator stable, which may depict an ineffective management of resources it had.

2.2 Investigation of the planning process of Ontogeny

In Ontogeny, planning process is run by management of the company, which are CEO and Senior Project Management. They spread their authority, with Senior Project Manager responsible mainly for operational and tactical planning, and CEO responsible for strategic planning, with some additional help of the project manager. The first one is gathering info about the workflow and client work, optimizing and improving the efficiency, while second one is responsible for finding new opportunities to expand the client list, attracting new investors, and acquiring leads.

One of the most important duty of Project Manager in Ontogeny is being able to identify the needs of company in terms of new employees and freelancers, that's why during regular meetings they discuss possibilities of new clients and what's needed to be ready to successfully run their project. So, HR process is a very important part of planning process in Ontogeny. It is regulated by the internal documents created by the CEO with the help of legal experts. To improve the speed of finding a right person and the process of communication itself company has a standard communication document, which is a set of templates they use. Having a well-developed HR skills is also crucial because the organizational structure often requires the communication with new freelancers, which occurs when new projects are agreed and there are no people who can do it as effectively as possible. For this Ontogeny has a standard procedure of looking for a new freelancer, which consists of several steps. First of all a job description is prepared in cooperation with a client so all the requirements are agreed and every detail is discussed. Secondly, this job description is posted on one or several freelance websites, like upwork.com, freelancehunt.com, fiverr.com, and similar, so they can apply on a position themselves, and also an individual search is performed by the Senior Project Manager to speed up the process. After several candidates are found they go on an interview where all the details are discussed, such as project requirements, skills, rate per hour and so on. When a right person is found he or she is provided with all login credentials and information needed to begin the work. Ontogeny doesn't have any prejudice concerning the gender of a specialist and mainly orient on the skills the person have.

The second important part of HR process is finding a right candidate for the role of Digital Business Assistant. Mainly this role is given to young people, often students, because it doesn't require any complex work, but it is very important that person is motivated, have enough free time to work, and is able to think critically. In case of finding a Digital Business Assistant the process of hiring a person is similar to the one for a freelancer, but with some differences. Firstly the job is posted, mainly company uses such websites as work.ua and rabota.ua. After several decent candidates have applied they go to the first interview with Senior Project Manager, where they are asked different preprepared questions to assess their skills and experience, and give them the opportunity to ask the questions they have. Usually there are around 10-15 first interviews. After top 3 candidates are picked and offered to the CEO, and he conduct the second interview, asking them more complex questions and assessing their personality, ability to perform themselves in stress-situations, and so on. Finally, the best person is offered the position. Ontogeny has a standard template for Digital Business Assistant position (see Annex E), but there are no templates for freelancer position because position are always very different and for each one the job description is made accordingly.

Once in three months Senior Project Manager prepare a report about the effectiveness of employees, whether they had any troubles during their work, their efficiency, and the results. CEO assesses their performance and the best employees are granted with bonuses, such as salary raise and money bonuses. This allows company to monitor the efficiency of the workflow, track the strong and weak sides of it and in case the adjustments are needed they are able to do them.

The overall workflow of every project and operational planning is also managed by Senior Project Manager with the help of Asana, which is a web and mobile task management platform. Every assignment which comes from the client is always added into the application, assigned to a certain project and the deadline is set so every employee knows how much time he or she has to complete the task. Then Project Manager is able to track the process of task implementation, gather and provide feedback for both clients and employees. Asana also allows to make planning process of projects easier.
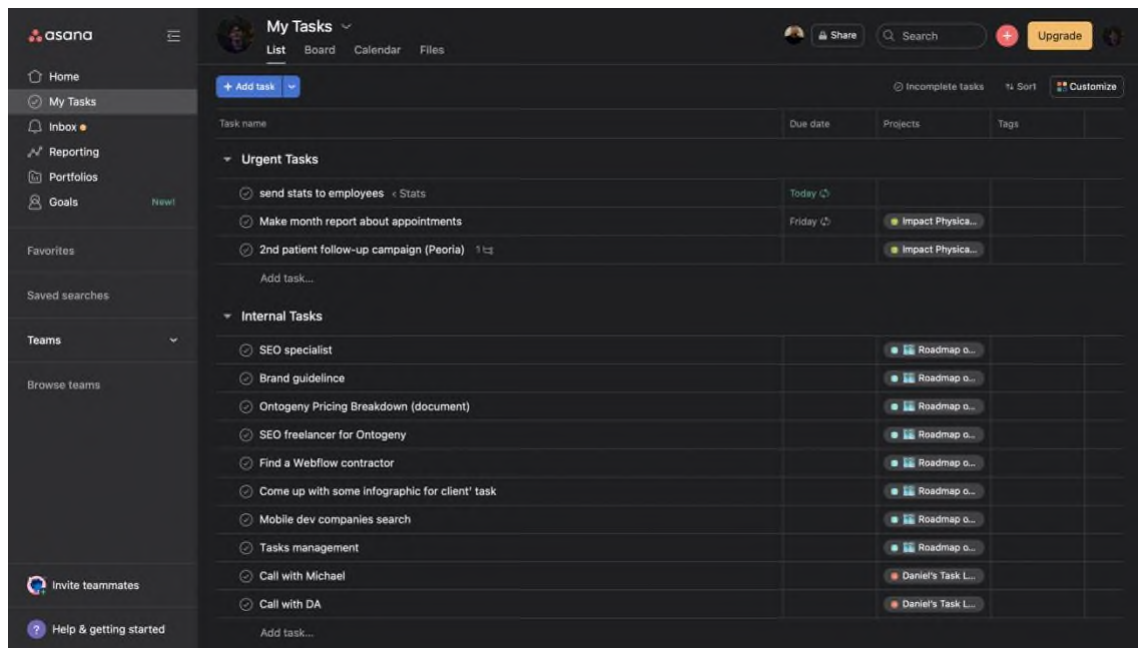
Fig. 2.6 Asana's task tab
Source: compiled by the author

During their meeting dedicated to planning CEO and Senior Project Manager often use next techniques:

- Brainstorming
- SMART analysis
- Mind maps

Brainstorm, which is basically a problem-solving method that involves the combination of spontaneous ideas and solutions, dedicated to one issue, is a perfect way to generate some key features of how the project may be implemented, what are the key goals and milestones for specific project stages, and so on. It is also a good technique to define the risks and obstacles which may occur during the project. One of the biggest advantages of this technique is the fact that ideas, which were generated during the process can be used to fix original problems, while others can generate additional takes on the same issue. A very important part of this part during planning is being able to think creatively, that's why CEO usually hire a business analyst with a creative approach to work, who helps Project Manager during brainstorming process (Bernstein, 2017).

Second popular way technique during planning process in Ontogeny is SMART analysis, meaning defining key features, which are specific, measurable, attainable, relevant

and time bound. All the details and goals must be specific, so during the implementation process team understands their tasks and ways of how to do them. Measurability is important because assessment of the project progress is key to successful operational planning and making changes in case they are needed. Attainable means that it's vital not to create a set of complicated tasks, which are either hard to understand or to do. This will allow team to work in the most efficient way. Relevance is another key factor of successful operational and tactical planning, Project Manager must understand which information is urgent for the project and which is not in order not to overload project plan with unnecessary information which may disrupt the working process. And last element of SMART analysis is time bound, which means that every task and project stage must be placed in consistent time frames, needed to fulfil tasks (Weber, 2019).

Mind maps are the third instrument which managers in Ontogeny use during planning process. Mind Map is usually created in a form of a diagram, with central idea and numerous branches coming from it, which may stand for certain stage of project development. This is a perfect way to represent different stages of the workflow, which can then be shown to a client because it is very easy to track (What is a Mind Map?, 2023).

Table 2.4 shows the summary of who is responsible for different planning processes in Ontogeny and what are the main functions.

Table 2.4

Summary for planning process in Ontogeny

	Strategic Planning	**Tactical Planning**	**Operational Planning**
Who performs	CEO + Senior Project Manager	CEO + Senior Project Manager	Senior Project Manager
Main duties	1. Defining main strategic goals and milestones	1. Negotiating and assessing of chosen strategies	1. Applying defined strategies 2. Monitoring tasks and deadlines fulfilment

	2. Analysis of competitive environment 3. Monitoring and controlling the fulfilment of set up goals	2. Defining the best ways of how to apply strategies 3. Creating a project plan 4. Defining key features in preparation	3. Reacting on sudden challenges 4. Optimizing the working process

Source: made by the author

Table shows that in Ontogeny planning process is fully divided between CEO and Senior Project Manager. CEO is responsible for strategic and tactical planning, defining the main course which company will follow and analyzing the competitive environment. Project Manager takes part in every planning process, but is more responsible for operational planning, task monitoring, and client communication.

Analysis of competitive environment is one of the key feature in Ontogeny's planning process. CEO do this when he wants to expand to new markets (e.g. add new services to the list) or improve current services the company has. Table 2.5 shows all the steps in the process of this analysis.

