



CASE STUDY

Organization Design at Snap-Container

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Since opening its doors in 2008, Snap-Container had grown to be a world leader in cloud-based file storage software and services. In Q1 2016, the company's founders, brothers Silas and Woodrow Metzelaars, had just secured outside funding that valued the company at more than \$10 billion. That sky-high valuation reflected investors' enthusiasm for the company's growth potential and long-term cash flow. Snap-Container's cloud storage software served individuals, small businesses, and enterprises. The company had more than 400 million registered users in the free 'Basic' tier. About 250,000 individuals and small businesses registered for 'Pro' accounts priced at \$129 a year. 300,000 large business users paid \$280 a year for 'Enterprise' accounts. Revenue by tier for 2015 and plan for 2016 are in [Exhibit 1](#).

Growing Pains

Until 2010, Snap-Container had fewer than 30 full-time employees. By the first quarter of 2016, that number was around 500. Many Snap-Container veterans remembered when the whole team fit around a single table. In those days debates could be resolved with a conversation. The company had earned a reputation among start-ups for effective teamwork and smart management. Snap-Container became a magnet for exceptional talent.

But growth made it harder to coordinate work. Across teams in every domain -- engineering, marketing, sales -- procedures had sprung up organically to get work done. Many of those procedures were designed to ensure quality and cross-team communication. But they also slowed the pace of work. One of the clearest examples: the process for implementing changes to marketing pages for the products (Basic, Pro, and Enterprise). This process is detailed in [Exhibit 2](#). Similar convoluted procedures had evolved in areas like hiring and quarterly budgeting.

The founders felt their beloved company was moving too slowly in key areas. Talented team members agreed, it was getting harder and harder to "get things done" inside Snap-Container.



The CoreBiz Team

The founders picked two up-and-coming leaders to design the CoreBiz organization: Florence Kelly and Martin Knoll. Kelly was a 27-year-old senior engineering manager who had started with the company as an intern during graduate school five years earlier. Knoll was 30 years old. He had worked the last three years on the marketing team for Snap-Container Pro. Kelly and Knoll both led teams in their current roles and they both aspired to more senior leadership jobs.

During a meeting with the founders and the senior executives -- including the VPs of Engineering, Product Management, and Marketing -- Kelly and Knoll got excited by what they heard. They got permission to spend up to \$5M per year (payroll + non-payroll) on the CoreBiz team structure and they'd be accountable for hitting an aggressive growth plan for users and revenue ([Exhibit 1](#)). A follow-up email ([Exhibit 3](#)) detailed the founders' assignment to Kelly and Knoll. If the reorganization was a success, the founders believed it could be a role model for the entire company. If it failed, well...serious composting would happen.

As they left the meeting, Kelly turned to Knoll, "No pressure or anything, right, Martin?" They went into a conference room to start working.

***Your assignment is to draw an org design for CoreBiz team.
Pretend you are Kelly and Knoll.***



Exhibit 1

Accounts and Revenue by Product

Accounts by Product (000s at year-end)	2015	2016 Plan
Basic (free)	400,000	450,000
Pro (\$129 per year)	250	313
Enterprise (\$280 per year)	300	480
Total	400,550	450,790

Revenue by Product (\$ mil)	2015	2016 Plan
Basic	\$ -	\$ -
Pro	\$32.3	\$40.4
Enterprise	\$84.0	\$134.4
Total	\$116.3	\$174.8



Exhibit 2

Marketing Page Change Process

TO: product@snapcontainer.com, engteam@snapcontainer.com, marketing@snapcontainer.com

SUBJECT: USER-FACING PRODUCT PAGE CHANGE PROCESS

Hi all --

I wanted to update everyone on the process for making changes to any to the user-facing product pages for basic, pro, and enterprise. If you have a rockin' idea for a user-facing page, write it up in a brief (BRIEF 🤪) email, send to me, and we'll get it started in this process.

1. Original ideas for changes submitted to page change committee and approved;
2. Product manager assigned; product manager generates report based on user interviews and survey analyses, determines viability of change.
3. If change is deemed viable by product manager, marketing defines plan for updating each user-facing page to reflect change.
4. Product receives marketing plan and signs off with any edits.
5. If page change remains viable, marketing notified, completes any necessary changes to plan.
6. Product manager takes final plan and creates spec for engineering (submit story on tracker).
7. Engineering reviews ticket, sets scope (# points) and prioritizes in backlog.
8. Scope and priority approved by marketing and product.
9. Engineering builds and puts new pages on acceptance for review.
10. Marketing lines up business side of rollout (e.g. ad buys, user communication) to synch with production release.

Please realize that this process is designed to prevent a product manager from going to their friend in engineering and just making a change, or an engineer and a marketing lead from modifying a page without letting others know and weigh in. We want to make sure everyone is on the same "page"! 📍

Thanks!!!

Pat

Page Change Process Manager



Exhibit 3

E-Mail, Metzelaars brothers to Kelly and Knoll

TO: fkelly@snapcontainer.com; mknoll@snapcontainer.com

SUBJECT: CoreBiz

Hi Florence and Martin --

We are excited to see what you come up with for CoreBiz team. The kind of team you're designing is the future of Snap-Container. To recap, we need a team structure that satisfies the following requirements:

- Facilitates high velocity, collaborative work between engineering, product, and marketing
- Owns the engineering, product management, and marketing for basic, pro, and enterprise
- Supports experiments from small tweaks all the way up to large scale product updates
- Has front-end and back-end engineering capacity; ratio is for you to determine
- Makes sure people are working on the right stuff with the right amount of responsibility
- Tracks progress towards shared goals along the way, allowing you to make changes as needed
- Treats everyone with respect
- Sticks to a budget of \$5M per year (payroll + non-payroll)

We'll consider CoreBiz org design a success when it meets the above conditions and we beat upgrade and revenue projections.

Can we see a draft plan on Friday? Can't wait.

Yours in Snap-Ness --

S&W