NORDIC Consulting GmbH

THE NORDIC METHOD

Time-Financed Organizational Development in Owner-Managed SMEs

Mathias Dziuba

NORDIC CONSULTING GMBH (GERMANY)

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1. Introduction

1.1 Situation in Owner-Managed Companies

Many small and medium-sized enterprises function because the owner is constantly available. Decisions, questions, exceptions and problems are automatically directed to one person. As long as this person is present, the business runs. When they are absent, progress slows noticeably.

This is not an exception, but everyday reality. The owner knows customers, processes and employees. They understand how things are meant to work, what functions reliably and what does not. This knowledge, however, often remains in the owner's head rather than being embedded in the organization. Clear rules, defined responsibilities or simple standards are missing or exist only informally.

The result is a company that does not operate as a system, but as an extension of a person. Employees ask instead of deciding. Issues remain unresolved when the owner is not reachable. Vacation, illness or growth create stress because they disrupt an already fragile balance.

1.2 Time as the Actual Constraint

Almost every owner is aware of where problems occur. Questions consume time. Decisions are repeated. Processes are unnecessarily complex. Despite this awareness, systematic work on organizational improvement rarely takes place. The reason is straightforward: there is no time.

Organizational work is perceived as an additional task. First the business has to run, then processes, responsibilities and rules can be addressed. In practice, this moment never arrives. Daily operations fill the schedule, and every improvement initially appears to require extra effort.

This is where the core misconception lies. As long as change consumes time, it will not be implemented. Time scarcity is not a personal shortcoming, but a structural condition. The business absorbs time precisely where it would be needed to enable improvement.

1.3 Objective of This Contribution

This contribution presents an approach that addresses exactly this issue. It explains how organizational improvements can be achieved without requiring the owner to “have time first.”

At the center is a simple logic. Time is freed first. Part of this time is then used to implement further improvements. The remaining portion is deliberately preserved as relief. Step by step, this creates a company that is less dependent on the owner.

This contribution is aimed at entrepreneurs who want to make their businesses more stable, transferable and less vulnerable to stress, without large projects, without theoretical constructs and without permanent additional workload. It does not describe an ideal organization, but a way of working that functions within ongoing operations.

1.4 From Practice to Method

The following presentation describes the Nordic Method deliberately from the perspective of everyday business operations. It is oriented toward typical situations in owner-managed companies and toward the constraints that actually arise in daily practice.

The underlying approach is based on a clear organizational and causal model. This model is not derived theoretically here, but explained through practical logic. The objective is to create transparency, not in terms of how organizations should function in an idealized form, but how they become viable step by step under real conditions.

The theoretical classification, systemic rationale and methodological distinction of the Nordic Method are elaborated in a separate technical version. In this contribution, the focus lies on practical logic: the approach, its effects and its feasibility in everyday business operations.

2. The Core Misconception of Traditional Organizational Work

2.1 Why Organization Is Neglected in Daily Operations

In many small and medium-sized enterprises, there is no fundamental lack of understanding of organizational issues. Owners see very clearly where problems occur. They know which decisions are repeatedly made, where employees feel uncertain and which issues regularly escalate to them.

Despite this awareness, these exact problem areas often remain unchanged. Not because they are considered unimportant, but because organization has no fixed place in daily operations. It is understood as something that must be handled in addition to regular work. First daily business, then structure. In practice, daily business almost always takes precedence.

The issue is not a lack of discipline or willingness. The issue is that organization is conceptualized as extra work. As long as this remains the case, organizational work competes directly with customers, orders, employees and operational problems. In this competition, organization almost always loses.

2.2 Why "Having Time First" Does Not Work

A common assumption is that organizational topics will be addressed once things calm down. Once the next employee is fully onboarded. Once the major project is completed. Once there is less going on.

This moment rarely arrives. Business operations are never permanently calm. New orders, new employees and new requirements replace the old ones. The expectation of "having time first" shifts organizational work into an undefined future.

This creates a cycle. Because structures are missing, many issues escalate to the owner. Because many issues escalate to the owner, time is scarce. Because time is scarce, structures are not developed. The company remains dependent on personal control.