Table 2.5

Steps of competitive analysis process in Ontogeny

Step	Stage of analysis	Goals	Ways to analyze
1	Analysis of competitors	understand how many companies are now present on the market, what's the level of competitiveness and what are the possible opportunities for the company	market research, monitoring of news, reading forums, checking competitors' websites
1.1	checking the performance of biggest competitors	update data about company's biggest competitors in order to find strong/weak points and understand how	website research, news and social media monitoring, exploring online magazines and press

		company can use them as competitive advantage	
1.2	checking the performance of advancing companies	understand how much the market changed in terms of growing companies, how well they perform and what are the threats	market, website, and social media research
1.3	checking how many companies try to enter the market	see how many new companies are trying to enter the market, what's their potential competitive advantage	market and website research, news and social media monitoring
2	Analysis of the environment	understand current state of affairs in the market	market research, news, blogs, and forums
2.1	check whether it's reasonable to do the planned changes	understand the efficiency of planned changes	market and forum research, internal meeting
2.2	forecasting possible state of the market in the future	create a possible image of the market in the future	market research, monitoring of news, reading forums, talking with analytics and forecasters
2.3	comparing the efficiency of the plan implementation now and in forecasted future	understand whether it better to do the changes now or in the future	internal meeting, meeting with investors and analytics

Source: made by the author

Analysis of competitors is the first stage, which requires preparation of report about amount of companies operating on the market, what is their impact on the market itself, understanding of the opportunities Ontogeny may take in order to strengthen its position, and amount of new companies entering the market. This allows to understand the possible opportunities company may find during operating, as well as probable obstacle it may face. During this phase the most common ways of analysis are market, internet, and magazine research, as well as news and social media monitoring.

After analysis of competitors is done, company begins the second stage, which is analysis of the environment. The main aim of this phase is to assess the state of affairs on

the market, analyze the proposed changes, which were made during the first stage, and understand whether it is reasonable to do those changes now or in the future. Most common methods for this phase of analysis are market and forum research, as well as news and internet monitoring, and internal meetings with the team and investors.

2.3 Key elements of strategic planning of Ontogeny

Strategy development is an important part for every company, especially for start-ups, because creation of well-developed and effective strategy is vital for future development of a company, which affect its future. In Ontogeny there is no separate unit responsible for planning process. Main roles in strategic planning and development belong to the CEO and Senior Project Manager. They define goals and milestones, influence internal, external processes of a company and current state of affairs. Ontogeny's strategy of company development is defined for a year ahead. Moreover, the plan is constantly reviewed by the management in accordance to regular market researches the company runs to stay up-to-dated with all the changes on the market and in the company itself.

Table 2.6 shows the distribution of roles in strategic planning of Ontogeny.

Table 2.6

Functions of strategic planning of Ontogeny

№	Functions	Executive
1	Creation of the competitive strategy	CEO
2	Setting up strategic goals	CEO
3	Analysis of the competitive environment	Senior Project Manager
4	Monitor of task fulfillment	Senior Project Manager
5	Assessment of strategic achievements	CEO + Senior Project Manager

Source: made by the author based on the company data

Main duties of strategic planning are equally distributed among CEO and Senior Project Manager, with first one responsible for setting up the overall strategy and goals, as well as

assessment of gathered information, while second one is responsible for gathering data and its analysis, as well as creating reports and providing feedback to the CEO.

During the process of strategic planning and its implementation company has a plan of reporting, which shows the deadlines for every report. It can be found in table 2.7.

Table 2.7

Reporting plan of different stages of strategic planning in Ontogeny

№	Report	Deadline	Main takes of the report
1	Report about competitors	Beginning and middle of operating year (e.g. 15th of January and 15th of July)	- List of competitors - Information about financial achievements (P&L for the previous or current year if possible) - Number of clients and project - New competitors entering the market which may influence company strategy
2	Report about competitive advantage	Middle of operating year (e.g. July)	- Comparison of operating processes (number of projects finished and current) - Assessment of fulfilling competitive goals - Ways to improve competitive advantage
3	Operating report	Every three moths	- Assessment of internal task fulfilment - Gathered feedback from employees - Potential opportunities to improve client work
4	Strategic report	End of operating year (end of December)	- Conclusive report about fulfilling set goals - Efficiency of employee work (number of projects worked on, comparison with previous year) - Advices for possible strategic changes for the future year
5	Market report	Every six months	- Main trends and client preferences present on the market

			- Possible adjustments of the workflow

<div align="center">Source: made by author based on company data</div>

The most efficient element in strategic planning of Ontogeny is SWOT analysis. It is used to define all the strengths, weaknesses, opportunities, and threats the company has. This method proved itself with a high level of efficiency, because management always do their best to define all the important factors which may influence the company in the future, as well as understand how the company may be improved. This analysis is very helpful to define everything important for the company, define what can be improved and adjust the strategy of organization to improve the efficiency and use some new opportunities to develop (Sammut-Bonnici & Galea, 2015). Figure 2.7 shows SWOT analysis of Ontogeny for 2022.

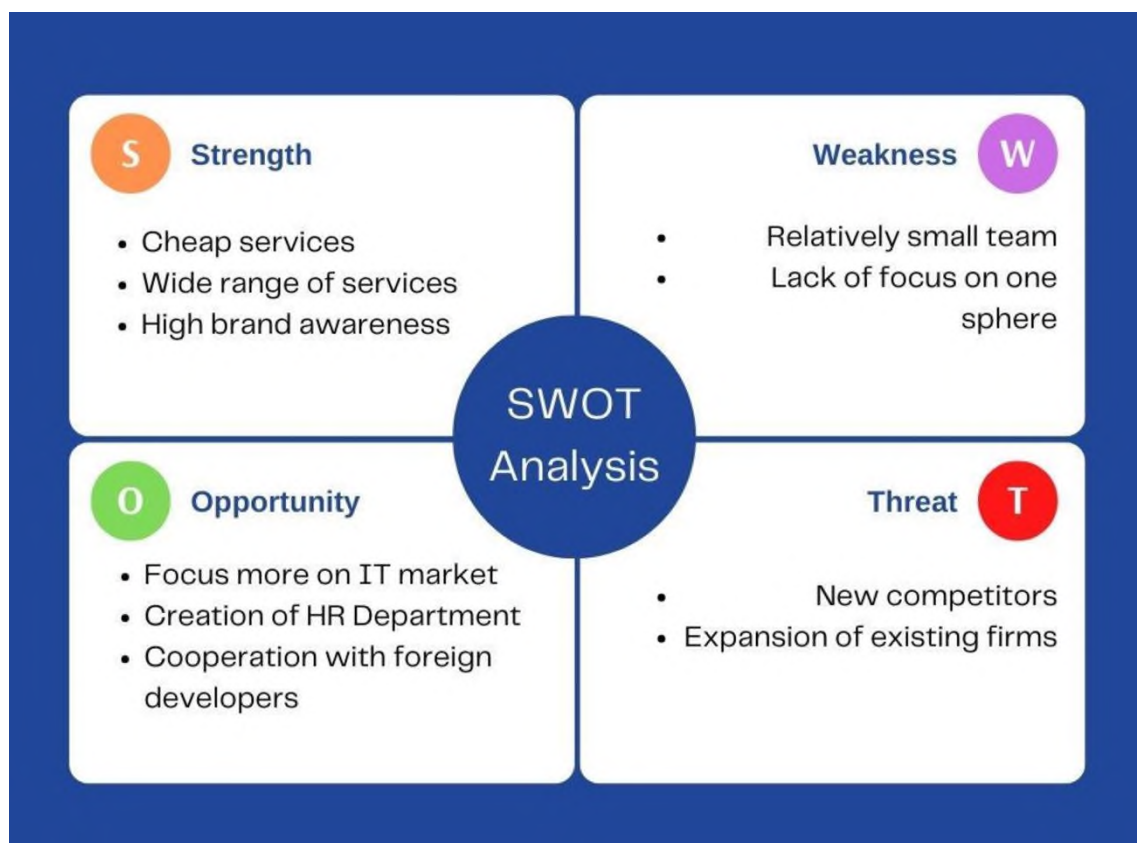
Fig. 2.7 SWOT analysis of Ontogeny
Source: compiled by the author

One of the greatest strengths of Ontogeny, and the main competitive advantage at the same time, is its cheap services in comparison with other companies on the market. Being a

relatively small company with a well-developed hierarchical organizational structure Ontogeny provides a high-quality services for a reasonable prices, which may be very useful for new businesses entering the market because pricing system is very affordable. Company provides wide range of services, satisfying most of client's demands in case the business is new or at early stages of its development. Cheap services at its turn allow Ontogeny to save money on internal payments and save the capital for company development.

Another great strength is wide range of services. Being aimed on small to mid-size companies Ontogeny covers nearly every need the industry requires. Organizations may purchase "starter kit", which includes everything you need to create a successful starting point for your business. Basically, every new company which needs help with starting a business may request help from Ontogeny. After a consultation with the CEO they are provided with a business plan, which consists of 3 phases.
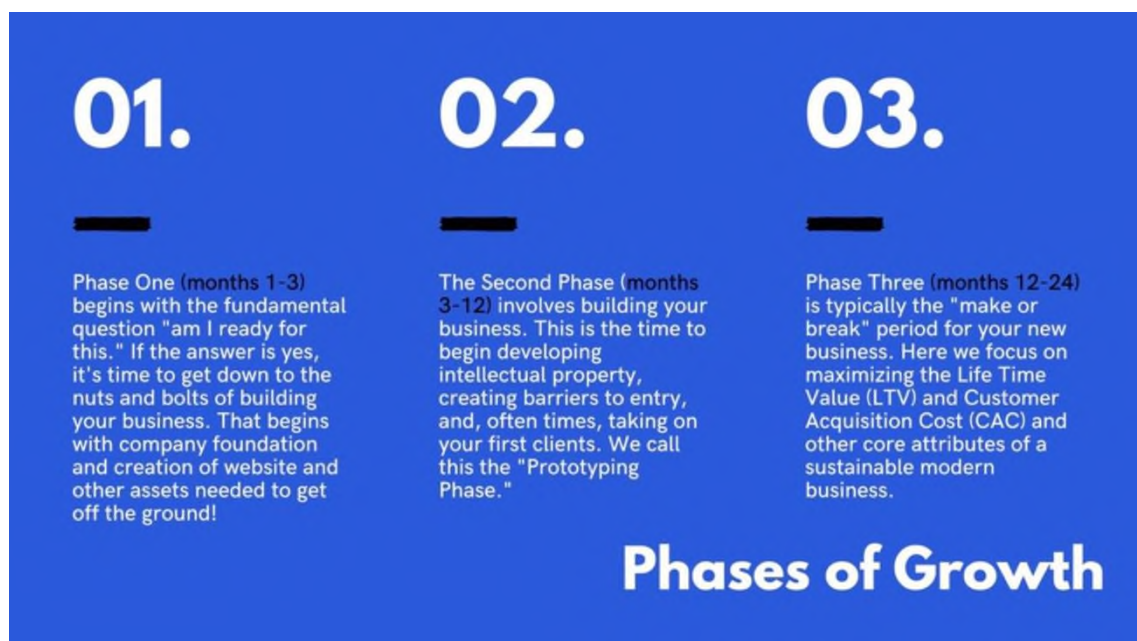

