DTU Management Engineering
Technical University of Denmark

FOUNDATION FOR ENTREPRENEURSHIP
YOUNG ENTERPRISE DENMARK

DTU

CASES for DTU course "Knowledgebased Entrepreneurship"

LogBuy   Designing the right company organization
November 2012

Background
The initial business idea was born in 2002 and the two founders started LogBuy the same year, offering '*getting a better deal*' as a consultancy service within negotiations.

By 2012 the company has grown to providing '*Benefit solutions*' to over 550 customers across the UK and Denmark. LogBuy is market leader in Employee and Member Benefits Schemes for businesses and organizations in Denmark, and it is well on its way to the same position in the UK.

LogBuy´s strategic foundation is "Operational Excellence" working constantly to automate and streamline business processes to benefit the company, its customers, users and partners.

LogBuy´s vision is: "Global access to the best benefits", which keeps it innovative and progressive when providing users with the best benefits in an easy and simple way across all platforms (global).

LogBuy is a dynamic company with a rapid growth and development. For 3 consecutive years it has won a "gazelle" in Børsen Gazelle study (The fastest growing private companies in Denmark) and from 2010 and forward it has received the highest credit rating one can get - the AAA. The company continuously focuses on creating value for the customers while constantly working to develop and optimize solutions to suit the customers' needs.

The Challenges
The two founders were the only employees for the first 3 years – working hard on growing the company successfully, without paying themselves salary. Obviously, this was not a sustainable situation. Customers and sales required more attention than the two founders were themselves able to deliver.

Market opportunities however were good, but to exploit them, the company needed competent capacity, and hence, the two founders faced the classical problem related to expansion out of the niche: when to hire, who to hire and how to organize.

The founders had little or no experience within HR management and company organization, and the responsibilities involved with hiring and employing people also raised considerable concern. One pending issue was the balance between development and sales. Hitherto, SW development had been outsourced at great expense. Considerable savings could be reached by insourcing this crucial activity. At the same time, the company expansion depended on the proactive presence in the market.

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Your task:

1. Should LogBuy strengthen sales or software development as the first step?
2. What factors should be considered in deciding on HR profiles?
3. How could the –still very small - company attract the right person/people?
4. What capabilities would be needed to run the future organization?