



2026 CEO Conference

Session 9B: Beyond the Org Chart: Designing the Organization that Strategy Requires

Vishal Menon
EFCG Vice President
Strategy & Corporate Finance

Friday, October 2, 2026

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Today's Presenter: Vishal Menon



Vishal Menon
Vice President
Strategy & Corporate Finance



Experience

Vice President
Management Consulting
Strategy & Corporate Finance Practice
Environmental Financial Consulting Group (EFCG)

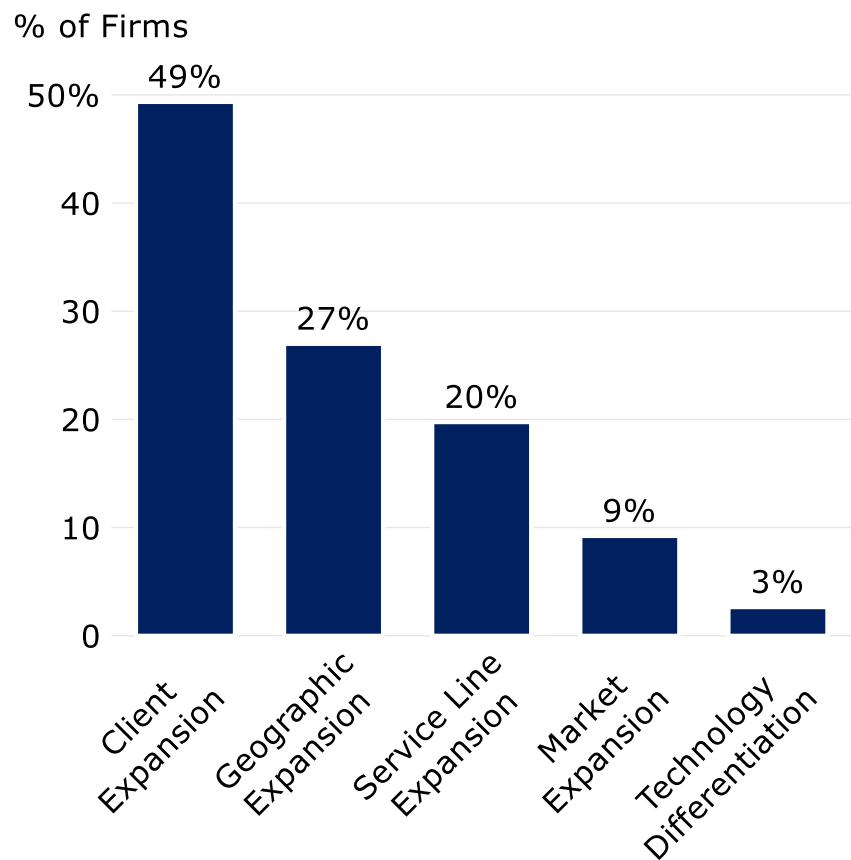
Education

B.S. with Honors
Global Business and Finance
Georgetown University

Growth Strategies Vary as Firms Become More Deliberate

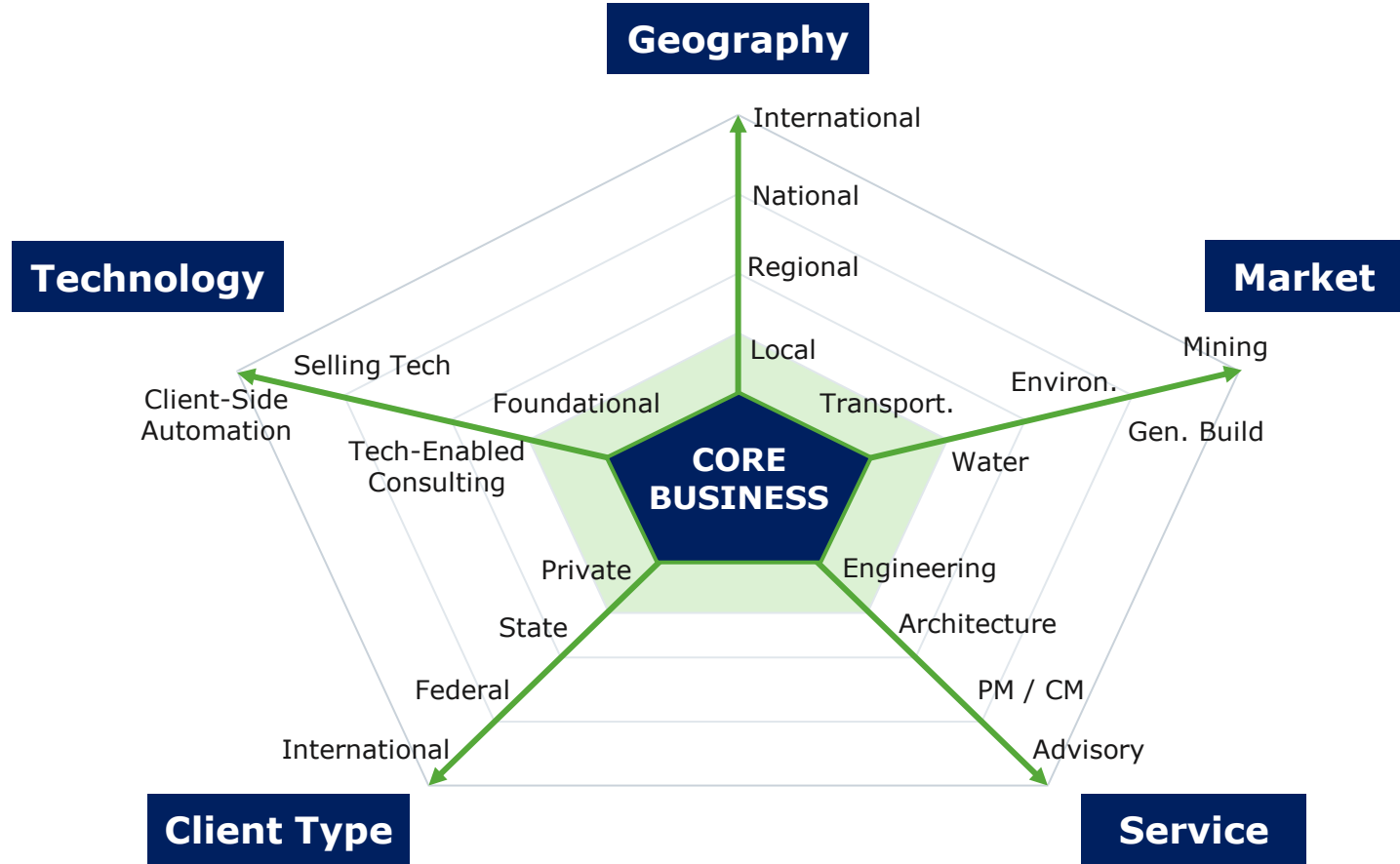
While firms are pursuing growth across clients, geographies, markets, and services, we are also seeing more selective decisions around where to invest, which adjacencies to pursue, and what capabilities to retain.

Primary Growth Strategies



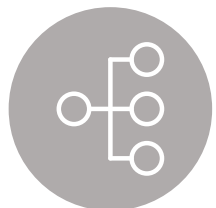
Source: 2026 EFCG CEO Survey

EFCG Growth Strategy Framework



Organizational Design is a Key Enabler of Strategy

Organizational Design is much more than how a company looks on an org chart. It is made up of multiple dimensions that impact a firm's ability to execute on its strategy.



P&L Alignment

Does the P&L run by Geography, Market, Service or Client? Is there a "matrix" structure?



Reporting Lines & Layers

Who reports to whom? Are there any 'dotted lines'? How many layers do we have?



Location of Shared Services

Do shared services sit in Corporate or in BUs (with a dotted line to Corporate)?