This misconception is central. Organization is not blocked because it is complex, but because it is placed incorrectly in time.

2.3 Why Traditional Improvement Projects Fail

Many companies nevertheless attempt to address organizational issues. This often takes the form of larger initiatives, such as new roles, new processes, new responsibilities or new documentation. These approaches share a common starting point: they begin with additional workload.

In daily operations, this frequently leads to overload. Employees are expected to learn new procedures alongside their regular work. The owner is expected to decide, explain, monitor and at the same time keep daily operations running. As a result, projects stall or are only partially implemented.

What remains are fragments: a few documents, a few rules, a few good intentions. The operation itself changes very little. Dependence on the owner persists.

2.4 Implications for a Viable Approach

If organization is to function in daily operations, it cannot be treated as an additional project. It must develop from within the business itself. Improvements must generate relief before they create further effort.

This requires a shift in perspective. Not planning first and implementing later, but relieving first and developing afterward. Organization is not built despite the lack of time, but because time is created through initial steps.

This logic forms the foundation for the approach described in the following chapter.

Excursus: Typical Symptoms in Owner-Managed Companies

In companies where organization is primarily driven by personal control, recurring patterns often appear in daily operations. These symptoms are not exceptions, but indicators of structural constraints:

- Decisions are regularly escalated back to the owner, even in recurring or manageable situations
- Employees wait for approvals or feedback, although similar situations have already been decided multiple times
- Questions and interruptions dominate the owner's workday more than planned tasks
- Offers, orders or coordination tasks remain pending when the owner is not reachable
- Substitution, vacation or illness lead to delays or uncertainty within the business

hese symptoms are not expressions of missing competence or motivation. They are the result of insufficient structural relief. They indicate that decisions, responsibility and processes are not yet sufficiently embedded in the organizational system.

3. Time as a Structural Constraint

3.1 Why Time Operates Differently in SMEs Than in Large Organizations

In small and medium-sized enterprises, time is not a neutral factor of production. It is closely tied to individuals, particularly to the owner. Decisions, coordination and problem solving require the owner's direct involvement. As a result, time becomes not only scarce, but unevenly distributed.

While tasks can be delegated, decision-making time often remains centralized. This leads to a situation in which the owner works operationally while simultaneously steering, correcting and coordinating. Any additional organizational activity competes directly with the ongoing demands of daily operations.

Unlike larger organizations, SMEs rarely have time buffers or specialized roles that can absorb organizational work. Time scarcity is therefore not a temporary condition, but a permanent structural constraint.

3.2 Why Organizational Work Creates Additional Time Pressure

Organizational improvements are often understood as activities that must take place outside regular operations. Processes are to be documented, responsibilities clarified and rules defined. These steps appear logical, but they initially generate additional effort.

In daily practice, this means meetings, explanations and adjustments. Employees must adapt, the owner must accompany the process, explain decisions and monitor implementation. In the short term, workload increases, even though relief is promised in the long run.

Under conditions of limited time, this logic leads to organizational work being postponed or abandoned. The business remains in its familiar mode of operation, even when this mode is clearly inefficient.

3.3 The Self-Reinforcing Time Cycle

Missing structures cause many decisions to escalate to the owner. This additional decision-making effort consumes time. The resulting lack of time, in turn, prevents the development of structures. A cycle emerges that stabilizes itself.

This cycle cannot be resolved through greater discipline or longer working hours. It is structurally determined. As long as improvements require additional time, the constraint remains in place.

A viable approach must interrupt this cycle by freeing up time before generating further demands. Only then does organizational development become possible in daily operations.

3.4 Implications for a Functional Approach

From the described constraint, a clear implication follows. In SMEs, organization can only emerge if it is built out of relief. Improvements must be designed in a way that saves time immediately, rather than consuming it first.

This shifts the focus from comprehensive planning to targeted, effective steps. Not everything at once, but what creates noticeable relief. Not perfection, but functionality.

This logic forms the basis for the method described in the following chapter.

Excursus: An Everyday Comparison - Why the Time Cycle Sustains Itself

The time cycle in owner-managed companies can be compared to a simple everyday situation. A craftsman never sorts his tools because he “doesn’t have time.” Each time, he spends a few extra minutes searching, improvises solutions and continues working. At the end of the day, exactly the time that would have been needed to create order is missing.

