

# Sample case study on action plan

Business, Company



## **Executive Summary**

Introduction of the problem:

Andy's new business growing, and there is an increasing pressure on him to become more efficient, standardize, and become scalable. These targets cannot be achieved under the current organizational structure. The major problem or forces against achieving these objectives is the organizational structure itself.

### **Identification of the root cause:**

Despite the growth of the business, the company has not been able to produce standardized products in large quantities. It is also far away from efficient level of production. The basic problem with the company is lack of employees, and too much responsibility in the hands of Andy. As a result, Andy has lots on his plate with limited time at his disposal.

Following recommendations are made to Andy and his team in order to achieve their goals, and grow their business while achieving all their targets:

**Delegation of Authority:** Andy has taken a lot of burden on himself. He's doing production, marketing, and management himself. This is causing him to be extremely stressed. In order to achieve efficiency, more specialized people in marketing, and sales are to be hired to meet the requirements and changing dynamics of the growing business.

**Span of Control:** Span of control should be established in the organization. Since the organization is small, the span of control should not be more than two people. This will enable the organization to become efficient and scalable.

Introduce Technology in the Business for Production: Standardization can only be achieved if there is new production machinery in the business. The products should be created in batch so that the products are standardized.

Inject Money into the Business: Debt or Equity Financing should be introduced in the business to meet the growing demand, and to purchase new machinery to make it more efficient and scalable.

Despite the business being a success, Andy has unable to share responsibility with his employees. Andy should develop a priority list to decide on what tasks can be delegated to the lower level staff. There should also be sequential increase in the number of employees to make the business more scalable, and to increase production.

## **References**

Daft, R. (2014). Management. Australia: South-Western Cengage Learning.