Fig. 2.8 Ontogeny's business plan of growth
Source: compiled by the author

First phase lasts from 1-3 months, and it is the initial phase. During this phase all the early-staged preparations are made, like defining goals, creating business model and plan of development, underlying the main features of the business and so on. This phase may also include building of a website and social media, as well as creation of the design for mobile application if needed. Second phase lasts from 3-12 months, and is basically dedicated to

building and launching a business. All the initial preparations are done, so usually this phase includes building target audience, generating new leads and transforming them into clients. Also Ontogeny helps with building and developing of intellectual property and defining barriers to entry. Third phase, and the last one, lasts from 12-24 months, and requires support actions from the company to help improve efficiency or change the structure of existing organization. Also, Ontogeny helps with maximizing the Life Time Value (LTV) and Customer Acquisition Cost (CAC) to make sure that business is sustainable and flexible to sudden challenges and changes.

Ontogeny helps to create, optimize, and run the websites, which is an essential part of every business, and has developed dozens of different websites for different industries, from medical to financial. Company formation process, as well as strategy creation, are a vital part for every business, because this defines all the stages of company's performance and development. These processes include drafting of Operating Agreement, creation of financial documents for financial investment (including Financial Presentation), defining 30, 60, or 90-day plan for launching business, and so on. SMM work is also done with the help of Ontogeny team, and after the successful launch of social media pages and gathering target audience company is provided with several SM specialists, which will continue to work on this part of a business. Last but not least, Ontogeny has earned a good reputation of a trusted organization among the market, with good reviews. This is really helpful for generation new leads, gathering new audience and distributing among the market.

As for now taking into accordance all the information about Ontogeny there are two biggest weaknesses. First of all, even though a relatively small team provides advantages in terms of flexible project management and allows saving money on salary expenses, it is vital to expand the team and create a department segmentation so the company can deal with complex projects in the future, as well as increase a number of work which can be done simultaneously. Secondly, having a wide range of services which are not focused on one particular sphere allows company to operate on different levels and for different industries, but at the same time this will be a problem in the future because in case organization will be expanded a high number of spheres may decrease the efficiency of work because a higher

amount of specialists will be required to do all the work. As a result, company may crash because there will be not enough resources to ensure the safety of work for every department as the capital is not as big as it needed. But this allows Ontogeny to better understand the opportunities the company has.

The biggest opportunity is expanding and focusing more on an IT market, because from the time company was formed the main sphere for operation was IT sector. Data Analysis, Web and Mobile Development, and Database Management are the most popular services in terms of clients' demand, and all of them are directly related to IT. By focusing on this sphere Ontogeny can lose diversification of its services, but instead use experience already gained from the time it started to operate on the market to provide high quality IT project management services with a focus on a middle-sized companies. In case this reconcentration happens it is vital to have a well-built HR department with a highly trained personnel, so the company can develop and hire more and more specialists with a great qualification level. In case the new department will be formed now Ontogeny will have enough time to train people according to the expectations the company have and thus by the time HR department is created organization will already possess experienced people, who know the process, goals, and are motivated. Another important opportunity which can lead to more efficient work is cooperation with foreign developers. There are many companies which are specialized in design, data management, and so on, which are available for signing a partnership model. This model will allow Ontogeny to gather all the requirements from clients, delegate the work to the contractor company, and thus the work is done and company may focus on other projects.

Threats are also very important because they define what can influence the company from the outside. Being a start-up Ontogeny's biggest threat is new competitors, because many new companies may have better investment which allow them to grow quicker and perform more complex work satisfying the needs of potential customers. This may be prevented by the opportunity of focusing more on IT sector described in the previous paragraph. Thus, the company eliminates risks of being influenced by small competitors, but at the same time it enters a new market with much more serious competition. At the

same time, existing competitors may also expand on the market, which creates a threat of being runed over them. This may be another motivational factor for the company to expand.

The closest competitors of Ontogeny are:

- Digital SEO Pros (www.digitalseopros.com);
- Kougar Data (www.kougardata.com);
- Niravi Digital (www.niravidigital.com).

Digital SEO Pros is the main competitor of Ontogeny, also based in the US, but the number of spheres they operate in is much smaller, they are more focused on digital marketing solutions to clients. Services they provide are: SEO, web design & development, logo design, google AdWords expertise. Nevertheless, they operate for more than 10 years which increases their credibility for clients (About, 2021). Kougar Data are second largest competitor of Ontogeny. Their main competitive advantage is an experienced team of IT and marketing specialists, large portfolio, and number of years they operate (company was founded in 2002). Main spheres are: IT users leads, global IT executives data, technology company leads, and social media marketing (Company Overview, 2018). However, when comparing Ontogeny and Kougar Data it is easy to understand that they attract different customers: in case client don't have a large project which involves complex operations such as Big Data gathering and processing or generating complex IT leads – they can always use the first company to start and implement their business ideas and then in case their business will start to grow in the future they can use second company to expand, because they offer reasonable prices for the services they provide in comparison with other big IT-related companies. The third competitor of Ontogeny is Niravi Digital. This is an Indian based company, which provides US based clients with SEO, SMM, email and content marketing, and paid search advertising services (Home, 2019), but for lower prices due to the fact that employees are from India, which makes it similar to what Ontogeny is doing. You can find more information about these companies in Annex F.

Relying on IT services another threat Ontogeny may face is technological obsolescence. For now company uses up-to-date software, which completely covers every request potential client may have, but on the other side, technologies are changing very fast,

and in case company will decide to expand it is vital to have most recent software, which may be a problem for the company which recently expanded because it doesn't have a lot of new customers yet, and the requests from new ones will get much harder than before. Last but not least, talent acquisition and retention may be another problem for Ontogeny, because start-ups have very limited amount of money, and it is hard to keep employees motivated without salary raises and career promotions. Also, hiring experienced specialists may be difficult because their expectations may be much higher than company can afford.

Ontogeny has simple, yet very concise mission, which is provide available project management services to small and medium-sized businesses so they can redirect their focus from day-to-day or complex tasks to some other important factors which may help them to develop or improve their business. Another thing which is also important is the fact that company hires students, who are interested and motivated in seeing how businesses are started and operated from inside, what can bring success to a company, and be a part of a team, which helps people to implement their ideas into life. This is a perfect opportunity for every person to begin and gain some working experience which will be helpful in his or her future career, and even during studies at university.

The main reason why Ontogeny succeeds is because lots of small companies in the US are rapidly developing in many spheres, that's why many businesses require assistance to either help them with their workflow or reorganize it in order to save money and improve the efficiency.

CHAPTER 3.   WAYS OF IMPROVEMENT OF PLANNING PROCESS IN ONTOGENY

3.1   Analysis of the innovative activity management enhancement of Ontogeny

Being a start-up Ontogeny doesn't have a separate unit which is responsible for innovative activities. All the decisions concerning internal changes are made by the CEO in cooperation with Senior Project Manager, who is responsible of gathering feedback from employees during meetings and performing strategy analysis in case there are any issues. For now the workflow of company is well-built and in state of affairs doesn't require any massive changes inside the company, only adjusting working process during new projects. In case Ontogeny will decide to expand in the future it is vital to pay more attention to innovative activities because it will help to react on changes quickly and improve the problem-solving process.

Another important way of how the innovative activity may be implemented is with the help of business analyst. An experienced specialists in this sphere is typically responsible for identifying opportunities and threats of a company, creating a plan of possible changes and how these changes may be implemented. As for now Ontogeny doesn't plan to make any radical changes in organizational, financial, and workflow structure. But in case the company will decide to expand, business analyst can help with several key aspects:

- Performing a total business analysis, outlining problems, opportunities and solutions for a business;
- Changing pricing system and financial remodeling;
- Variance Analysis (Pratt & White, 2019).

There is one project which was implemented in Ontogeny with the aim to improve the efficiency of a company's workflow and can be assessed. Before 2021 company didn't cooperate with freelancers and was trying to hire one good specialist from every sphere so there are always enough employees to do different types of work, from design to development. But this model was not efficient due to the fact that there were no permanent

projects which would require full-time work from the specialists company had. Moreover, Ontogeny was forced to pay them full-time salary because they were officially employed. So then CEO decided to reorganize working process of the company and he hired a new Senior Project Manager, who also had some experience in business analysis, and together they rearranged organizational structure of the company to be more hierarchical and agreed that for the beginning stage of Ontogeny's development it would be much better to hire certain specialists for specific projects instead of having several people being full-time employed. Also they agreed that for more simple tasks which don't require any complex skills it would be useful to have separate group of workers, who can do day-to-day tasks. This new structure proved itself to work perfectly for the amount of projects Ontogeny has now, but in the future a professional business analyst may be very useful for reorganizing the workflow once again, segmenting company into several departments, and creation a new budgeting plan.