The same applies to organization within a business. Decisions are improvised, questions are answered immediately and problems are solved ad hoc. This works in the short term, but permanently consumes time. The lack of structure creates additional effort, which in turn prevents structure from being established.

The business continues to move forward, but never escapes this pattern. Only when time is deliberately freed up can order emerge, which then saves time on a lasting basis. Without this initial step, the cycle remains intact.

4. The Core Logic of the Nordic Method

4.1 Reversing the Traditional Sequence

The Nordic Method is based on a simple but decisive reversal. Organizational development does not begin with planning, but with relief.

Traditional approaches assume that structures must first be defined and then implemented. In owner-managed SMEs, this sequence regularly fails due to lack of time. The Nordic Method therefore intervenes earlier. It does not ask how the organization should ideally be structured, but where time can be freed up immediately in daily operations.

Only once targeted interventions create tangible relief is this time used to implement further improvements. Organization therefore does not emerge ahead of operations, but out of them.

4.2 Focus on a Few Effective Levers

A central element of the method is deliberate limitation. Instead of addressing many issues at the same time, the Nordic Method concentrates on a small number of measures that produce rapid effects.

These measures typically relate to areas where time is regularly lost, such as unnecessary questions, unclear decision rules, duplicated coordination or missing responsibilities. The objective is not to regulate everything, but to intervene where noticeable relief can be achieved with comparatively little effort.

This focus keeps implementation manageable. The business is not overloaded with change, but is able to test new rules and workflows within everyday operations.

4.3 Time-Financed Development

The decisive difference from traditional approaches lies in how the resulting time gains are handled. Freed-up time is not fully reallocated, but only partially used for the next step.

This principle ensures that relief is not immediately lost again. The owner gains room to act and experiences the effects of change directly. At the same time, the foundation for the next development step is created.

Organization thus develops iteratively. Each improvement creates time. Part of this time enables further improvements. The remaining portion stabilizes operations and reduces dependence on personal control.

4.4 Organization as a Functional System

The Nordic Method does not understand organization as a formal construct of processes and documentation, but as a functional system. Structures are considered effective when decisions are reliably made where they belong and workflows function without personal intervention.

The development of this system takes place step by step. Responsibilities, rules and standards are not defined once and for all, but are tested and adjusted in daily practice. Organization emerges through use, not through description.

In this way, the method is consistently aligned with the reality of owner-managed companies. It does not aim at idealized models, but at reliable functionality under everyday conditions.

5. The Principle of Limited Reinvestment

5.1 Why Relief Must Not Be Fully Reallocated

A common mistake in improvement processes is the immediate reuse of every freed resource. When time is saved, it is instantly filled with new tasks. In the short term, this appears efficient. In the long term, it leads to renewed overload.

The Nordic Method deliberately avoids this effect. It is based on the assumption that relief only becomes sustainable if it does not disappear completely. A business that operates permanently at full capacity cannot reliably sustain new structures. Under such conditions, every change increases the risk of reverting to old patterns.

For this reason, freed-up time is not fully reinvested. A portion deliberately remains unallocated. This relief is not a side effect, but a central element of the method.

5.2 The Logic Behind Limited Reinvestment

After the implementation of initial measures, time gains emerge. In principle, this time can serve two functions. It can be used to implement further improvements, or it can act as a buffer in daily operations.

The Nordic Method combines both. Part of the gained time is deliberately used to prepare and implement the next step. The other part remains as relief. This creates a stable rhythm of implementation and relief.

This approach prevents overload. New rules, responsibilities or workflows have time to prove themselves in daily practice. Employees can orient themselves without immediately facing the next change. The business remains operational, even when not everything runs smoothly.

5.3 Why This Principle Makes Change Possible in the First Place

Limited reinvestment ensures that change is not experienced as an additional burden, but as a relief. The owner notices an immediate difference in daily operations. Questions decrease, interruptions become less frequent and decisions are more distributed.

