

# [Case-small business management](https://assignbuster.com/case-small-business-management/)

Assessment Intermatic Inc. was a company facing some major challenges that were placing the company at risk of failure. The firm’s manager, Jim Miller, knew that that company needed radical changes in order to turn the operation around. He implemented several policies that ensured the liquidity and profitability of the company. The firm downsized its workforce by 50%. Often managers do not have the courage to make these types of moves because they believe they might hurt the productivity of the firm. He also closed down one division, restructured the staff, and consolidated positions. Miller was very smart because he instituted employee policies to keep his workers motivated. The fringe benefits the company offers its employees are above the industry average. The workers are given production incentives that allow them to earn a maximum of 135% of base pay. Miller is a people’s person that keeps the lines of communication open at all times with his employees. Since Miller took over the operation the firm has lowered its employee turnover rate to 3%. “ Recent research shows that small business owners estimate the cost of replacing an employee at close to $6, 000” (Robertson).
Analysis
Jim Miller did a great job at changing the organizational culture of Intermatic Inc. He empowered and trusted his employees which help improved their motivation. The communication and people skills of Mr. Miller created a great work environment for the employees of the company. He also cared about the personal problems of each of his staff members. The employees responded well and they increased their productivity. When the company downsized the firm and made changes to its structure the firm was at risk of losing the confidence of the employees, but instead Miller took advantage of the opportunity to implement a brand new corporate culture. The human resource department did a great job of creating a benefits package that attracted many workers. I believe one of the main reasons that the employee churn rate of the company is so low is due to the exceptional fringe benefit package the company offers. Another one of the reasons that the company has been successful under Miller is due to his great leadership abilities. Employees follow and listen to leaders they respect. The company had to consider various alternative solutions to improve the situation of the company. One alternative solution was to hire temporary employees that receive limited fringe benefits. A second alternative solution was to shut down its operations in the United States and outsource all the jobs to foreign contractors. A third alternative solution was to downsize and increase the benefit package of the employees.
Conclusion
The story about the success at Intermatic shows how a good leader can turn an organization around by making work fun and rewarding. Jim Miller had the foresight to realize that the firm’s cost structure was prohibitive largely due to the fact that the organization’s payroll obligations were too high. After the downsizing initiatives the company needed to get more production out of each employee. The best alternative solution for this company was to downsize the firm and increase the benefit package of the employees. Jim Miller with the assistance of the human resource department created a total compensation package that motivated the employees to work hard and increase their productivity. Jim Miller is an active listener that cares about the well being of his employees. He was instrumental in the positive changes that occurred at Intermatic. The company was able to go from the blink of bankruptcy to becoming a profitable and successful enterprise.
Work Cited Page
Robertson, S. (2012). “ Three Easy Ways to Curb the High Cost of Employee Turnover.” 21 April 2012.