

# Down east spud busters case analysis

Business



Frank Goodman 4/23/13 BA 206 Down East Spud Busters Case Analysis I have to say that I like the idea of this company in generally and it seems like it would be a very interesting, profitable, and even fun place to manage. Down East Spud Busters has some very lofty and ambitious strategic plans for expansion and growth. I like that their Canada Division is functioned as a local cooperative where it is centrally located to take in potatoes from local farmers.

This will give this big conglomerate grounded to the “ little guy” and hopefully keep the company connected on the local level as it expands. As Deep East Spud Busters expands from Canada and Maine to Idaho, Europe, the Pacific Rim, and then into nationwide sales and distribution, the “ people factor’ will become increasingly important.

By the “ people factor,” I am of course, to put it into business terms, talking about Human Resources.

Given the immense geographical expanses and logistical challenges that will no doubt be a factor in such a major expansion, Human Resources are going to very important as they open up the new production plant in Idaho, continue innovating at the Maine higher-value processing plant where new, fresh ideas are paramount, penetrating international markets in Europe and the Pacific Rim where consumers have a totally foreign culture and speak a different language, and as they tap into nationwide sales and distribution here across the United States.

The reason being is that folks are different wherever you go and to have a successful company these days, management needs to be less rigid and

more organic while treating its stakeholders as individuals with different needs and embracing diversity. But maybe you're saying to yourself right now "potatoes are potatoes anywhere you go" or something like that. My response would be that sure potatoes are potatoes but people and their cultural situations are unique wherever you go.

Laws and regulations are also different wherever one might go.

Legislation, the role of trade unions and governments and their agencies, culture and values vary between regions and countries. Therefore the particular institutional structures operating in different national economies and societies are no doubt influential in my opinion, in maintaining dissimilar Human Resources policies in different countries, American states, counties, and cities.

People's behavior and needs will be influenced by the land in which they reside, and Deep East Spuds Busters is going to have to adjust accordingly. If DESB holds the people factor in high regard as they expand into new territories, they will increase their chance of success exponentially. I have personally have had several jobs where the company couldn't care less about its employees and it's not only miserable for the workers, but in my opinion it's got to be bad for business as well.

Company's like Home Depot, Whittier Wood Products, and literally every wood mill in the Eugene/Springfield area treats their employees like crap, doesn't pay them enough, overworks them, fires them and lays them off like it's nothing, and most importantly, those businesses don't take into account their employees individuality at all.

There are definitely companies that not only should follow my idea of how Deep East Spud Busters should maintain their Human Resources departments, but also could be successful in adopting a similar organizational structure to their current and future business models.

Some types of companies that I think could benefit from copying DESB's current and future organizational model are of the following: Land owners who have timber on their land, independent gardeners, independent gold miners, independent mushroom growers, local artisans of pottery, wood crafts, and textiles, the list goes on and on. There are many types of businesses that could follow a template starting with a local cooperative, refinement of received products and materials, nationwide distribution and sales involving local salesmen, and then expansion into international markets.

I think companies that produce a product easily made by the individual person could follow this model and not so much highly technical and industrial fields that already have their structures well established. For example, it would make no sense for Intel's microchip producers to follow this model but it would make sense for an individual or small business that creates popular art pieces.

**Important Mechanisms Used to Coordinate Work:**

**Modular Network:** Temporary arrangements among partners that can be assembled and reassembled to adapt to the environment: also called a virtual network.

**Broker:** A person who assembles and coordinates participants in a network.

**Standardization:** Establishing common routines and procedures that apply uniformly to everyone. **Formalization:** The presence of rules and regulations

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governing how people in the organization interact. Coordination by Plan: Interdependent units are required to meet deadlines and objectives that contribute to a common goal. Business Agility and Ways to Improve It: Business agility is the ability of a business to adapt rapidly and cost efficiently in response to changes in the business environment.

Business agility can be maintained by maintaining and adapting goods and services to meet customer demands, adjusting to the changes in a business environment and taking advantage of human resources. Agility is a concept that incorporates the ideas of flexibility, balance, adaptability, and coordination under one umbrella. Put in the context of business, agility refers to the ability of an organization to rapidly adapt to market and environmental changes in productive and cost-effective ways.

The agile company is an extension of this concept, referring to an organization that utilizes key principles of adaptive systems and complexity science to achieve success. One can say that business agility is the outcome of Organizational Intelligence. Different areas that enterprises can improve their business agility are through strategy, commitment to customers, and their use of technology.

Organization Structure Definition: Definition: The typically hierarchal arrangement of lines of authority, communications, rights and duties of an organization.

Organizational structure determines how the roles, power and responsibilities are assigned, controlled, and coordinated, and how information flows between the different levels of management. A structure

depends on the organization's objectives and strategy. In a centralized structure, the top layer of management has most of the decision making power and has tight control over departments and divisions. In a decentralized structure, the decision making power is distributed and the departments and divisions may have different degrees of independence.

A company such as Proctor ; Gamble that sells multiple products may organize their structure so that groups are divided according to each product and depending on geographical area as well. An organizational chart illustrates the organizational structure Citation: <http://www.businessdictionary.com/definition/organizational.html> Four Dimensions of an Organizational Structure: Authority: The legitimate right to make decisions and to tell other people what to do.

Span of Control: The number of subordinates who report directly to an executive or supervisor.

Delegation: The assignment of authority, responsibility, and accountability.

Centralization: When important decisions are made at the top rather than spread out over the mid and lower levels of an organization. 4 Basic Forms of

Horizontal Structures of Organizations: Functional Organization: Jobs and departments that are specialized and grouped according to business functions and the skills they require: production, marketing, human resource, research and development, finance, accounting, etc.

Divisional Organization: Groupings of all functions into a single division that duplicates functions across all divisions. These are created as an



Group Design / Research Group Supply Group Supply Group Production  
Group Production Group Design / Research Group Design / Research Group  
Supply Group Supply Group Production Group Production Group Design /  
Research Group Design / Research Group