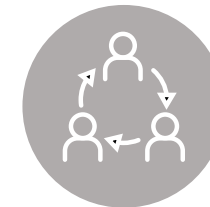
Roles

What roles exist in the organization?



Responsibilities

What is each role responsible and accountable for?



Decision-Making

What are the key decisions and where / how are they made?



Ownership

Who owns equity in the firm? How is it distributed?



Standardization vs Autonomy

What is standardized / consistent across teams? Where do teams have autonomy to do things differently?



Leadership Team Composition

Who sits on the leadership team? Are there multiple teams?



Governance

What is the approach to corporate governance (e.g. board of directors, board of advisors, etc.)



Corporate Structure

What are the corporate entities and how are they related?



Incentives

How are individuals incentivized and compensated for their work?

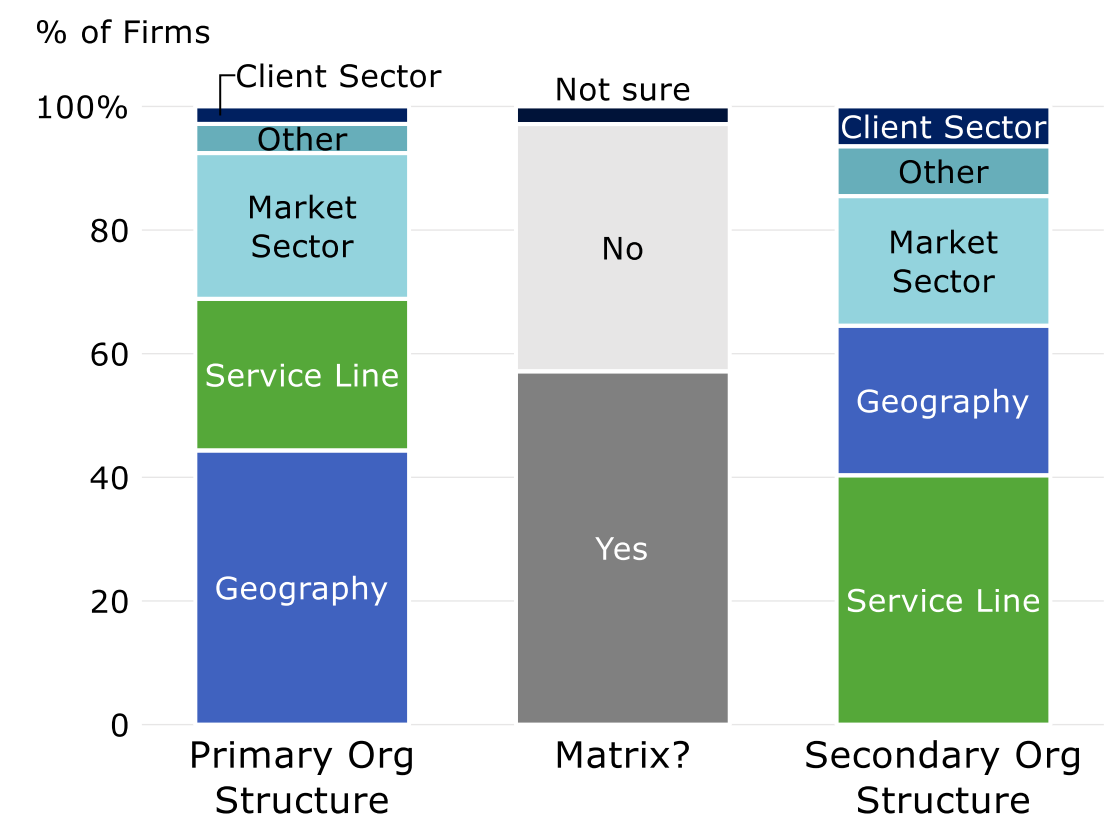
Guiding Principles for Determining Primary P&L

