

# organizational management essay sample

[Business](#), [Customers](#)



## A)- Action Plan

### A1- Financial and Leadership strengths and weaknesses of the Symphony-

The Utah Symphony shows financial weaknesses in several areas. Their cash flow is affected due to their low dollars in their fund raising area. They also experience a higher than normal expense rate that comes from the recompense that is paid to their artists that they employ. The Symphony does have some financial strength. The Symphony does experience a high volume of the sales of their tickets. They also hold many performances throughout the year that does yield them high gross revenue. Some of the strengths in the Symphony's leadership come from Keith Lockhart. Keith has a good rapport with the musicians that he employs. Keith also has great artistic visualization. A weakness within the leadership at the Symphony would be that during the proposed merge this would leave a vacancy within the CEO role and the chairman of the board role would change during this action as well. A1a- Key steps recommended-

Anne will need to shore up the financial weaknesses of the Symphony's cash flow by employing fund raising goals that are higher than they currently have in place. Their lack of fund raising is a large weakness that will need to be addressed immediately. She will also need to have meetings with the artists to implement talks to renegotiate their current contracts and the compensations that they are currently receiving. Anne will need to look at some of these areas to lower the current expenses of the Symphony. The weakness within the leadership needs to be addressed as well. Anne can attack this by giving Keith Lockhart more power and the ability to make more decisions where the Symphony is concerned. A2- Financial and

Leadership strengths and weaknesses of the Opera- The Utah Opera enjoys a good positive cash flow and reserves and this is in part this is due to their high fund raising goals.

They also have positive assets that are one of their financial strengths as well. But, the Opera does show some financial weaknesses. They have a net loss when it comes to their rental incomes and expenses. They also endure low ticket revenue. With Anne Ewer at the lead, the Opera has the benefit of her leadership, her experience as well as her excellent management skills. But, with Leslie Peterson resigning, this will put a hole in their leadership. Leslie fills an important role of positional power as the daughter of the Opera's founder. A2a- Key steps recommended-

The financial weaknesses within the Opera can be turned around by Anne raising the charges of their stage equipment rentals. This can take this program from a net loss and turn it around to produce a positive cash income for the Opera. Also, Anne needs to address the slipping box office sales. If she were to reassess the audiences for their Opera, she can determine if they are targeting the correct audience through their marketing as well as with the programs that they are offering to their audience. Another area that Anne could research would be if it would benefit the Opera for them to raise the prices of their tickets to help to offset the lessor attendance of their programs.

### A3) Score Card Analysis-

The following is an analysis of all four aspects of the business scorecard for the Utah Symphony and also for the Utah Opera. The analysis will include the

goals and other factors within the scorecards line up with what is needed for each of the businesses after their weakness, as well as strengths has been outlined (Olve, J., Roy, J. & Wetter, M., 1999). Balanced scorecard analysis for the Utah Symphony-

Financial Aspect-

\* Strategic Goal: Being financially stable with sufficient annual profitability \*

Critical Success Factor: Having fundraising sufficient to allow ticket prices to stay same as last year \* Measure: Having profitability increase in coming

years (from \$116K to \$500K a year) The strategic goal to be financially

stable and to have sufficient annual profitability is a goal that the Utah

Symphony does need to achieve. However, it is not clear whether the main

focus on that goal being reach by fundraising is the correct plan for the

achievement of their goal. During this merger the Utah Symphony had many weaknesses that were identified within the organization (DeLong, T. J.

(2005).

While the organization can put focus on the increase in their fundraising, the

administrators at the Symphony also need to look at a renegotiation of the

collective bargaining agreement that was in place for the organizations

musicians. Renegotiating this financial outlay could give the organization

more freedom in their financial budget and they could in turn use this money

to focus on their fundraising goals and other factors that will assist in

increasing their revenue. This is not to say that fundraising is not an

important aspect for the Symphony's revenue flow, the executives at the

Symphony need to also make certain that they are exploring other prospects

that might also assist in the organizations cash flow and their overall financial stability (Kreitner. 40). Customer Aspect-

- \* Strategic Goal: Being attuned to their desires for world-class performances
- \* Critical Success Factor: Hiring top quality talent
- \* Measure: Receiving feedback from exiting patrons

The balanced scorecard for the customer aspect correctly identifies factors that are needed to maintain a symphony that can be considered world class by all. The scorecard acknowledges the fact that they have to employ high level musicians so that they are delivering world class performances.