In the end of 2022 CEO of Ontogeny decided to restructure financial sector of the company in order to improve the efficiency of organization's finances. He hired a full time accountant, which is now responsible for all income and outgoing transactions, wages and salaries for employees, software cost and other operational expenses. This specialist performed a full analysis of profit and loss statements for 2020-2022, highlighted problematic and unnecessary expenditures and they discussed them during the internal meeting. After this several internal changes were made. First, and the biggest one, was restructured expenses for client work. Before 2023 Ontogeny had financial obligations to clients in form of monthly payments for website hosting. In case company built a website for a client in the past and then after the project was finished cooperation stopped company still paid hosting expenses in order for website to continue working. Clients were charged either with monthly or annual invoices for web maintenance, but these invoices were not always paid in time, or at all. This created insignificant indebtedness, which were not a big issue for the company by their own, but collectively the amount of money Ontogeny were losing with time was only growing, creating bigger and bigger hole in the budget. The main reason why this issue was not identified previously is because Senior Project Manager was responsible for accounting process in the company, but being loaded with other obligations

it was not always possible to track everything. After those changes company informed clients that it has an update in website hosting policy: in case client's project requires website development they pay annual invoice for its maintenance, and they should mention if they want it to remain on the hosting platform of the company in the future or to be transferred to another one. After the payment period clients will receive an invoice to prolong the hosting, and in case they want to stop it they'll receive files, domain, and rights to transfer it to another platform.

3.2 Recommendations for effective delegation of authority in the organization

Current size of the company doesn't require any massive changes in delegation of authority process because all the processes work well. However, for future development of Ontogeny it is vital to do certain changes.

First of all, in case company will decide to expand the very first thing management should think about is separating employees into several different units, and each of these units will be responsible for their own stages of project development. This restructuration is vital because expanding means dealing with more complex projects, which may include high volumes of work, and current organizational structure may harm the workflow because one project manager is not able to manage several complex projects at once, a lot of details may be forgotten and thus the efficiency of work will go down significantly.

After separate units are created company can improve the delegation of authority by creating a middle level management units, which will work separately from CEO. This level includes specialists, which are responsible for problem solving, team building, talent development, performance management, and so on. For Ontogeny middle management may include such specialists as financial manager, sales manager, development manager, and so on. In case company will decide to do this, it will be important to divide employees into different teams. Each of those teams will be responsible for their own stage of project execution, and thus the workflow will allow company to run several project at once and increase level of project difficulty (Levels of Management - Top, Middle and Lower, 2023).

If Ontogeny will create a middle level management in the company, it will be very important to change the organizational structure. Current workflow shows that matrix structure may be the most useful. Figure 3.1 describes the possible option of how company will work with this organizational structure.
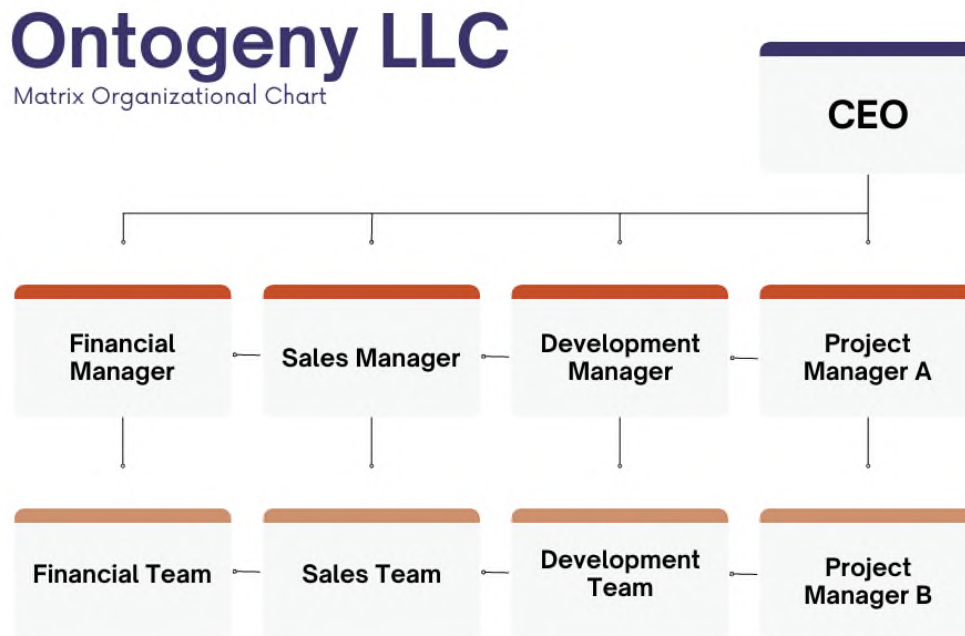

Fig. 3.1 Matrix Organizational Structure of Ontogeny
Source: compiled by the author

Matrix organizational structure divides employees into different teams, and they must give feedback to several managers, both of their department and project manager. This means that company employees are able to run several projects simultaneously without any need to hire or create a new department or team lead for a new project. This structure is similar to traditional ones, but for the range of services Ontogeny provides this might be useful because projects which company runs often require cooperation of workers from different departments, this is why work of project manager is vital to maintain the project workflow.

In case company will decide to use this structure it is vital to understand how to delegate authority between project manager and heads of departments. There are three types of delegation in matrix structure – weak, balanced, and strong. Weak matrix assumes that team

lead has limited authority of the project, which means that the decision power is limited. Balanced matrix means that authority between project managers and heads of departments is spread equally, which requires employees to report to both of them. This allows to keep healthy communication process between every leader. Strong matrix project manager has the most authority over the project, which means that he or she gets the full control over the project and allows to operate execute it smoothly. Head of department may suggest changes, but don't have the decision making power. Nevertheless, hiring independent contractors may still be a big advantage for the company after rebuilding organizational structure, such as business analyst, in order to find other weaknesses company may have (What is a matrix organization and how does it work?, 2021).

As every other organizational structure, matrix has its own advantages and limitations. One of the biggest strengths matrix structure may provide is easier collaboration between different departments, because workflow is set up in a way which makes the process of giving and providing feedback between different departments more fluent. This allows company to focus on using resources, both technical and human, which it already possesses, rather than looking for any assistance or specialists outside of the company. While communicating with specialists from other departments employees may gain new skills, which is also an advantage for a middle-sized company. Another advantage of matrix structure for Ontogeny is the fact that this new managerial hierarchy of the company will let it keep project and functional management structures, allowing to adapt and respond to market changes faster.

Among the biggest disadvantages of matrix organizational structure the fact that managerial roles are not clearly defined may be the biggest one. Due to the fact that delegation of authority between department manager and project manager is defined better than in a current organizational structure, yet it is not the most easy to adapt, which may lead to confusion about the specific managerial roles. Also, while for the workflow described in figure 3.1 this structure may fit well, cause there are not so many departments and functional managers, in case Ontogeny will decide to expand again in the future it should consider changing the organizational structure again, cause matrix may cause too much

work for one specific department, which may lead to overload. Last but not least, this structure makes it a bit more difficult for top management to assess the performance of employees working on a specific project, but overall with a right approach to planning, clear expectations and well-designed communication process, matrix organizational structure can bring more advantages to Ontogeny (Matrix Organizational Structure: Pros and Cons for Using It, 2023).
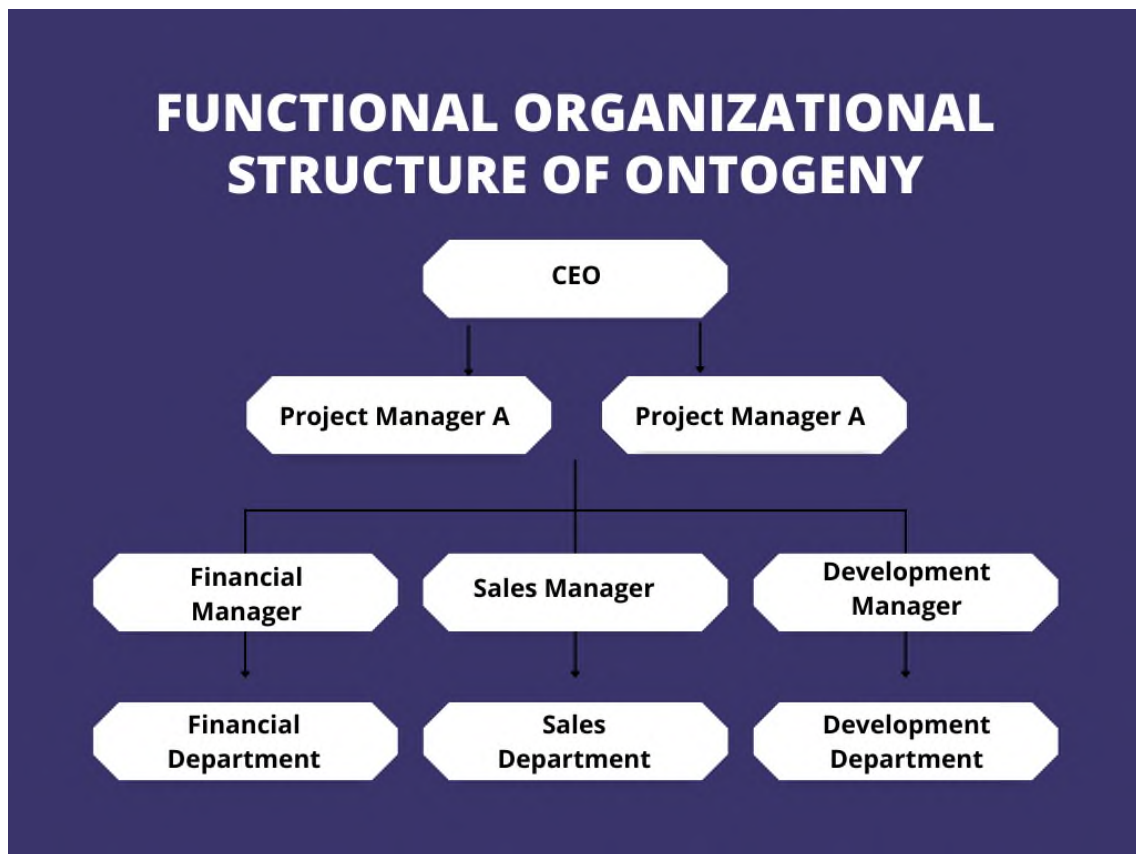

Fig. 3.2 Functional organizational structure of Ontogeny
Source: compiled by the author

As an option Ontogeny may also chose functional organizational structure, which is the most common for middle-sized companies and more simple in comparison with matrix. In this structure company is organized into different departments, with a simple hierarchy. Each department is responsible for its own role. Common characteristics of a functional structure are:

- Vertical hierarchy and delegation of authority;
- Company is divided into several departments, which are managed by middle-management;

- Employee report only to manager of their own department;
- Employee communicate only with other people inside their department, there is no intercommunication between different departments;
- In the department communication also happens in a vertical form;
- Department managers are responsible for communication and providing feedback to managers from other departments (Functional Structure: Advantages and Disadvantages, 2023).