	When Should An Organization Align This Way?	Tradeoffs
Geography (e.g. Northeast, Gulf Coast, California)	• When work done significantly differs across geographies (e.g. if different clients, client needs, culture, language, regulations, etc.) • When there is significant cross-selling opportunities within a geography	• Difficulty sharing best practices or work across geographies • Potential to lose sight of key clients that span multiple geographies
Service Line / Capability (e.g. Engineering, Program Management)	• When a firm has several distinct capabilities that are very different from each other (and not often cross-sold)	• Harder to cross-sell across services / capabilities
Market (e.g. Transport, Power)	• When a firm operates in several distinct markets that are very different from each other	• Harder to cross-sell across markets
Client (e.g. Federal, K-12 ed, Walmart)	• When a firm has different client types which are very different from each other (e.g. security clearance) • When a firm has a handful of key clients that they want to differentially prioritize (and who do work across geographies and services)	• Difficulty sharing best practices or work across clients

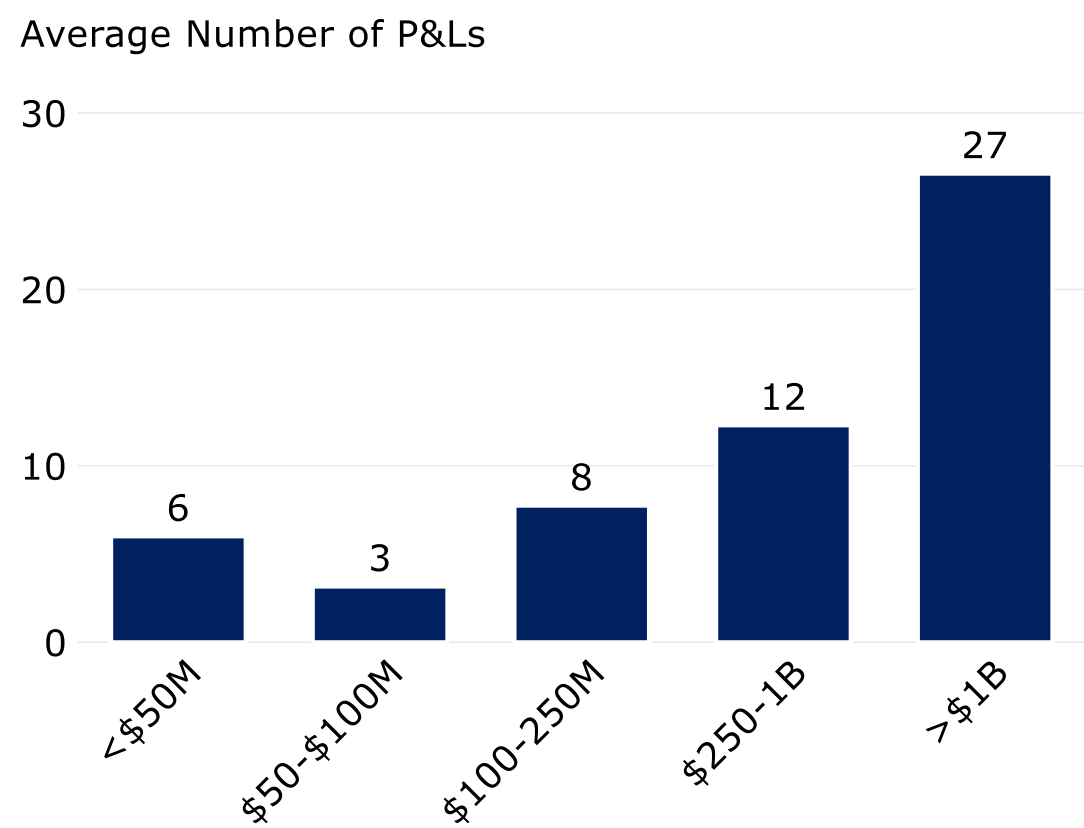
Most AEC Firms Are Organized by Geography, Service, or Market

~60% of firms operate with a matrix structure, typically to provide accountability and connectivity across a secondary dimension. Larger firms tend to have more P&Ls than smaller firms, but there is significant variation within size buckets.

