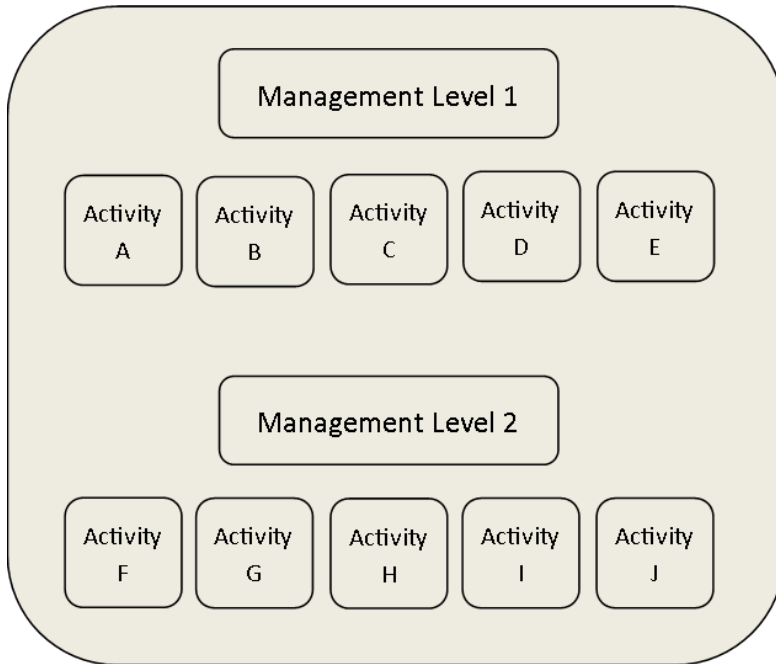


## Span of Control vs Management Levels



Think of it this way: We have 10 different activities which our sales organization needs to manage. The two organizations in the examples above and beside are doing the exact same activities; they are just managing them with different levels of management and spans of control.

If we have 2 management levels, then each management level will manage 5 activities. In other words, the span of control for each management level is 5 as each is managing 5 activities.

$5 \text{ activities} * 2 \text{ management levels} = 10 \text{ activities being managed}$

Now let's say we have 5 management levels in our organization but still only have 10 different activities to manage.

Each management level now has a span of control of only 2, as 10 activities can be evenly divided between the 5 management levels.

$2 \text{ activities} * 5 \text{ management levels} = 10 \text{ activities being managed}$

As you can see in the example above, as we increase the number of management levels, the span of control of each management level decrease, ceteris paribus. If both organizations are doing the exact same activities, but one organization has more management levels, then the organization with more management levels has a lower span of control for each management level.