In case company will decide to use this organizational structure, the process of communication will be a bit different, because feedback may go a bit longer. Project managers will delegate tasks to different department managers, depending on the task itself, and then middle managers will delegate these tasks among employees of their department. With the fact that interdepartmental communication is very limited it may take longer to fulfil requests which may occur in different departments and thus it may take much longer to complete projects.

The biggest advantage of organizational structure is grouping employees by specialization into different departments, which increases the efficiency of every unit and ensures a reliability. This division to different departments also clarifies responsibilities for tasks, which means that there is a lower risk of task duplication and every employee works on his or her own specialized task. However, this segregation and top-down bottom-up feedback process may also be a disadvantage because employees don't have a chance to communicate with other departments, sharing their vision and influencing the working process. Also, in case any clarification is required from a client employee must request it from their manger firstly, then he or she will ask project manager, he'll clarify it with the client and only then provide feedback. This long line is very time consuming and may influence project completion time, which in its turn, may ruin the image of a company (Gleeson, 2019).

Table 3.1 shows the comparison of matrix and functional structure using main characteristics of both structures.

Table 3.1

Comparison of matrix and functional organizational structures

Category	Matrix organizational structure	Functional organizational structure
Communication process	Diverse, different departments may connect others directly	Top-down and bottom-up, no intercommunication between departments
Complexity	More complex due to unusual authority delegation process	Simple and easy to manage
Appropriateness	Can use companies with diverse product range or portfolio	Can use companies with single location or product line
Business size	Medium to big companies	Small to medium companies

Source: made by the author

Knowing the workflow of Ontogeny and its average tasks it will be easier to implement matrix organizational structure. In comparison to functional, communication process will go much smoother, improving the efficiency of every project and decreasing time required to complete it. Even though functional structure has its own advantages and is easier to understand, matrix will be more appropriate for the goals Ontogeny sets.

3.3 Analysis of the effectiveness of the proposed improvements

To understand the effectiveness of proposed suggestions in previous section it is important to perform the analysis according to examples of successful companies, which used similar methods and techniques in their history.

While expanding the company from small to bigger by introducing middle level management is a common practice among all organizations all over the world, because it simply increasing the amount of tasks company can handle simultaneously, as well as improving the efficiency of the workflow, the use of matrix organizational structure is not so common, because it is not suitable for every company due to different services they provide. One of the biggest examples of a company which uses matrix structure is Philips.

Philips is an international electronics enterprise, which was founded in Netherlands in 1891. From the beginning of its existence company had been using different organizational

structure, but after World War II with a rapid expansion across the market driving by lots of factors, mainly by globalization, company switched to matrix organizational structure. They were basically the first company who started to use it after the war. Philips set up a vast network of subsidiaries and different product divisions, which are successfully managed by a head coordination committee. Nevertheless, company reorganized its organizational structure due to lack of accountability. In the 1990s Philips separated several powerful product divisions with the largest responsibilities across the world to improve the efficiency of profits and losses management, and now employees report to both product division and geographical managers, which is an example of balanced matrix.

Another example of company which uses matrix structure is Starbucks, which uses combination of vertical and horizontal managerial structures. Head office uses functional divisions, and is responsible for setting up rules and milestones, while inferior offices simply apply these new policies. Top-down planning and monitoring method helps to save and apply business standards among every facility they own. Starbucks also have subordinate divisions in every country, which controls the workflow and compliance of company's regulations (see Annex G) (Example of A Matrix Organizational Structure, 2021).

Table 3.2

Analysis of possible influence of proposed improvements on financial indicators

№	Indicators	Years					
		2022	2023 (planned deal)	2023 (introduction of middle management)		2023 (introduction of matrix structure)	
				forecast	Absolute deviation	forecast	Absolute deviation
1.	Net sales	74930,0	75454,5	76963,6	1509,1	80811,8	5357,3
2.	Cost of sales (Administrative costs, sales costs, other operating expenses (overhead expenses))	59069,6	59364,9	59958,6	593,6	61757,4	2392,4
3.	Gross margin (Financial	15860,4	16089,6	17005,0	915,4	19054,4	2964,9

	result before taxation)						
4.	Net financial result (export) (TPR=18%) (0,82=100%-18%)	13005,5	13193,4	13944,1	750,7	15624,6	2431,2
5.	Effect						
5.1.	Profit	15860,4	16089,6	17005,0	915,4	19054,4	2964,9
5.2.	Net Profit	13005,5	13193,4	13944,1	750,7	15624,6	2431,2
6.	Effectiveness						
6.1.	Profitability of sales, %	17,36	17,49	18,12	0,6	19,33	1,8
6.2.	Profitability of costs of sales, %	22,02	22,22	23,26	1,0	25,30	3,1

Source: made by the author based on company data

Table 3.2 shows the possible influence of proposed changes on financial data of the company. Analysis showed that net sales is expected to reach 75454,5 without changes in the company. With creation of middle management company may see the increase of net sales level to 78963,6 with cost of sales going up as well from planned 59364,9 to 59958,6. At the same time, introduction of matrix organizational structure may boost the output of company significantly. Net sales level is expected to rise to 80811,8, and cost of sales will go to 61757,4.
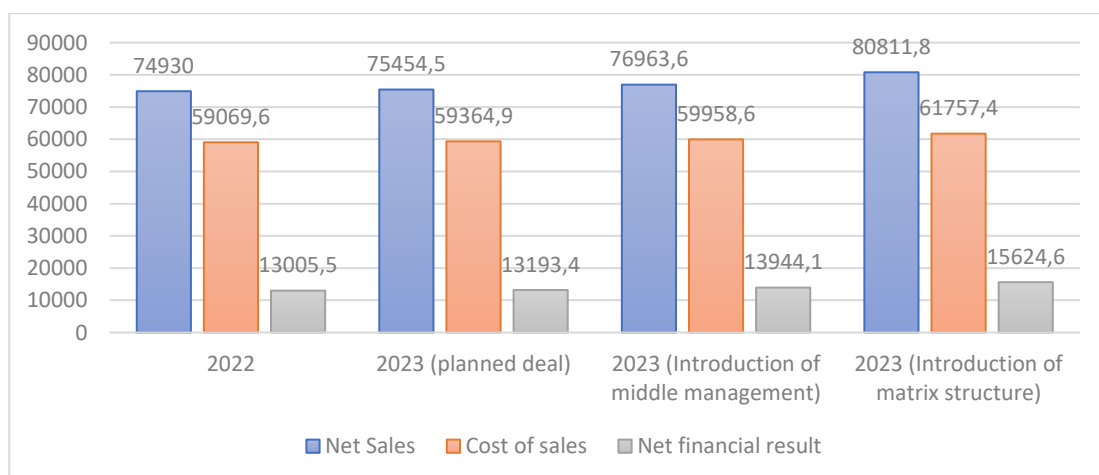

Fig. 3.3 Financial indicators ratio (after proposed recommendations)

Source: made by the author based on company data

Figure 3.3 shows the ratio of net sales, cost of sales, and net financial result. Introduction of proposed suggestions shows significant improvements in every indicator, which is not reachable if company decides to delay those changes.

Assessment of risks is another important factor, which must be analyzed and assessed during implementing of proposed changes. When changing organizational structure of Ontogeny company may face various types of risks, such as: technical, production, financial, industry, and other risks.

Fig. 3.4 Risks Ontogeny may face after implementing proposed suggestions
Source: compiled by the author based on company data

Figure 3.4 shows all major risks Ontogeny may face during the period of implementation of suggested changes or after they are already applied to the company.

Political risks are inevitable, because they are nearly impossible to predict and company can only prepare itself to react quickly enough to survive any serious changes government may introduce. These risks are also associated with possible changes in the course of the government, changes in the priority areas of its activity. Most common political risks for middle-sized companies are:

- Government interference;
- Transfer and conversion;

- Political violence.

Government interference assessment is a process when management analyses risks of any government actions which may impact the commercial environment of the country. These risks are not threatening Ontogeny in case it is going to expand because the government of the US provides lots of beneficial policies for IT sector, because it proved its sustainability in desperate times, like it was during the COVID-19 pandemic. Transfer and conversion risks defines the likelihood of introduction any new policies which are aimed to restrict the process of providing goods and services of company, which is also unlikely to happen due to the fact that Ontogeny will operate mainly on IT market. Political violence risks assessment predicts the possibility of any violent and undertaken actions aimed on overthrowing the government. Even though political situation in the US has destabilized during the last several years, it is not as significant to grow into something serious (3 types of political risks and how to manage them, 2022).