Primary and Secondary Org Structures



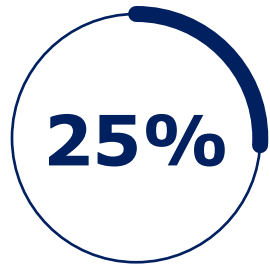
Number of P&Ls



Source: 2026 EFCG CFO Survey

But It's Not Always Uniform Across A Company

Exceptions to the Primary P&L



of AEC firms have at least one business unit organized differently than their primary P&L orientation

Common Examples

- Federal Work
- Advisory Work
- Construction Work
- Specialty Services
- "National" Practices
- Technology / Digital Groups
- Large Acquisitions

Considerations for Making an Exception

Internal:

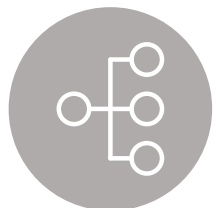
- How important is a uniform org chart to us?
- How will the exception impact employee mobility and work sharing across BUs?
- What implications does the exception have for financial reporting and tracking?
- Is there strategic importance for growing that BU?

External:

- Are there differences in standards or regulations impacting that BU / type of work?
- How do we want this BU to be perceived by the market?
- How do our clients typically inquire about and procure this BU's services?
- How does this exception impact cross-selling to clients?