At the same time, sufficient space is created to consciously work on the next improvement. Organization does not develop under time pressure, but at a pace the business can sustain.

This principle fundamentally distinguishes the Nordic Method from approaches that aim for maximum efficiency or full utilization. The goal is not to use every minute, but to remain functionally viable over time.

5.4 The Resulting Compounding Effect

By combining relief with targeted further development, a cumulative effect emerges. Each measure saves time. Part of this time enables additional measures. As a result, room for action grows step by step.

The business does not develop abruptly, but continuously. Dependence on the owner is reduced without creating new constraints. Organization emerges as a stable process, not as a one-time intervention.

This principle forms the foundation for the practical implementation of the Nordic Method within the business, which is described in the following chapter.

6. Implementation in Practice: The Nordic System

6.1 From Conceptual Model to Application

The Nordic Method describes the logic of time-financed organizational development. The Nordic System translates this logic into a concrete mode of operation within the business. It is not a project with a defined beginning and end, but a repeatable working mode.

The focus is not on a complete reorganization of the company, but on the gradual transfer of decisions, responsibilities and workflows from the person of the owner into the organizational system. Implementation takes place alongside daily operations and is oriented toward real bottlenecks.

6.2 Analysis Within Ongoing Operations

The entry point into the Nordic System is a structured examination of everyday operations. The analysis does not focus on formal processes, but on concrete situations in which time is lost or decisions are regularly escalated.

Typical questions include: Where is the owner regularly interrupted? Which decisions recur repeatedly? Where do employees wait for feedback? Which issues remain unresolved when the owner is unavailable?

This analysis is deliberately pragmatic. The goal is not completeness, but relevance. The aim is to identify the few points where change produces noticeable relief.

6.3 Selection and Implementation of a Limited Number of Measures

Based on the analysis, a small number of measures are deliberately selected. These measures must meet two criteria: they must be feasible in daily operations and they must generate short-term relief.

The measures often relate to decision rules, responsibilities or simple standards for recurring situations. It is essential that they can be introduced without extensive training or restructuring.

Implementation is incremental. Each measure is applied in the business and observed. The goal is not perfection, but functionality. New rules are

considered established once they are used in daily operations without requiring intervention by the owner.

6.4 Use of Time Gains

As soon as initial measures free up time, the principle of limited reinvestment applies. Part of the gained time is used to prepare and implement the next step. The remaining portion deliberately remains unallocated.

This mechanism ensures that relief remains perceptible and does not immediately disappear. At the same time, it creates a stable rhythm in which organizational development can progress continuously.

Step by step, the business gains autonomy. Decisions are redistributed, workflows become more reliable, and the owner's need for operational intervention decreases.

6.5 Stabilization and Repetition

The Nordic System is not a one-time intervention. The described cycle of analysis, implementation, relief and further development is repeated. With each iteration, the organization becomes more robust.

Structures are considered stable when they function reliably even under pressure. Only then is the next area addressed. In this way, a system emerges that is supported not by individual persons, but by clear rules and responsibilities.

Throughout this process, implementation remains closely aligned with everyday operations. Organization is not planned in abstraction, but built within the business itself.

Excursus: Practical Implementation Guidelines

The Nordic Method does not provide recipes, but a logic of effect. Nevertheless, recurring insights from practical application can be derived that facilitate entry and help avoid typical false starts.

A sensible starting point is recurring decisions rather than complex processes. Where similar questions repeatedly reach the owner, a high relief effect can be achieved with relatively little effort. Establishing clear decision rules for frequent situations is more effective than regulating rare exceptional cases in detail.

Measures should preferably target the reduction of inquiries. Any rule that is merely documented but does not prevent interruptions misses its purpose. Organization does not emerge through more documentation, but through less need for clarification in daily operations.

New rules and responsibilities should first be tested in ongoing operations. Only once they prove themselves in practice should they be further expanded or formalized. Premature completeness increases complexity without improving effectiveness.

The number of simultaneous changes must be strictly limited. Too many parallel measures make effects difficult to recognize and prevent relief from materializing. A small number of clearly focused steps increases the likelihood that time is actually freed.