To prevent any political risks, knowing the fact that Ontogeny may be influenced only by some major changes in the country, company can:

- study political environment in country on a regular basis in order to be ready to react;
- analyze political movements, which may influence the work of the company;
- develop the workflow which will allow employees to work remotely in case any situation occur.

Strategic risks may appear when company performs any large changes, which reshape its usual workflow, or after making decisions, which lead to defunct outcomes. They are mainly related to broad decisions in the company, which are aimed on the long-term, affecting future of the company. Due to the fact that Ontogeny doesn't have enough experience of operating according to matrix organizational structure, this is a serious threat for a company. However, this is a standard process for every company which decided to expand, so with a high attention to details and good level of management and planning, including foreseeing possible threats company may face, it shouldn't be a big risk for

Ontogeny. Operational risks are similar to strategic risks, and are defined as threats which may arise when day-to-day tasks are not performed with the highest level of efficiency, which may influence other spheres in the company. In comparison with strategic risks, these are short-termed, affecting mainly daily activities, but a combination of those risks may lead to a collapse. These risks may also be overtaken by a high level of attention to details, well-built communication process between team members in order to prevent possible failures (Kenton, What Is Business Risk? Definition, Factors, and Examples, 2022).

Being a beigest group of risks for Ontogeny, due to the fact that company is relatively young and management doesn't have experience in operating with several different departments at once, company should pay high attention to strategic and operational risks, because they may influence organization very badly. To overcome those risks, Ontogeny should:

- gather and analyze data about internal and external processes of the company;
- do market research after certain strategic changes are implemented;
- forecast possible outcomes of potential changes;
- be attentive to regulatory changes within the company.

Reputational risks may threaten the company due to the fact that the amount of obligations it will have toward new client will rise significantly, as well as difficulty of tasks and projects. In case company will not be able to operate according to the expected level its reputation may be significantly influenced, which may ruin the possibility to find new clients in the future. Competitive risks may also be a reason why company can face difficulties operating during the first stage after reorganization, because it'll be harder to attract new clients. This is why analysis of competitors must still be performed on a regular basis in order to keep the competitive advantage of the company. Financial risks are also very important. Due to the lack of experience and understanding of which services are more demanded among potential clients company may create a list of services with wrong pricing system, which may lead to potential income loses. To prevent this, management should perform a detailed analysis of competitor's pricing systems in order to create a well-

developed pricing list and retain competitive advantage (Managing Reputation and Competitive Risk in Business, 2022). Basically, to be ready to face those risks company must:

- monitor and asses the workflow to protect against financial risks;
- maintain a strong reputation among clients, in order not to lose reputation or competitive advantage;
- diversify business operations to minimize financial risks;
- introduce strong cybersecurity measures, to prevent the workflow from collapse;
- maintain strong and healthy relationships with stakeholders, to build trust and loyalty among them.

Technical risks there are mainly caused by any mistakes or errors, which may occur during operating the technical system. This may happen due to several reasons, such as possible defects which may influence the work of any computer, or due to errors in the software itself. The basis of technical risk is the danger of failures happening during the usual working process (Amyotte & McCutcheon, 2006). Factors causing those risks may be divided into two:

- person may not know how certain system works, which may lead to unexpected outcomes;
- person may not be attentive enough to prevent the failure.

First factor may occur due to low level of preparation of a specialist using the technology, which may be prevented by attentive and efficient selection of candidates on a role. Second factor relies more on personal traits of a specialist, which may not be seen during a job interview for example. Thus, both factors may be eliminated by a well-trained recruitment specialist, who knows different spheres and may see during the interview with a candidate whether he or she is the right person for the position or no in order to prevent those risks (Korovytska, 2023).

When company decides to expand and increase amount of employees it may face motivational risk, which occur after person works for some time. Due to the fact that

organization is interested in hiring many experienced specialists for a long period to minimize staff turnover rate, it is vital to make sure that motivational level of employees will not drop down significantly, because it may influence the work efficiency. There is a big number of different motivational theories, but all of them are mainly correlated with how employee is satisfied with the rewards and outcomes of his or her work. These theories can be divided into three groups:

- content theories,
- process theories,
- contemporary theories.

Each of those groups is based on Maslow's hierarchy of needs, Alderfer's Existence, Relatedness, and Growth (ERG) theory, and McClelland's needs theory (Khalid, 2022).

Figure 3.5 shows Maslow's hierarchy of needs, with a bottom-up structure, showing the basic person's needs in a form of hierarchy. At the very bottom there are physiological needs, which include food and clothing, followed by safety needs, (job security), love and belonging needs (friendship), esteem, and self-actualization (Mcloed, 2023).
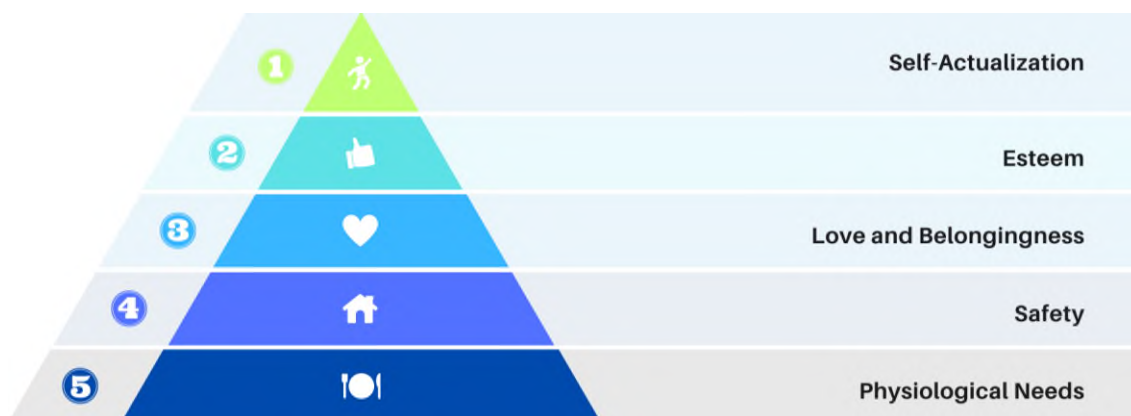

Fig. 3.5 Maslow's hierarchy of needs
Source: compiled by the author

While Maslow's theory is essential in personal life of everyone, it can also be used in company's motivational strategy. Management can create a supportive environment for employees in order to improve their satisfaction and at the same time study what can motivate individual workers. This data can be then applied on creating a general pattern of motivation to employees with similar requests.

Main duty of employer at the level of physiological needs is to providing a comfortable and pleasant working environment for employee, which may include comfortable and customizable work space, lunch breaks in a cafeteria, or simple coffee machine in the office. This will allow employees to rest during their working day, and feel themselves comfortable, which will improve their efficiency. Security needs may be satisfied with a system of benefits for achievements, precise job descriptions, and other elements which make person feel safe about their career. Social needs are also easy to satisfy, because they are achievable by cultivation of work culture n the company, as well as socializing employees when they are outside work. This will help in avoiding burnout, which is a main reason for lowering employees' motivation. To make sure workers satisfy their esteem needs it is vital to assign them tasks, which will allow them to work with the highest level of efficiency, and show their skills. Involvement into decision-making process is another way to improve their efficiency, but it is not always possible in the matrix organizational structure due to different approaches to methods of planning, which may not involve department employees. Lastly, self-actualization level involves management cooperation with employees so they can fulfil their potential, which may be achieved by providing career development opportunities and job rotation to develop different sets of skills (Hierarchy of Needs: Motivating Employees with Maslow's Theory, 2022).

Alderfer's ERG theory is based on Maslow's hierarchy of needs, but it introduces another categorization, dividing them into three groups, which are growth, relatedness, and existence (see figure 3.6).
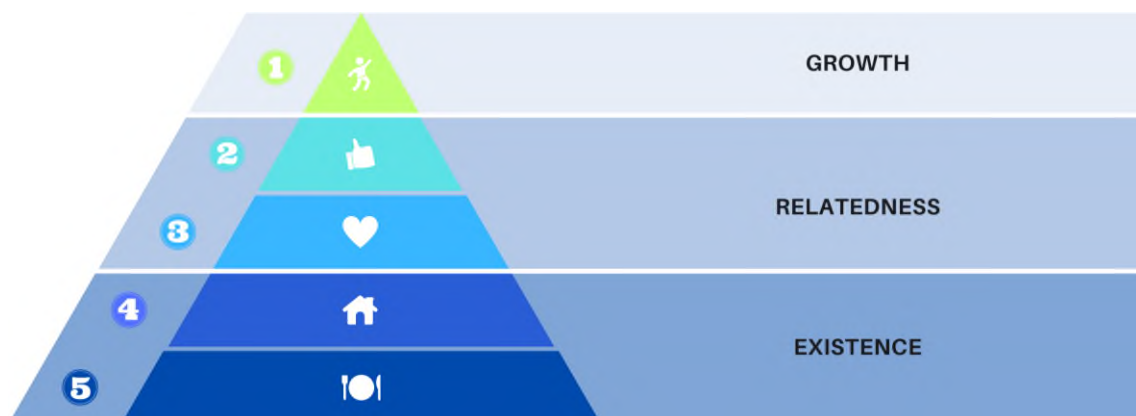

Fig. 3.6 Alderfer's Existence, Relatedness, and Growth theory pyramid
Source: compiled by the author

The main idea of this theory is the fact that employees can be motivated by several levels of need at the same time. Additionally, the level which feels most important to them can, for example, change from existence to relatedness after some time. These changes may go up (e.g. relatedness to growth), and go down as well (from relatedness to existence). As Alderfer's theory states, employees can be motivated by different levels at the same time, and change their motivation depending on the sense of progress, which suggests that they should not focus on one level of need, and management should be aware of the combination of needs that people can have in order to help their workers progress accordingly (Alderfer's ERG Theory of Motivation: A Simple Summary, 2023).