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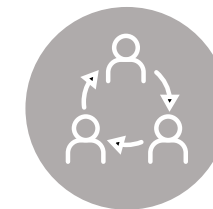
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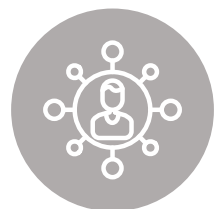
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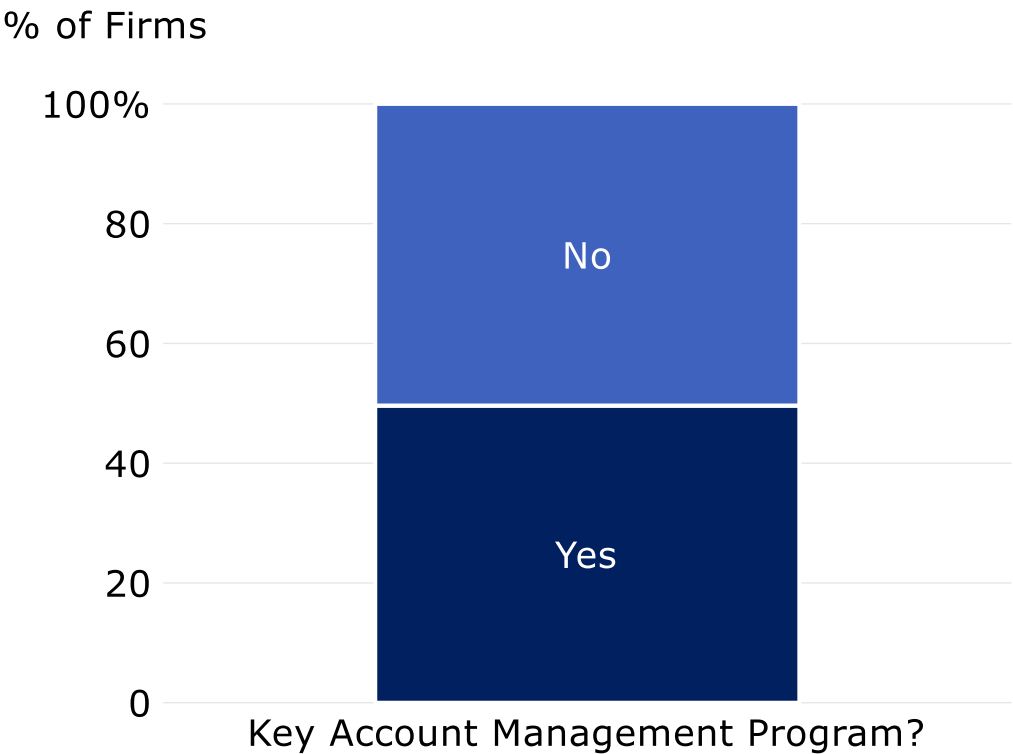
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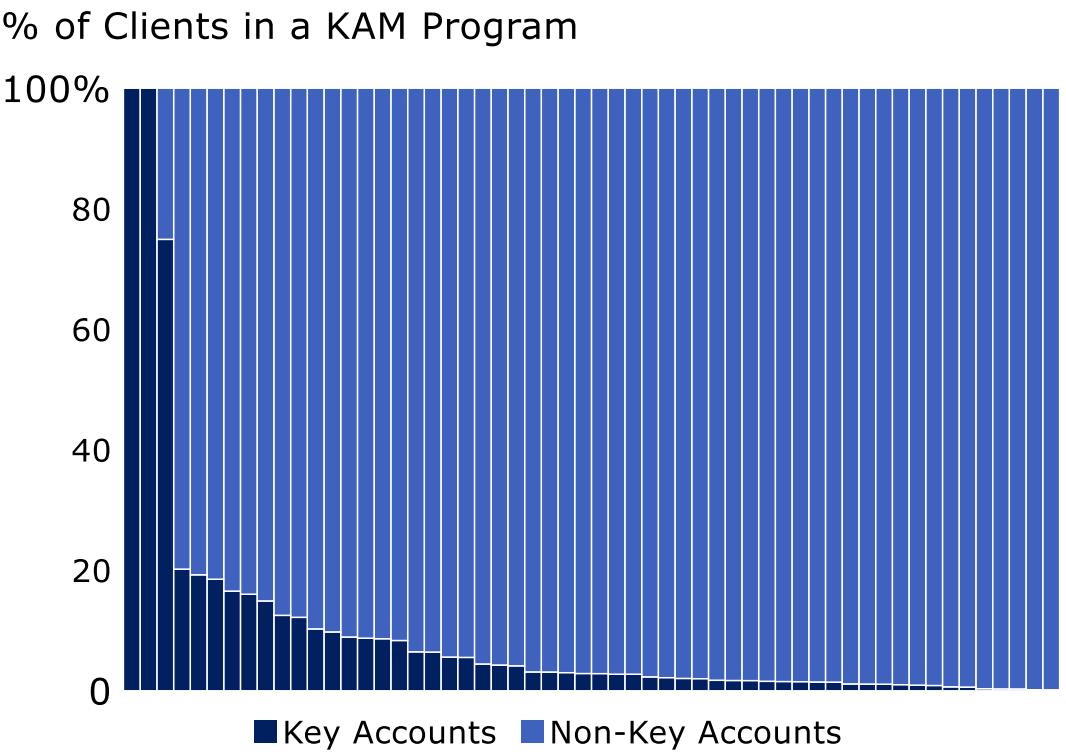
Account Management Retains a Focus on Key Clients

As repeat and sole-sourced work drives growth, about half of firms have formalized account management. Those that have key account programs are highly selective, with <5% of clients included as a median.

Have a Key Account Management Program?