Receiving feedback from their patrons is a great measure since that is the only way to make certain that they are receiving valid and unbiased feedback so that they can monitor the progress of the Symphony's goals.

The Symphony's goals that are outlined in this area of the scorecard are consistent with moving toward a world class organization. Even though the organization has the weaknesses that have been outlined, these factors and goals are essential to be able to move forward with good progress.

It is a fact that Keith Lockhart does not have a business background and that he can be averse to making changes. However, Mr. Lockhart does have broad knowledge in the conduction of symphonies. Mr. Lockhart also is extremely supportive of the talent of the Symphony and since this is the case, it stands to reason that he will be a supporter to hire top notch talent to make certain that the Symphony has positive progress. With these factors in place, the goals and actions that are outlined in this portion of the

scorecard have the possibility of being a success even with the weaknesses that have been noted. Internal Process Aspect-

- \* Strategic Goal: Having flexibility in decreasing expenses due to fundraising gaps
- \* Critical Success Factor: Renegotiating contracts with musicians
- \* Measure: Improving profitability

The actions that are recommended in this portion of the scorecard coincide with the weaknesses and the strengths that were recognized within the organization. One of the largest reasons that the Symphony is experiencing their financial issues is the collective bargaining contract that is in place with the organization's musicians. The compensation afforded to the musicians, including salaries, benefits and other costs associated with their employment take up over 50% of the entire program expenses that are listed. Also, those expenses are going to increase with the current collective bargaining agreement that is in place. This expense is a large weight on the Symphony's budget. The renegotiation of the agreement will assist in boosting the organization's profits and give them more room to be flexible.

Learning and Growth Aspect-

- \* Strategic Goal: Including a wider variety of symphonies offered to appeal to a more varied audience
- \* Critical Success Factor: Having a successful marketing campaign that advertises different symphonies to younger audience
- \* Measure: Having improved ticket sales and returning audience

This portion of the scorecard is not directly related to the financial health of the Symphony, it certainly does correlate with the flaws with the financial

stability of the organization. Pursuing the goal outlined in this portion of the scorecard will assist in other aspects within the Symphony. An action that was stated earlier as a suggestion for Anne Ewers was to make a determined focus on their fundraising goals to help with the current struggle of the diminishing surplus and reduced grants.

To be able to focus on two goals at the same time, they could make the fundraising might be focused on having a larger amount of symphonies as well as promoting a variety of the performances that they offer. The enrichment of the scheduled performances could give the organization more chances for a variety of fundraising programs. An example of this is offering lower priced ticket prices for younger patrons. Not only would this increase their box office receipts, it would also afford them another demographic for repeat patrons and in turn giving the organization a better revenue flow.

Balanced scorecard analysis for the Utah Opera-

Financial Aspect-

- \* Strategic Goal: Being financially stable with an increasing reserve fund
- \* Critical Success Factor: Raising additional funds and having endowments realized
- \* Measure: Improving reserve fund amount

Comparing the scorecard actions and goals with the weaknesses that were identified within the Opera, the financial goals and actions are not in line with actions that should be recommended for the organization. Stating that they need to improve their reserve fund, though important, is not an area that should be a high focus for the organization at this time. The same

applies with having a larger focus on their fundraising efforts or focusing on receiving more endowments. The reason being is that the Opera enjoys a good reserve fund already. They have good financial stability as well. Their weaknesses that were identified were the fact that their box office sales are decreasing, but, their overall expenses are increasing. They are losing revenue from their rentals of costumes, props and other items. The focus here should be on how the Opera can cut their expenses. As they look at cutting expenses, a positive side effect of this will be that their reserve fund would increase as well. Customer Aspect-

- \* Strategic Goal: Having regionally and nationally acclaimed opera performances
- \* Critical Success Factor: Excelling in quality performances
- \* Measure: Having sold-out or near sold-out performances

The customer aspect of this scorecard is on point for the Utah Opera. Previously identified was the decline of box office sales. This is a direct correlation of the patrons not having satisfaction with the performances that the Opera is currently presenting. It is necessary to alleviate the decrease in their ticket sales and to address the need to increase the sales at the box office. To be able to achieve this goal, this organization will need to concentrate on the performance quality that the Opera is offering so that they can enjoy increased ticket sales and to push for performances that are being sold out. Internal Process Aspect-

- \* Strategic Goal: Maintaining financial stability and attracting top talent \*
- Critical Success Factor: Having successful negotiations with selected



performers \* Measure: Measuring profitability and having reviews noting quality of performances This portion of the scorecard for the Opera correlates perfectly with the weaknesses and strengths that were identified earlier within the organization. The organization has had a surplus and that was identified and they need to ensure that the methods that have been employed to make this happen, needs to stay in place to ensure its continuance.