Following Alderfer's ERG theory helps manager to understand that for every individual has its own vision on the importance of every group of needs depending on his or her level of education, life experience, and cultural environment. For example, an experienced specialist will value growth needs more than social needs. This is why ERG theory is more relevant in comparison to the Maslow's theory. However, it does not offer clear and direct ways how to satisfy those needs, and is still studied by psychologists and sociologists in order to provide suggestive guidelines, this is why it is hard to use this concept and predict whether its application on the company will benefit or no (Khushboo, 2023).

McClelland's theory of three needs suggests that every person has three main motivational forces, which are motivation by power, affiliation, or achievement. Moreover, each of those traits are always present, but one of them is more dominant in comparison to others. In this theory McClelland suggests that person's behaviour can be predicted depending on which force is more appealing to him or her (McClelland, 1961). He outlined typical behaviours for each trait (see table 3.2) .

Table 3.2

Division of forces in McClelland's theory of three needs

Name of the force	Main traits	Typical behaviour	
		High	Low
Need for Achievement	Personal responsibility,	- Must win at any cost	- Fears failure

	Feedback, Moderate risk	- Must be on top - Must receive the credit	- Avoids responsibility
Need for Power	Influence, Competitiveness	- Desires to control everything and everyone - Exaggerates own position and resources	- Dependent or subordinate - Minimizes own position and resources
Need for Affiliation	Acceptance and friendship, Cooperative	- Demands loyalty and harmony - Does not tolerate disagreement	- Remains aloof - Keeps social distance

Source: made by the author

If individuals are more concentrated on achievements, they are motivated to do their best to reach their goals at any costs. They also like any types of challenges and want everybody to know about their success. This suggests that achievement-oriented employees will like to change the situation or the company they are working for in case they do not see it is meeting their needs. They also often do not like to cooperate with others because thus they have limited control over the outcome.

If individuals like power, they are mainly motivated to influence others and take over the control. They like to motivate other people, delegate tasks and responsibility, and thus influence others around. McClelland found out that those employees are working most efficiently on leading positions, and those who are experienced in delegating tasks proved to be successful leaders. It is important to understand that not everyone who is mainly motivated by power is a good leaders, some of those, due to a high level of aggression and authoritativeness, may decrease the work performance of others.

In case person is mostly motivated by affiliation, social connections may be the main driving factor for him or her. These people value their relationships with others and like to work in team (however they are often not the best employees). Study showed that they also don't like to leave their work location, and are not motivated enough to improve significantly, which in fact make them least effective out of all three groups (Kurt, 2021).

Studying all three groups will allow Ontogeny's management to understand personal traits better and minimize motivational risks.

Table 3.3 shows potential risks for Ontogeny, and what's the best way to deal with them.

Table 3.3

Potential risks for Ontogeny and ways to deal with them

№	Risk	Who may prevent	Ways to prevent
1	Political	CEO	- Study political environment in the country - Provide analysis of political movements - Make sure company will continue to operate in case any political risk may occur
2	Strategic	CEO	- Set up clear and achievable goals - Effectively plan and do a detailed analysis of plans
3	Operational	Project manager + Department manager	- Organize and maintain effective feedback process - Control details in order not to miss important factors or information
4	Reputational + Competitive	CEO + all employees	- Be attentive to client requests and project details - Maintain good relationships with clients - Gather feedback from clients to improve the working process
5	Financial	CEO + Financial manager	- Monitor financial operations with a high attention - Prepare financial reports and P&L regularly during operational year
6	Technical	Department manager + employees	- Be attentive during HR process - Develop required skills among employees

			- Be attentive to the work and provide feedback in case something went wrong
7	Motivational	CEO + Department managers	- Define main aspects of boosting employees' motivation - Create a well-developed working conditions - Gather feedback about the working process

Source: made by the author

Table shows that all risks company may face after expanding may be prevented, the only thing needed is high attention to details and level of preparation. A lot of problems may be resolved by regular and detailed analysis of the situation. It will be better if company will prepare a list of actions required to resolve major problems it may face. High attention to all of those practices may help Ontogeny to minimize risks, maintain the efficient workflow of the company, and build a trustworthy image of the company among clients. This will present Ontogeny as a strong organization, which is ready to face any difficulties, and can be trusted by both stakeholders and its clients.

CONCLUIONS

The main aim of this work was to learn about the importance of planning as a general management function analyzing both theoretical and practical examples from the long history of management development, as well as applying this knowledge to the workflow of real start-up Ontogeny. The task of this bachelor's thesis is to develop the understanding about planning in company's management process and what are the possible improvements which may be made in order to increase the efficiency of an organization.

The first chapter of this work is dedicated to studying the theoretical basis of planning process, describing planning as a whole. Being mainly a decision making and analyzing process, planning often requires high attention to details, because even small mistakes during analysis may lead to losses for the company in the future. It is important to analyze as many factors as possible, and at the same time not be to self-confident in your predictions, because many studies show that overconfident managers often ignore important factors, which seem unnecessary for them, but in the end this mistake may ruin the entire project in the future.

As a managerial function planning is divided into strategic, tactical, and operational approaches, each of them cover different stages of the process. Strategic planning is used for long-term objectives, tactical helps with understanding short-term tasks, and operational planning is a combination of previous two, helping to define the implementation of outcomes for day-to-day tasks for a long period.

Methods of planning include 4, commonly accepted ways of how it can be performed. First one is top-down method, which is most common to large companies, where delegation of authority and tasks goes from top management down to middle and bottom line managers. The second one is the contrary to the previous one, bottom-up. In this method planning begins by bottom managers, and then their outcomes are transferred to medium and top managers, which means that initiative doesn't rely on senior management. The third method is called method by objectives, and allows every level of management to initiate the planning process depending on the current state of affairs in the company or a separate project. The

last one is a team method, which requires creation of a separate unit responsible for planning process, and senior management only initiate and approve the plan after it is created, but don't take part in the process itself. Planning principals are also organized in 6 P's framework, which stand for purpose, plans, promise, philosophy, policies, and priorities. These principals are important for manager on every level in order to increase the efficiency of planning process, improve situation analysis, and lower risks.

As every other managerial function planning has both advantages and limitation. Basically, main advantages are better allocation of resources, which allows to use the with a higher efficiency, increased coordination inside the team and with providers outside of your organization, creation of alternative plans to eliminate the risk of delay in case something will go in a wrong direction, and limitation of uncertainties about the future. However, all of these advantages doesn't work in case person or team responsible for planning doesn't know correct methods of planning, or has low level of analytical thinking. This is why experienced planning specialists are paid higher, which makes it hard for start-ups or small firms to hire them. Another limitation is no matter how good specialist is there are always risks, which can't be forecasted due to either lack of reliable data or unexpected circumstances.

The second chapter of this thesis studies planning process in Ontogeny and applying theoretical data gathered in chapter one, as well as analyzing main indicators of financial activity of the company. It also describes basic information about company's history, how it works, and which services provide.

To analyze financial and economic activity of Ontogeny data from Profit & Loss statements for 2020-2022 were used, such as total income and expenses of the company. These data were also used to calculate such indicators as net income, net income margin, gross margin, and percentage of profitability of income and costs. Analysis of net income, which is the may be interpreted as a main financial indicator for the company shows that from during these three years Ontogeny managed to increase this indicator from 31846.5 to 74930.0, which shows 253,3% of absolute and 149,9% of relative deviation. However analysis of profitability of income and costs shows negative tendency of -1,2 and -2,0 basic

and -1,7 and -2,8 relative deviation, which means that company should do some internal changes, which may include adjusting prices, reorganizing salaries, and so on.

Planning process in the company is performed by CEO and Senior Project manager, which work together on setting up goals. However project manager is also responsible for client work, which lays a lot of duties on one person and may result in failure in case company will not change its organizational structure in the future. Basically, CEO is responsible for strategic planning, project manager controls operational planning, and they both share responsibilities for tactical planning, with a high degree of importance related to competitive environment analysis. During their meeting management often uses simple, yet useful techniques, such as brainstorming, mindmaps, and SMART analysis.

Analysis of strategic planning of the company included mainly takeaways from SWOT analysis of Ontogeny. The biggest strength is relatively cheap services for the market it operates in. With the fact that company basically helps other with boosting the start of their projects and businesses for lower prices than other companies provide this is the biggest competitive advantage. Another thing, which may be both strength and weakness of company is broad list of services. While this may attract people because they don't need to hire lots of specialist to run their project, company slows its development in the sector. Thus, focusing on one sphere and reorganizing organizational structure may be the biggest opportunity, while doing nothing may lead to the fact that Ontogeny will be eliminated with new firms entering the market or expansion of existing companies.

The third chapter of this work analyses innovative activity management in the company and provides recommendations for future development, such as suggestions concerning authority delegation, and analyze the effectiveness of proposed changes. Due to the fact that company doesn't have a separate unit or specialist responsible for innovative activities, CEO and Senior Project Manager often gather feedback from employees and do internal meetings to discuss possible opportunities.

One of the biggest changes Ontogeny may introduce in the future in order to keep the development of a company is introducing new departments and assigning employees to them in order to optimize the workflow, as well as adding a separate level of middle

managers to even new department in order to stabilize and evenly distribute the process of delegation of authority. Matrix organizational structure was used to depict new possible workflow of the company after these changes are implemented, introducing financial, sales, and development departments, as well as several project managers.