Distribution of Clients in KAM Programs



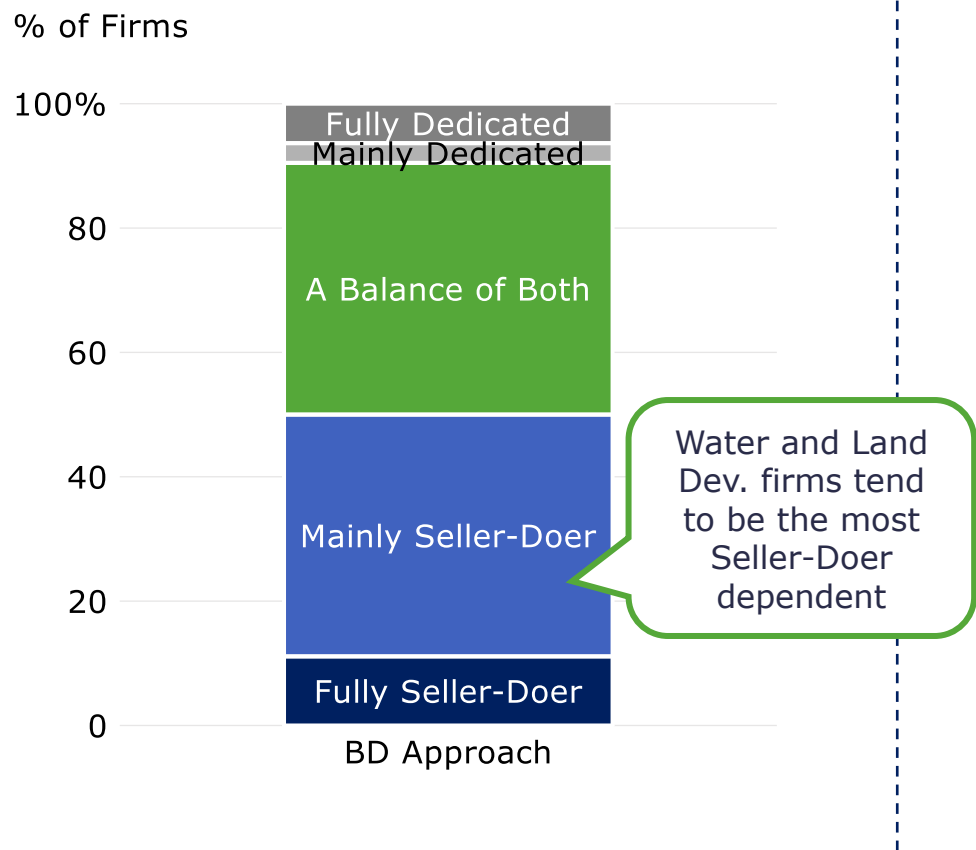
~1 in 30 clients are typically considered "key clients"

