

# Geographical structure of chipotle

[Business](#), [Management](#)



The geographical structure makes it easier for supervision and direction, this is because each geographical division is directed by a director who is familiar with the market and the customer needs.

Another reason for this organizational design is to procure the highest quality grade of food in each of the local markets. Naturally raised food is hard to come by on such a large scale, so Chipotle leaves some of the procurement to regional or local levels in order to supply the best product to the local markets. This also allows Chipotle to leverage other markets when product demand cannot be met in a certain area. This allows the top management to offer leadership to the company in the right way while maintaining core competencies and allowing the operational levels to maintain daily quality standards.

Geographic structure helps in clarifying the reporting relationship and hence chipotle has been able to eliminate conflicts that emanate from unclear reporting relationships.

This structure is ideal for geographical focus where chipotle's different geographical units can alter their products to suit the local market.

Workplace policies can also be crafted to cater to the specific region only.

The geographical structure has its own disadvantages, one of which is uneven product standards across the different regions this is brought by the independence in decision making by the regional units.

Communication breakdown is another disadvantage of geographical structure. This can be between the different units or between the headquarters and the units.

The geographical structure can also lead to unhealthy competition between

the different regional units hence unwanted rivalry that can lead to the collapse of the business if not handled with care.

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Lack of competent and qualified managers in newly established units is a greater problem that Chipotle is experiencing. Chipotle can adopt a single-tier multidivisional matrix level called New Restaurant Development whose main purpose would to open new stores and to train managers from different regions. This would mean that the new stores would be opened by trained professionals who know how to handle all the problems of opening a new store and how to lean on the local and regional managers for additional help and information. This also would be an excellent way to hold a high-quality standard during the most essential part of a new restaurant, the opening. Chipotle should also consider hiring locals to be managers of the new units as they understand the market well and also what customers want.