Ontogeny is an example of a successful start-up, with a well-developed planning processes. It developed a certain way of client relations and created an effective and useful services which are demanded by the target audience of a company. Overall the current state of affairs in Ontogeny is on a high level. Company proved that it can handle multiple complex projects at once, quickly react on troubles, and find best possible solutions quickly.

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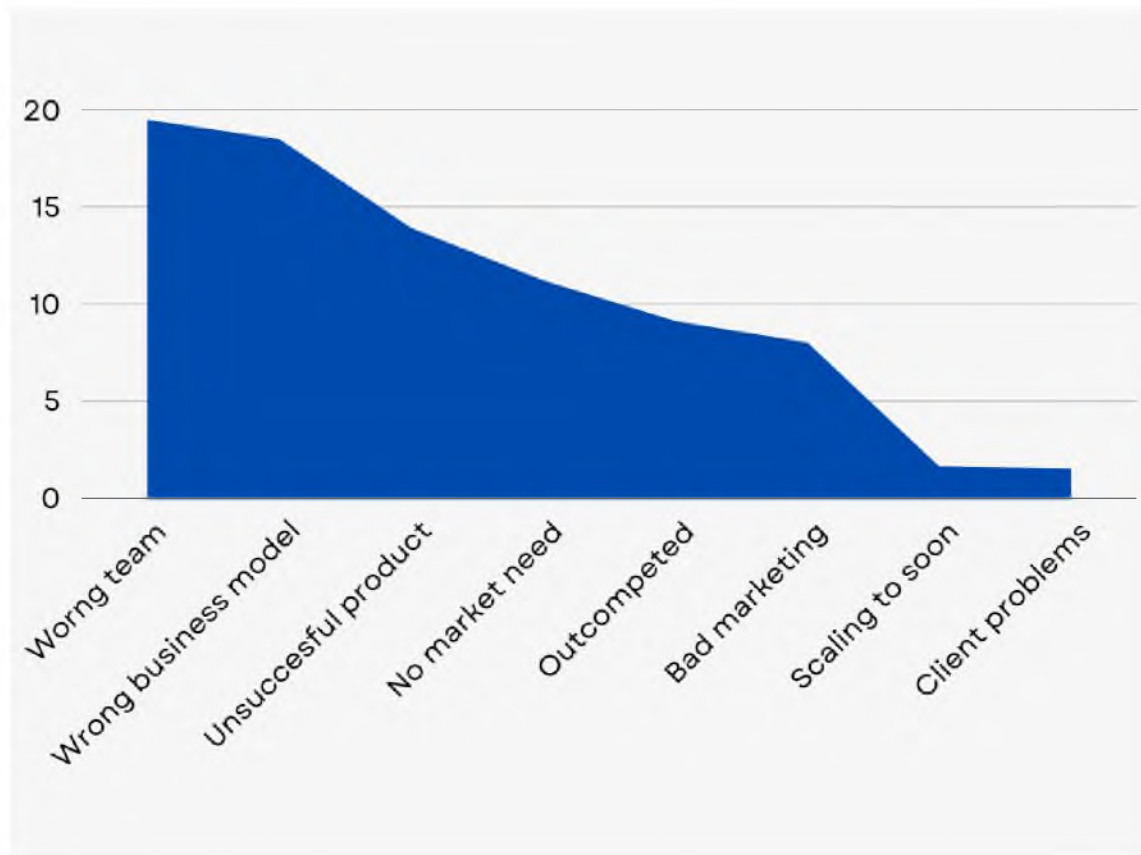
ANNEXES

SWOT analysis table example

Why start-ups failed

Ontogeny Pricing List

ONTOGENY
Let's Build Together

PRICING BREAKDOWN

MORE INFORMATION :

- **Address**
  447 Broadway, 2nd Floor,
  New York, NY 10013

- **Website**
  www.ontogeny.io

- **Number**
  917.561.3292 (Office)

- **Email**
  admin@ontogeny.io

SERVICE	PRICE
Digital Admin Work Email management/responses; Meeting scheduling; Contact list management; Calendar management; Customer service	$14.99/hour
Internet Research Online research; Summary of findings; Competitive analysis; link creation	$14.99/hour
Database/Contact List Creation Creation of client lists; Internet research; Use of email-capture software; Consolidation of data; Database planning	$14.99/hour
Social Media Marketing Organic audience development; Engagement on Instagram, Facebook, Twitter, etc.; Content creation (including graphics)	$16.99/hour
Project Management Communication; New project creation; Task management including prioritization, due dates & reminders; Reporting	$19.99/hour
Mobile Application Development iOS + Android applications; UX/UI; Wireframe creation; Interactive prototype development ; Front-end development; Back-end development; User testing; Ongoing technical support	$19.99/hour
LinkedIn Marketing Campaign planning; Copy template creation; Email capture; LI Marketing automation; Campaign management/analytics	$24.99/hour
Graphic Design Visual conception; Custom graphics; Logos; Presentations; Web elements; Interactive media; Illustration	Junior $19.99/hour Middle $29.99/hour Senior $39.99/hour
Facebook Paid Advertising Planning & objectives; Ad creation; Budget & schedule; A/B testing; Target audience optimization; Placement	$49.00/hour (or % monthly ad spend)
Strategy Consulting Business strategy; Content and messaging Planning; Branding & voice; Content playbooks; Editorial calendar Development; Copywriting	$199.00/hour
Search Engine Optimization Complete website analysis; Content creation; Keyword optimization; Link building; Inbound PR strategy	$550.00/month & up
Website Development Development of conversion funnel optimized website to work in-sync with advertising and organic social media campaigns + SEO	$1999.00 & up

Detailed list of Ontogeny's expenses for 2022

Description	Amount
Wise	$ 26 032,94
WFP.ADVERTISING	$ 415,18
UI8.NET	$ 45,00
TURO INC.* TRIP MAY 20	$ 275,95
Porkbun	$ 260,24
Pipedrive	$ 114,50
Payoneer	$ 3 000,00
Onlinejobs.ph	$ 276,00
IN BLUE BEAR TAX SOLUTIO	$ 250,00
IIQ*IDENTITYIQ.COM	$ 83,97
Hubstaff	$ 963,53
Hellosign	$ 60,00
Google	$ 676,01
LinkedInHelper	$ 47,86
Fiverr	$ 98,10
Facebook	$ 91,01
Dropbox	$ 40,00
GoDaddy	$ 16,15
DigitalOcean	$ 1 382,51
CT SECRETARY OF STATE	$ 80,00
BUBBLE GROUP INC	$ 190,00
Bark	$ 8 149,90
AMZN Mktp US	$ 1 531,70
Taxes	$ 14 989,00

Digital Assistant job description template

We are an exciting, New York City-based startup currently looking to hire a Personal Assistant to th CEO based in Kyiv, Ukraine.

Individuals must be extremely organized, punctual, and English-speaking.

Please include your resume, headshot or LinkedIn or other social media, and any other important information.

Responsibilities will include:

- Speaking with locals and translating from Russian/Ukrainian to English for the CEO
- Monitoring a reporting CEO's email and responding if required
- Preparing communications on behalf of a CEO
- Answering phone calls
- Organizing travel and itineraries
- Organizing and planning meetings
- Taking notes and writing minutes during meetings
- Conducting or preparing any research that the reporting manager may require
- Various ad hoc requests

Digital Business Assistant job qualifications and requirements:

There are no formal education requirements expected of a Personal Assistant. However, there are a number of professional qualities that should be included in the duties of a Personal Assistant:

- Computer literacy
- Verbal and written articulacy
- Professional discretion
- Efficiency
- Well-developed time-management skills.
- Strong organizational skills

We look forward to connecting with you!

Overall information about Ontogeny's competitors

Digital SEO Pros

Headquarters: Macon, Georgia, 31216, United States

Phone Number: (866) 773-6776

Website: www.digitalseopros.com

Revenue: <$5 Million

Digital SEO Pros's Social Media   in   f   ✕

⊘ Is this data correct?

SIC Code 73,737   NAICS Code 54,541   Show More

Popular Searches:
Digital SEO Pros

(Business Services)   (Custom Software & IT Services)

Kougar Data

Headquarters: 1735 Market St Ste 3750, Philadelphia, Pennsylvania, 19103, United States

Phone Number: (267) 417-4534

Website: www.kougardata.com

Revenue: <$5 Million

Kougar Data's Social Media   in   f

⊘ Is this data correct? | ⊙ View contact profiles from Kougar Data

SIC Code 73,737   NAICS Code 54,541   Show More

Popular Searches:
Kougar Data   Kougar Media   Kougar Technologies   Kougar Business Solutions Pvt Ltd
Kougar Technologies-Social Media Marketing

(Business Services)   (Custom Software & IT Services)

Niravi Digital

Headquarters: United States

Website: www.niravidigital.com

Revenue: <$5 Million

Niravi Digital's Social Media

Is this data correct?

SIC Code 73,737   NAICS Code 54,541   Show More

Popular Searches:
Niravi Digital

(Business Services) (Custom Software & IT Services)

Norton SEO Services

Headquarters: 598 Tansy Ln, Westerville, Ohio, 43081, United States

Phone Number: (915) 420-2715

Website: www.nortonseoservices.com

Revenue: $7 Million

Norton SEO Services's Social Media

Is this data correct?

SIC Code 73,731   NAICS Code 54,541   Show More

Popular Searches:
Norton SEO Services   Norton SEO Services Co   Norton SEO Services Inc   SEO Services
Digital Marketing Co

(Advertising & Marketing) (Business Services)

Examples of matrix organizational structures of Philips and Starbucks