

# Organizational Physics

Structure & Design Consulting for Scaling Companies

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## CASE STUDY

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“Organizational Physics enabled us to scale worldwide with the confidence that we truly had high-quality products.”

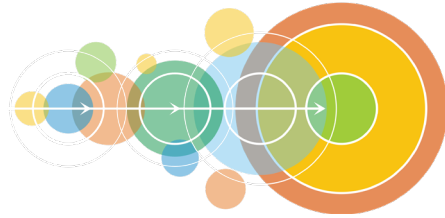


**Bob Reback**  
CEO of Cimetrix

Based in Salt Lake City, UT, Cimetrix (since acquired by PDF Solutions) enables semiconductor and electronics manufacturers to extract more intelligence—not just data—from their factory floor. In December 2020, Cimetrix was acquired by PDF Solutions and the combined entity is the leading worldwide provider of equipment connectivity products for smart manufacturing and Industry 4.0.

Bob Reback became CEO in 2001 and

engaged with Lex and Organizational Physics to do a strategic alignment and organizational redesign program in 2015, when the company was at \$6M in annual sales and about 33 employees. At the time this book is being published, the company has \$20M+ in sales, a 10-member Leadership Team, and 70+ employees with offices in Japan, Korea, Taiwan, China, and Europe, and it was named one of the Top Utah Workplaces of 2020. A CAGR of 28%. Let's hear from Bob.



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## **Tell us about the origin story. Why did you start this business? What was the original inspiration or frustration?**

The company was founded in the 1990s to develop an open architecture robot controller. The concept was good, but the robot manufacturers strongly resisted as they wanted to keep their proprietary controllers. When the dot com bubble burst and US companies outsourced a lot of manufacturing in the 2000/2001 time period, the company was in trouble and asked me to become CEO. At that time

the semiconductor industry was transitioning to 300mm wafers that required fully automated material handling and tight integration between the factory software and equipment on the factory floor. We pivoted the business to focus on software to support this factory automation for the world's semiconductor 300mm wafer fabs.

## **Tell us about the business at the time you engaged Organizational Physics. What were the issues, frustrations, or needs you were seeking to resolve?**

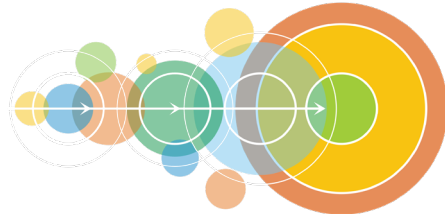
We had been a small, publicly traded company that had grown from \$3M in revenues to \$5-6M. We were profitable and had the opportunity to go private in 2014. However, we had frequent problems with product quality and seemed to be constantly fighting customer fires. I wanted to expand globally but was concerned about the scalability of our business. Going private gave us

the opportunity to restructure the management team. My board introduced me to several "management consultants" that I interviewed, but none felt right. I happened to come across Lex and Organizational Physics while doing my own investigation. I was able to meet with Lex during a trip to California and he just felt right for us.

## **How successful was your organization at resolving those issues, frustrations, or needs? How is life different or better now?**

We put in place a new organization structure with

clearly defined functions, along with a rhythm of



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business processes that made us a more efficient organization. We also embarked on a company-wide “entropy reduction” initiative that took several years to go through each of our software products to reconcile all issues and drive the number of defects to zero. This transformed our

business as it enabled us to scale worldwide with the confidence that we truly had high-quality products. Furthermore, instead of constantly fighting fires, we were able to prepare product roadmaps and focus on new feature development.

## As a result of your work Organizational Physics, what do you know now that you wish you knew before you engaged?

In hindsight things are much clearer, but I would say the power of “nail it before you scale it.” The challenge of course as a small business is the need to get revenue and win business since cashflow is

critical. This must be balanced with the need to “nail it” on the product as well as the processes for how you conduct your business.

## What principles of Organizational Physics do you find most helpful to you as a CEO and why?

- A values-driven culture. If there are no consequences, there are no values. People will watch your actions and values flow from the top down. Spend time recruiting people that match your values and continuously develop your culture.
- Clearly define the functions and roles of the leadership team, with performance dashboards and accountability. For example, the functions of Strategy, Product Management and others are important to get right.
- Continuously look at how to drive out entropy to be able to move faster.
- Look holistically at how to “nail it before you scale it” so the organization can consistently deliver what we promise to customers.
- Revisit the Company Core to hone the message of who we are, gain alignment within the organization and then build the mass.