

Comprehensive case assignment essay



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Ann Taylor is an organization that has been making losses and thus there needs to be an effective solution that does not add operational costs but increases the sales revenue margins. Basing on the different reason for the loss incurred in the organization management is to blame. Thus it has called for deeper interventions on managing styles and the best solutions provided are that the organizations needs to focus on increasing productivity and thus increase sale. Two ways proposed are scheduling associates based on the degree of sales in a day and also considering motivational plans such bonus on the %of sales closed. The methods have a prospect of working well with the firm and will not affect the number of customer shopping at Ann Taylor nor will it reduce the number of associates in the firm. In essence, it is a solution that is workable.

Review of the case and identification of the relevant facts

Ann Taylor is a division that has had many squabbles in the last two financial years. In the last 18 months since the recession it has not been all rosy for the company. Its revenue forecasts have gone down and there have been generally more and more operational costs. The hike in operational costs and lose of the core clients of Ann Taylor who are professional women and luxurious customers, has made it relevant to cut down on staffing and close some of the stores. This has thus led to thousands of job-cuts and closure of almost 200 stores with 117 stores closing in the first 18 months, 56 stores closing in the next 6 months whereas a 30 store closure was realized in the last 6 months.

The closure of stores and job cuts was all aimed at reducing costs and increasing revenue margins with the whole industry in mind. This therefore done in accordance with how much revenue a store brought to the entire revenue pool for Ann Taylor.

Looking much closer, it is evident that our greatest competitors; Gap and The Limited do not seem to be much affected with the economic crunch. Thus, Ann Taylor should not be an exception and should thus be in a position to increase sales while at the same time not downplaying other factors such consumer preferences and advertising in relation to what competitors are offering.

Determination of the Root Problem & Identification of the Problem

Components

Ann Taylor's drop in profit margins in the last year cannot be entirely attributed to the economic crunch or downturn rather it is on the larger extent contributed on the management style. The management in Ann Taylor has however failed though not entirely on the management of processes in the organization. For instance, most of the managers in the stores have always been scheduling schedules by hand which in turn produces poor forecasts on sales trends. Schedules made by hand use trends from the previous to manage the work force which at times results to having many workers on the floor on slow times in the day and very few workers on the floor on peak times of the day.

Thus to counter the root problem of management practices new ideas have to be generated. Thus focus on problem components such as staffing,

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motivation to employees, matching advertising rates to sales revenues and reduction of general operational costs without necessarily having job cuts.

Alternatives

It would be in order to come up with some alternatives that may bring more sales to the company. The first alternative may be creating a balance between the working hours, busy times of the day and number of associates present. The second alternative is developing a motivational plan that will keep the staff happy and energetic enough to be productive for more than 80% of their scheduled working hours.

Evaluation of the Alternatives

For there to be an increase on the efficiency of the stores, there are several alternatives that may be considered. First, there is a consideration of working hours and which hours are full of activity, then basing this with the number of staff available and distributing the associates respectively. This is to say, when there is availability (too much staff and less sales) the store staffs a relatively lesser number of employees to curb this and when there are relatively higher sales volumes the staffing number increases relatively. What better way to do this than to use work force management software rather preparing schedules by hand.

Motivational measures need also to be considered. Though the company at the moment cannot introduce more benefits to the associates it would result in creating a bonuses structure such that an associate will earn some extra income based on the number of sales that he/she has induced. This would

thus mean more sales because employees generally need that extra income during this harsh economic times making them more productive and Ann Taylor needs the sales growth as well.

Alternative chosen

Thus the best alternative that would ensure company growth, increase in sales revenues and productivity from the associates is the introduction of a good work force management software that with the help of intelligent managers will lead with flexible working hours and effective associates. The idea of a good efficiency and motivation plan to be based by number of working hours in relation to the amount of sales closed per associate will also mean growth to the organization.

Using the above alternative will ultimately reduce operational costs and will increase revenue and with an upscale forecast of 6 months, the general trend will be evaluated and success rate determined. The alternative offers a cheapp and easy to implement solution, to better increasing sales and that which can lead to the re-opening of the other branches in record time.

Implementation Plan

For the success of the alternative the following is the implementation plan that may be used. With the assumption that most sales are made in the afternoon that in the morning, the business opens at 8am and closes at 10pm. and that the number of associates at any particular day is 70 (inclusive of reserves incase of sicknesses and emergencies), the tabulation

of the solution would simply be as follow with the plan kicking off immediately the workforce software is installed.

Fig. 1 New work plan based on peak sales hours

NB: There will be shifts and thus the number of worker at particular sales hours.

Alternative Choice

In this plan emphasis will be given to the schedules created and the relevance of these schedules to sales revenues. Thus there will be a constant evaluation on the trends of the customers and shopping time preferences to better cur the availability of assonates with less work to do. The employees ‘ motivation plan which is based on number of sales done will be evaluated to ensure that all employees get an equal chance of earning bonuses. Thus the shifts will be rotational to all employees.

Conclusion

In essence, the application of customer counting and work force management techniques is currently the best option that Ann Taylor has at the moment. The techniques can in no way threaten the number of employees working at the organization but will in fact increase the relevance of having the employees there. Motivation to the employees is also another factor that will spell increase in sales revenues for Ann Taylor and the eventual growth of the business. This is because it does not include any more costs not accounted for by sales. With the application of these

strategies the effectiveness of the employees will rise and the sales revenue margins will at the same time also multiply.