Organizational Physics

Structure & Design Consulting for Scaling Companies

CASE STUDY

> **Organizational Physics allows me to react to changing external conditions much faster than before, and with a much faster feedback loop between me and the broader team.**

Daumantas Dvilinskas
CEO of TransferGo

London-based TransferGo is a leading provider of global payments. The company's mission is to help hard working people improve life for themselves and their families, by providing simpler, better financial services.This mission is particularly resonant because TransferGo was founded by four Lithuanian immigrants frustrated by the long and costly process of sending and receiving money between the UK and Lithuania.

As of the time I first met CEO Daumantas Dvilinskas and COO Justinas Lasevicius, the company had approximately 200 employees and annual sales of $18M USD. Managing complexity at scale was challenging, and they were especially frustrated by the pace of new innovations. To be clear, cross-border payments is a very complex business model to manage. Each country has a host of underlying regulatory, compliance, cultural, and technical requirements, in addition to managing different currencies and languages.

Soon after implementing Organizational Physics, including a new structure and leadership team model, the company's largest market, Ukraine, was invaded by Russia and chaos ensued. Could Organizational Physics help the company to increase its pace in a radically different environment? Although the war continues, the company now generates over $35M USD in sales and has over 300 employees. It has successfully served and expanded its Ukrainian operations, while simultaneously expanding into new global markets and product lines. This is a CAGR of 39%. Let's hear what Daumantas has to say.

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

We started the business in 2012 as we were completely disappointed with how retail banking worked and their approach to customers. Traditional banks seemed more interested in consolidating market share rather than competing on best customer experience. At that point we had a business with an international supply chain and making international money transfers was a nightmare—for us as a business and as individuals. We wanted to make this 90% cheaper, instant, and truly customer-centric. And that's what we did!

▍Tell us about the business at the time you engaged with Lex and Organizational Physics. What were the issues, frustrations, or needs you were seeking to resolve?

As we scaled, we had a number of unsuccessful leaders in the organization. In the past few years, a lot of new initiatives and projects failed. In general, we struggled to run larger cross-functional projects to expected results. What was weird to us was that, due to our well-received brand, we were able to attract top people but these top people didn't necessarily translate into top results.

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

To be honest, I was sceptical at first as I tend to hold sceptical views about consultants. If you are so good, why aren't you building stuff yourself? It was my co-founder who was impressed by Lex's methodology and pushed me to look into this. I could not be happier to have been proven wrong.

Lex's methodologies around functional mapping, entropy, OKR setting, etc., have transformed not only our business, but also my day-to-day life. I am spending less time in never-ending one-on-
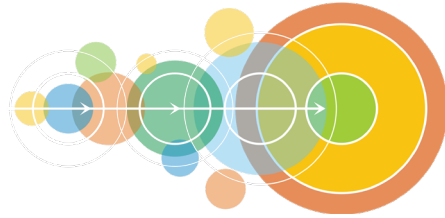
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ones where I used to micromanage one people-related drama after the next. I have been able to empower the entire business, make time for myself to think, and get better information to make better decisions as a result of the weekly leadership sessions. Lastly, the team is actively participating in the decision-making process, which has increased engagement and motivation.

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

Organisational design takes time to implement and it's evolving constantly. You have to trust the process for at least 6 months. You should really think about your organization as a product, in addition to the actual product or service that you are selling. You could have a great product for the market but if your organisational product is broken, you really don't have a chance. In a high-growth environment, the pressure for constant improvement and change is even larger. Lex's framework allowed me to react to changing external conditions like pandemics, wars, and competition much faster than before, as there was a much faster feedback loop between me and the broader team.

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

Transparent and open communication in the leadership team. The whole approach enables me to make the best possible decisions given the information available.

Minimising time in one-on-ones and unlocking time for strategic thinking and deep work. Basically, you have to stop doing certain things before you can start doing something else.

Doing things in the right way. The methodology enables and encourages us to build a business with a strong and lasting culture, which is very important for me and to us as a group. In my view, doing great things in the right way is the best kind of entrepreneurship there is.