Being able to maintain the stability of the organization's financial state is something that they should have no issues in continuing, as long as they can alleviate the dropping box office revenue and address the increasing expenses. The organization will have to continue their positive negotiations with their employees so that they are successful in averting the issue that the Symphony has had with their collective bargaining agreement with their musicians. If they are successful in these endeavors, keeping their current profit successes should come easily to the organization. Furthermore, if the organization keeps their measure of being recognized for their world class performances, this should give the organization the increased ticket sales that are needed and in turn this will assist in balancing the increase expenses.

Learning and Growth Aspect-

\* Strategic Goal: Ensuring production of high-quality performances, perhaps five a year \* Critical Success Factor: Measuring endowment fund growth and increased ticket sales \* Measure: Having capital need covered by revenue from ticket sales The goals of ensuring high quality performances, increasing

their ticket sales and the continued success of their fund growth correlate correctly with the weaknesses that were identified. These weaknesses were the decline in their box office sales and the increase in their expenses. Keeping that in the forefront, this portion of the scorecard balances perfectly with other areas within the organization. Additionally, this portion of the scorecard gives credence to the identified strength of the Opera which is that they are flexible enough to be able to fine-tune their operation size and how many performances that they put on throughout the year. Putting on five high quality performances in a year is a goal that is easily achieved and with the flexibility that the organization enjoys, they have capability to raise their box office sales by producing more high quality performances. B) Balanced Scorecard for the merged Organizations-

Vision- The vision for these two merged organizations is to achieve the status of being a world-class performing arts organization. Business Model- The business model for this newly formed organization will be to deliver world-class and the highest quality of performing arts via smart fundraising, box office sales and to effectively manage their resources.

Financial Aspect-

\*Strategic goals: Use inventive fundraising methods and tactical planning to increase revenues with their fundraising and also reduce their operating expenses. \*Critical success factor: Generate innovative possibilities for fundraising events and to reduce their salary and benefit expenses.

\*Measure: Expenses to be decreased by 10% from the prior year and to increase their fundraising by 10% from the prior year. Customer Aspect-

\*Strategic goals: Grow and retain the patron base for the merged organization by giving their customer base superior productions. \*Critical success factor: Promoting the newly formed organization to their current customer pool by highlighting the significance and the benefit of this new organization. \*Measure: Maintain or increase the volume of box office sales and performance attendance over the prior year. Internal Process Aspect-

\*Strategic goals: To combine the merged organizations' business practices as well as identify and pursue opportunities that work well for both parties of the new organization. \*Critical success factor: Keep key personnel and manage the reorganization of the merger effectively. \*Measure: Keep turnover rate to a minimum or null while the merger is ongoing and after it has been finalized. Learning and growth Aspect-

\*Strategic goals: Utilize the pool of talent within the merged organizations to give a broader spectrum of the programs that are offered to the community. \*Critical success factor: Utilize the assets of the two merged organizations to deliver excellent performances to their customer base. \*Measure: Increase the collective performances of the two organizations at least 25% over the prior year. C) Identify strengths and weaknesses of the two merged organizations- Financial-

The merged organization will have the financial strength of the reserve funds that the Opera maintained as well as the successful fundraising methods engaged by Anne Ewers for the newly merged organization. A large financial weakness of the new organization is the hefty expenses that came with the symphony's budget. Customers-

The new organization will enjoy the strengths of a loyal customer base that both the Opera and the Symphony enjoyed prior to the merge and they will continue to receive their support after the merge. In the same sense however, a weakness that they will have to overcome is to be able to produce programming that will be satisfactory to patrons of the Symphony and the patrons of the Opera and maintain the continued support from the community for the new organization. Internal Process-

