This article retakes Williamson is (1967) model on cumulative loss of control along hierarchical levels as the main obstacle for unlimited firm and tries to demonstrate that loss of control is cumulative not only along hierarchical levels, but also inside them. To do so, some modifications to the original model have been done, the main of which is the endogeneization of the expansion of control variable that had been assumed as a constant so far.

Keywords
Firm structure, non-cooperative games, industrial organization, firm theory