The success of individual measures is not reflected in reports or metrics, but in everyday experience. The decisive indicators are whether interruptions decrease, decisions are made without escalation, and workflows remain stable even in the owner's absence. These observations provide sufficient orientation for determining the next step.

7. Effects and Observability in Daily Operations

7.1 How Time Gains Become Visible in the Business

The effects of the Nordic Method do not appear in abstract metrics, but in changes to the daily reality of the business. Time gains become visible where personal intervention was previously required and structures now take effect.

Typical indicators include fewer interruptions of the owner, a reduced number of recurring inquiries, and decisions being made without escalation. Waiting times within the organization also change: quotations are no longer left unattended, approvals are granted more quickly, and coordination becomes clearer.

These effects are immediately perceptible. They do not require elaborate measurement because they directly alter the daily workflow. What matters is not precise minute tracking, but reliable relief in everyday operations.

7.2 Why Simple Observation Is Sufficient

The Nordic Method deliberately avoids an extensive system of key performance indicators. In owner-managed businesses, such systems would generate additional effort and reinforce the very bottleneck they are meant to address.

Instead, effectiveness is assessed through simple observation: Are fewer decisions being escalated to the owner? Do issues continue to move forward even when the owner is absent? Do workflows function without constant clarification?

These questions can be clearly answered in daily practice. They allow the effectiveness of individual measures to be assessed realistically and the next step to be chosen deliberately.

7.3 Typical Changes in the Owner's Daily Role

As application of the Nordic Method progresses, the role of the owner changes. Daily work shifts away from constant reaction toward more predictable control.

The owner is less driven by interruptions and can focus more deliberately on topics that are not immediately operational. Decisions are more often prepared or made independently within the organization. Absence becomes possible without the business slowing down.

This change does not occur abruptly, but gradually. It is the result of functioning structures, not personal discipline or increased workload.

7.4 Limits of the Method's Effect

The Nordic Method does not replace strategic decision-making and is not a tool for short-term performance increases. Its effect unfolds where structural dependencies are to be reduced.

In situations of acute crisis, such as existential liquidity problems or severe staffing shortages, the approach may reach its limits. The method also presupposes that the owner is willing to genuinely delegate responsibility and anchor decisions within the system.

Where these conditions are not met, the effect remains limited. The strength of the method lies in building stability, not in providing rapid rescue solutions.

Excursus: Exemplary Implementation Patterns

The following implementation patterns describe typical constellations in which the Nordic Method is applied. They are not case studies of individual companies, but recurring structural patterns that can be observed across industries.

Pattern 1: Relief Through Clear Decision Rules

In many businesses, identical or very similar decisions regularly end up with the owner. Pricing questions, prioritization, special cases, or deviations from standard practice are discussed individually, even though they follow comparable patterns.

By introducing clear decision rules, it is defined which decisions can be made independently and when escalation is required. These rules do not focus on exceptions, but on standard situations.

The effect becomes visible immediately in daily operations: inquiries decrease, interruptions become less frequent, and decisions are made more quickly. The owner is relieved of recurring clarifications without losing control over critical issues.

Pattern 2: Stabilization of Recurring Workflows

Recurring workflows are often organized informally. Employees generally know what needs to be done, but coordinate again for each deviation. This leads to waiting times, follow-up questions, and delays.

By defining simple standards for typical workflows, it becomes clear how recurring situations are to be handled. These standards are deliberately kept lean and are oriented toward actual daily practice rather than idealized process descriptions.

The effect is reflected in shorter throughput times and reduced coordination effort. Workflows function more reliably, even when the owner is not directly involved.

Pattern 3: Reduction of Dependency During Absence

In many companies, operations slow down as soon as the owner is unavailable. Decisions are postponed, tasks remain unfinished, and uncertainty arises.

Through targeted clarification of responsibilities and substitution rules, it is ensured that key functions remain capable of acting even during absence. This does not involve full delegation, but clearly defined decision scopes.

The business remains operational even when the owner is not present. Absence loses its exceptional character and becomes organizationally anticipated.

Pattern 4: Iterative Development Based on Relief

After the implementation of initial measures, time savings occur. This time is not fully scheduled, but only partially used to address the next structural bottleneck.