Anne Ewers will contribute to the new organizations internal process strengths as well as Keith Lockhart's leadership abilities. An added strength for this organization's internal process is the talents that the employees of this organization possess as well as their commitment to their art will be an added benefit for the new organization. There are weaknesses with the internal process within the organization. The considerably varied compensation plan that exists for the musicians from each of the organization could fuel resentment and a feeling of competition that could be undermining to the new organization. Learning and Growth-

The strengths within the learning and growth aspect will rest within the high quality artists and the artistic visualization that exists within the two organizations. The weakness that lies within the organization in this area is the fact that the two groups of performers will have to learn how to work and to come together to be able appreciate the idea of their combined performances. D) Probable issues stemming from the merger-

\*Financial issue-

According to the Symphony's financial projections for the coming year, they

would have been functioning in the negative. This issue along with the problem of the Opera's decreased box office sales that are anticipated for the coming year could be an equation for financial instability if there are no safeguards taken to remedy both of these issues so that the merger organization can increase their revenues. \*Human Resource issues-

The wide gap in the two organizations compensation plans for their artists gives way to an impending human resource issue. The opera artists will most likely feel resentment and inequality towards their symphony counterparts since the symphony members have a guarantee throughout the year and the opera members only are compensated per production. The inequality that is assuredly going to be felt by the opera members toward the symphony members is certainly going to be an issue that will need to be addressed before it leads to disorder within the organization and issues for human resources. \*Customer Satisfaction-

There could be a prospective issue with the organizations customer satisfaction from members of community that are not in favor of the merge between the organizations. There will most likely be some that do not favor one of the arts above the other as well as those whose opinion will be swayed by other's opinions concerning this merger (Szwarc, P. 2005). D1)  
Recommended Actions-

\*Financial:

The financial issues are complex. Ewers will need to employ her experience in fundraising as well as other experienced personnel from the opera that will assist in leading a successful campaign. The opera had a 46% share of

contributions in relation to their gross income. The symphony only had a 36% in the same comparison. If the symphony can raise their fundraising goal to match the 46%, the same as the opera, this would net an increase of the cash flow by about 1.25 million dollars for the year to come. Another facet of the financial issue that will need to be addressed is the decline in box office sales by the opera. Ewers will have to determine why there is a proposed decline of 294 thousand dollars in ticket sales from this year to the coming. Some examples of the possible factors contributing to the decline could be from inadequate marketing or programming that does not fit with the customer base tastes.

This same decrease was not forecasted by the symphony. That being the case, we can determine that the decrease that the opera is forecasting cannot be solely contributed to an economic downturn. A third facet of the financial issue that will need to be addressed is the expenses. Ewers will have no choice but to return to the negotiations with the symphony musicians. With the economic downturn it will be crucial to analyze the collective bargaining agreement for the advantage of the entire organization. A guaranteed compensation plan is not of any worth if the organization that you are employed by cannot fulfill the agreement. During an economic downturn there will sometimes be the need to go back to the drawing board to renegotiate agreements so that an organization will have the ability to give the employees jobs secure. This issue may not be as severe, but, it is the same no matter. \*Human Resource:

For the most part the human resource catalyst has been addressed. The issue that was addressed is the disparity that exists between the two organization's compensation plans and then the disharmony within the organization that this disparity brings. This obstacle could be a big one for Ewers to get around and it will be an issue that will need to be handled with care. The best approach would be to talk over the plan with the members of the opera that are under contract with the opera, and talk about the possibility of giving permanent opportunities for any who might desire that option as the organization grows and the number of productions increase. If approached correctly, this hopefully will assist in keeping the resentment of the compensation inequality at bay and prevent any disharmony within the newly formed organization as it is going through the merger. \*Customer Satisfaction:

The issue of customer service should be easily addressed. This can be done by having a dialogue and open communication with the community and their customer base. The new organization will have to show the value and benefits that come with the two organizations being merged. Having this open dialogue and information exchange with the community will be crucial to maintain customer satisfaction. This also applies to the internal change in the organization with the employees (Trompenaars, F. & Prud'Homme, P. 2004). Ewers can utilize the media to cover this merger of the two organizations to have an information share, what patrons can anticipate and how this new formed organization will benefit their community. She could also use a mailer to the patrons to let them know that they are important to the organization and that they are an integral part of the growth of the new

organization. This will also give the chance to ask for and receive customer input on advances that might be important to them. Being involved with the community and allowing the community to give their input as well is crucial to gain community acceptance.

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