

# Eu design

Design



Many of the people in this industry are not trained or educated in formal business practices. A creative mindset takes precedence over the structure of the business. For EX. Design, quality of product is not an issue at the present time. The company is ISO 9000 certified with ASSAYS accreditation. However, growing into a larger company requires a more formal management style to ensure this quality is kept up to standard.

EX. Design needs to develop a mission statement and corporate vision for the employees to have a common goal as a move toward a more formal management style. Without a defined mission statement, employees will have their own ideas of the company's goals. Once a mission statement and business strategy is established, EX. Design needs to identify which performance metric is most essential to the continued growth of the company.

Balanced Scorecard While financial such as return on capital and cash flow are imperative to the sustainability of a company, customer-related metrics such as quality and timeliness of delivery are of most importance to keep the clients who will provide the profit. Customer feedback and surveys will provide the measurement of the value being created for clients. This will help EX. Design's management focus more on what the client's actual needs are instead of focusing on what they perceive customer needs to be.

An example of the balanced scorecard would resemble the exhibit below:

Objectives Measures  
Financial perspective - Increasing profitability and revenue - Return on assets - Increased sales revenue - Profit ratio  
Customer perspective - Customer loyalty - Attaining new customers - Orders from

current customers - Orders from new customers Internal perspective - Adherence to schedule - Customer driven products - Productivity - Ratio of actual delivery times to planned schedule - Ratio of on time deliveries - Number of new collections and designs added

Learning and Growth perspective - Increased communication within the company - Increased education of employees - Number of monthly meetings held - Total budget for education courses - Number of employees attending courses Internal inadequacies need to be pinpointed for optimal efficiency. Formal procedures and work practices should be established and documented. This will highlight aspects such as time management, efficiencies, and employee competency. This will allow management to keep abreast of the working environment and augment employee stability.

Fashion trends come and go very quickly, and being able to recognize what is trending and the ability to supply quickly is imperative to success.

Management must track trends and concentrate on key suppliers that are providing the product for current trends, and all employee efforts must be directed toward this goal. Establishment of clear-cut goals and procedures is necessary to achieve this. Formalization of management needs to begin from the top down. Bernard is too involved in day-to-day activities and cannot see the big picture of the company.

He is functioning as an account manager and sales representative rather than performing duties off CEO. He may not be able to make difficult decisions to cut or grow a particular segment because of his close involvement. Bernard needs to bring an employee up to take over his

accounts so he can concentrate on his role of CEO. A new organizational structure would resemble the Exhibit 1. There needs to be standardization of communication between the two offices to ensure that all client information and requirements are shared and understood.

Regular videoconferencing meetings with the staff of both offices can be implemented. Given the time difference one office would have to come in very early or the other office would stay late. This may be difficult but should be adhered to so all employees are receiving the same information. This could be tried on a monthly basis. These meetings would help to create a more cohesive environment between New York and Hong Kong. This would also give the Hong Kong office a chance to provide requested feedback to New York.

As a supplement, an online open forum for questions from one office can be posted and answered by the other office when it opens. Incentive Systems Currently there is no formal incentive system. Many of the rewards are based on Beebread's perception of employee performance. If he does not have the opportunity to have direct communication with all employees, it is a possibility that he is not able to appropriately assess individual performances. The employees themselves felt that "above-standard performance was not always noted. This sometimes resulted in sub-optimal achievements being recognized while the employee going the extra mile was getting passed over. A new incentive system must include a formal evaluation method of employee performance. In order to evaluate, official Job descriptions must be written to use as a benchmark. These descriptions give the employees the remark within which to efficiently perform their

<https://assignbuster.com/eu-design/>

duties. The employee's immediate supervisor must complete this evaluation. This is the person who has direct observance of day-to-day activities.

Having the formal evaluation takes out the personal bias of the supervisors. Semiannual reviews will keep employees apprised of their performance and management expectations. This will benefit both the company and the employees by keeping them both focused on a common goal. To encourage the employees to be sales oriented, a commission system could be introduced. Since company money is already directed toward training courses and classes, offering employees sales training courses will give them the opportunity to take advantage of the new commission system.

If funds are limited and an official sales manager cannot be hired, then the classes would be the most efficient way to educate employees. These classes would be directed toward the Junior Merchandisers. The current duties for this position would fit best with the new sales system. Although hiring office managers would be beneficial, in the present financial climate this may not be feasible. However, one employee in each location needs to be responsible for office operations. Both offices have an accountant on staff that report directly to Bernard.