This pattern repeats step by step. Each measure creates new time, part of which enables further improvements. The remaining portion stabilizes daily operations.

In this way, organizational development emerges as a continuous process. The business does not change abruptly, but gradually increases its level of autonomy with each step.

Classification of the Implementation Patterns

The patterns described are not intended as a checklist. They illustrate typical points of leverage where the Nordic Method becomes effective in daily practice. What matters is not the individual pattern, but the underlying logic: relief before further development, limitation before expansion, functionality before formalization.

8. Relevance for Succession, Financing, and External Evaluation

8.1 Why Owner Dependency Is a Central Risk

For external observers, current operational performance is less decisive than a company's stability without the owner. The more decisions, knowledge, and control are tied to a single person, the higher the risk in the event of absence, transition, or growth.

This risk does not only become apparent during illness or vacation, but also in succession processes, buyer due diligence, and financing discussions. A business that functions only through continuous personal intervention is considered difficult to transfer and structurally vulnerable.

The Nordic Method addresses this issue directly by reducing owner dependency not theoretically, but practically. The business develops step by step into a system that can carry decisions and workflows independently.

8.2 Relevance for Succession and Sale

In succession or sale situations, the same question always arises: Does the business function without the current person at the top?

Through application of the Nordic Method, decisions, responsibilities, and workflows are increasingly anchored within the organization. This makes it visible which parts of the business already function systemically and where personal dependencies still exist.

For potential successors or buyers, this increases transparency. The business is no longer merely a collection of financial figures and contracts, but a comprehensible organizational system. This reduces uncertainty and facilitates transitions.

8.3 Importance for Banks and Financing Partners

For banks as well, the question of personal dependency plays a central role. A business that is heavily dependent on the owner entails higher risk, particularly in cases of absence or overload.

The Nordic Method does not provide a formal valuation standard, but it creates comprehensible indicators of organizational stability. When decisions are distributed, workflows clearly defined, and substitution functions reliably, so-called key-person risk is reduced.

For financing partners, this makes it evident that the business is not exclusively tied to one individual, but operates as a functioning unit.

8.4 Compatibility with Advisors and Multipliers

Tax advisors, banks, chambers of commerce, and other multipliers are often confronted with structural weaknesses without being able to intervene operationally. The Nordic Method offers a clear frame of reference in this context.

It translates organization not into abstract models, but into observable functionality. This makes it possible to assess whether a business is structurally sustainable or whether risks arise from personal dependency.

The method can therefore complement existing business and financial evaluations without replacing them. It creates a shared language for structure, stability, and transferability.

9. Conclusion

Owner-managed small and medium-sized enterprises often face the same structural challenge: the business functions as long as the owner is available, but remains organizationally dependent on personal control. Classical approaches to organizational development frequently fall short in this environment because they presuppose additional time resources that are not available in daily operations.

The Nordic Method addresses this issue directly. It describes an approach in which organizational improvements are not treated as a separate project, but emerge from real relief within ongoing operations. Through the deliberate limitation of simultaneous measures, the partial reinvestment of freed time, and the iterative anchoring of decisions and responsibilities, organization develops step by step in a sustainable and resilient manner.

The approach does not aim at maximum efficiency or short-term optimization, but at long-term functional stability. Dependency on the owner is reduced without creating new overload. The business gains stability, transferability, and room for action.

In this way, the Nordic Method provides a pragmatic and transferable framework for making organizational development understandable and feasible under the real conditions of owner-managed enterprises.

About the Author

Mathias Dziuba holds a degree in business administration and has been an entrepreneur for over twenty years. He has founded, built, and sold companies. Today, he advises small and medium-sized enterprises on organizational development, succession, and transfer readiness. His work focuses on reducing owner dependency and establishing resilient structures within ongoing operations. The Nordic Method is based on this practical experience and has been developed and refined in response to real operational requirements.

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Author: Mathias Dziuba
Publisher: Nordic Consulting GmbH
Represented by: Diplom-Kaufmann Mathias Dziuba (Managing Director)
Address: Op de Geest 6, 25884 Viöl (Germany)

Email: info@nordic-consulting.org
Website: nordic-consulting.org