Source: 2026 EFCG CEO Survey

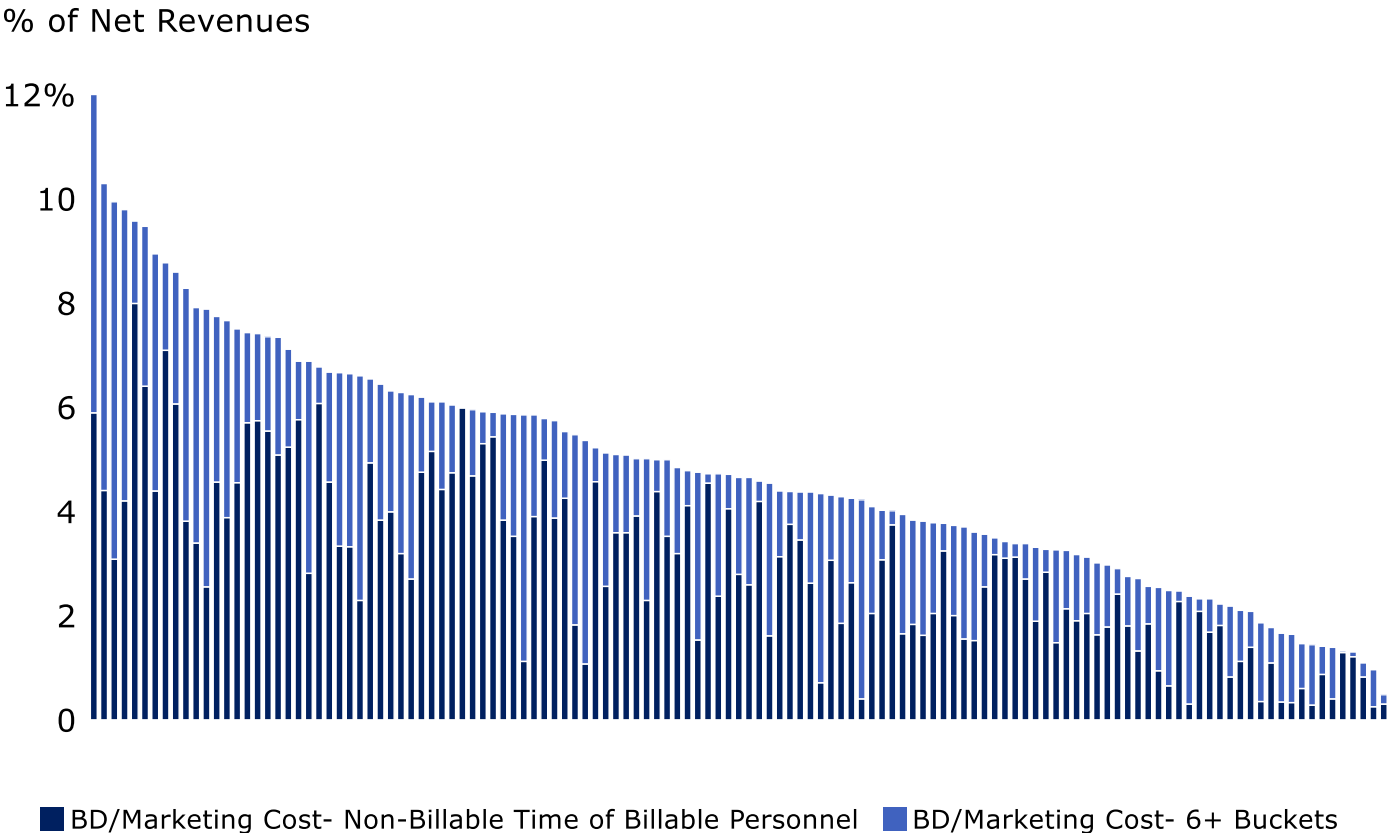
Seller-Doers Are Integral to Business Development

With half of firms using a seller-doer model, most BD spend lands on billable staff. The median firm spends ~5% of net revenue on BD/Marketing, and ~60% of that is non-billable time of billable staff.

Firm's BD Approach



Allocation of Firms' BD/Marketing Spend



Source: 2026 EFCG CEO Survey

M&A Teams Tie to Size, Structure, and Strategy Execution

Characteristics of Firms That Typically Have Dedicated M&A Teams:

Typical Firm Size

Size

\$500 Million in Gross Revenues (*median*)

1,800 Employees (*median*)

Typical Firm Ownership Structure

Structure

Publicly-Traded
PE-Backed
Full or partial ESOP

Acquisition Frequency and Size

Strategy Execution

>1 deal per year, on average

\$15M+ (3%+) of revenue acquired per year

Inorganic Growth Expectations

Strategy Execution

Acquirer projects ~50% of their annual growth over the next five years will come from acquisitions (inorganic growth)

Discussion Questions

- Has your organization changed any elements of how it is designed or structured over the past few years? If so, what drove that change?
- Have you added any new dedicated roles or teams? What functions do they oversee and do you believe they are generating positive ROI?
- What elements do you believe make for a “future-ready” organizational design?

Ask Us Questions

Vishal Menon

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Please share your thoughts on this session in the Day 2 Evaluation.



EFCG

September 30- October 2, 2026

Chicago, IL

Refresh Break

10:25 am – 10:35 am

Franklin Gallery

Session 10: Five Generations: What's Really Motivating the Future Workforce

10:35 am – 11:25 am

The Hall

Conference Closing Remarks

11:25 am – 11:30 am

The Hall

Farewell Lunch and Networking

11:30 am – 12:00 pm

Franklin Gallery



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