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Management

Management

Overview of the Home Depot and Interconnected Retail

The Home Depot and Interconnected Retail is one of the world's largest improvement chains. The management of the organization that included the senior leadership on the ground majored on a discussion that would best navigate the new and interconnected world of retail. The organization was founded in Atlanta, Georgia, where it first opened its first stores in 1979. The interconnections that have been created have worked to ensure that the organization grows to many areas to capture a wide platform of consumers who are considered as the main factors within the supply chain.

In an effort to create a change that would drive the entire organization towards their goals and objectives, the leadership and management looked out to focus on standardization, centralization, and the performance metrics. All these factors were meant to work for the organization in both the internal and external environmental in order to create a sustainable growth that can help achieve all the intended goals and objectives.

The nature of the internal environment involves all the factors that have both the direct and indirect influence on the operation of the Company. The organizational structure and strategy play part in ensuring that the internal environment is maintained in a cohesive manner. The employee environment must be set in a manner that will allow a platform for their personal growth as they make an effort to ensure that the Company is growing too. Therefore, there must be employee motivation and

empowerment moves that will enable them to maintain the power and will deliver for the organization.

The human resource management is also part of the internal environment of the organization that must be addressed. The management must ensure that the most assumed part of the organization is installed within the organization. The process of managing people is one of the most difficult situations when compared to managing resources. Therefore, a qualified human resource management was part of the internal plans of the Home Depot and Interconnected Retail. They made an effort to ensure that the effectiveness of the training programs of the people was well conducted. To ensure that their employees are exposed to training programs that are only relevant to their area of specialization, they must install a qualified team of human resource management in order to oversee the effectiveness of the training programs.

The external environment factors that were meant to be covered are the competitive ability of the Home Depot and Interconnected Retail in comparison with other organizations. The management team had to develop means that would enable the organization to sustain competition and maintain its position as one of the world's greatest retailers. The moves looked out to gain and sustain a competitive ability that would allow the company to maximize the number of consumers who were retained as well as attracted to the organization (Ananthan, Appannaiah, & Reddy, 2010).

The Customer Service Ability In Relation To Standard Organizations

Customer service is one of the most crucial factors of organizations that must be well inculcated within the operational structure. Looking at the Home clients Depot and Interconnected Retail, Blank, and Marcus, who played a big role in the management team, had immediately emphasized the concept of customer service. They had set up a standard to ensure that customer service was well apprehended within the organization in order to serve clients with a top class service. The founders of the organization felt that the customer service that was being offered was more than making a sale. The customer service that was administered was aimed at creating a customer relationship that would enable the organization to build trust into them. The organization held clinics and workshops on projects that would spearhead the company to offer services to clients who would be satisfied (Ananthan, Appannaiah, & Reddy, 2010). The Customer service team of the company is committed, productive, and knowledgeable enough to offer high service to the customers within the organization.

Customer service is one of the major factors that must be considered in an organization. People who are working within the organization must learn to appreciate the fact that customer service will offer a first impression to the consumer about the organization. The people who are responsible for customer service must be made aware of the heavy weight they are carrying for the company. They carry the image of the company and must look up to the ways in which they must treat their clients (Aalst, Hofstede, & Weske, 2003).

Customer service goes ahead to affect the nature of competitive ability of an

organization because customer retention is one of the factors that come to play. By making a strong foundation of customer service ability of the company, they have allowed their customers to build a certain level of trust. The customer service that goes beyond making a sale by the consumers but building a stronger business relationship that will enable several other sales from the same client improving the level of customer retention.

Entrepreneurial Spirit

Entrepreneurial Spirit is essential in the development and management of a business operation and organization. The spirit defines the situation of the organizations and their managements to take care of all kinds of situations facing the business and its operational functions. The entrepreneurial spirit defines the extent to which the management of the business can go to solve the risks and handle the challenges facing the organization (Business management, 2009). With reference to the Home Depot, the founders of the organization worked extensively to ensure that their entrepreneurial spirit across the operations of the organization.

The need to integrate entrepreneurial spirit in the organization resulted in the stores being largely autonomous with the store managers having almost complete control over the employee wages, displays, promotions, merchandising, vendor management and store operations. This immense control of the store manager was a weakness in the organization because the independence and autonomy of the store managers and their associates made them take pride in the stores and think of them as constituents of the local community rather than the chain retailer.

Moreover, the store managers had the power of monitoring promotions,

hiring and firing individuals at the store level. The corporate headquarters of the organization provided a centralized administrative support, which included finance, legal, planning and developing new stores. From the Home Depot, it is suggestive that most organizations rely on the centralized decisions of the management bodies (Business management, 2009).

Centralization of the organization can be a limiting factor because it limits the chances of variance and diversification of ideas from all the members of the organization including the employees.

When organizations realize the weakness, they decentralize some of the departments and operational functions. For instance, organizations such as the Home Depot decentralized the merchandising department to have nine regional offices to deal with the purchases. Decentralization of such offices can include handling of different segments within the department including the products stored or the store itself. The Home Depot employed this approach but the handling of different segments within the merchandising segment; especially the stores remained dependent on the intuition and knowledge of the store managers concerning the vendors and the local market.

Decentralization of the organizational segments can ensure that the stores meet the needs of the local markets. However, the decentralization makes the organizations fail to capitalize on their potential bargaining and buying powers as a national concern. It could also result in rare nationwide deals of in-stores. Additionally, there could be a variance in the displays, store experience and product mix across the stores (Gregoire, 2006).

Entrepreneurial spirit can be beneficial to an organization because it defines

the measures that the organizations can have regarding the handling of challenges in the operations. On the other hand, it can disadvantage an organization if it develops into an entire entrepreneurial culture where stores or other segments are at liberty of doing whatever they deem fit to drive the sales at the local levels.

Business Growth

The primal objective of every institution or business organization is to grow in the economy, revenue and operations. Rapid growth of organizations is essential because it facilitates multiple operational functions of the organization (Jennings, Norman, Faratin, O'Brien, & Odgers, 2000). First, rapid growth is attributed to increasing in revenue realized by these organizations. Increased revenue means that the organizations can enter into new ventures, pay employees sufficiently and have enough revenue for motivation in the organization through bonuses and incentives for high performance.

The Home Depot had an impressive growth platform from 1995 to 1999, which was attributed to the store openings by the organization. The rapid growth was a benefit to the organization because it created a satisfaction among individuals associated with the organization including employees and stakeholders among others. However, with the continual rapid growth of the organization, the board members and the stakeholders began worrying about the future of the firm without standardization and centralization. Such issues as standardization and centralization saw the firm miss its target earnings of \$0. 3 per share in 2000 (Kerzner, Harold, 2001). Therefore, the internal environment of the firm or an organization greatly influences the

growth of that firm. The internal factors as organizational structure influence how the firm conducts its business. Moreover, uncertainties within the organization concerning the type of operation to adopt or structure to modify shifts the organization's focus on growing the business.

Leadership and Strategies

Leadership and strategies are essential elements of a firm or an organization. Leadership is the core aspect of all operational functions. The leadership maintains the core functions of the organizations by monitoring, controlling, supervising and implementing operations within the firm.

Leadership approaches are also important in the functioning of the firm (Kotler, Philip, 2000). The type of leadership approach that the firm employs determines the success of that firm. For instance, if a firm employs a bureaucratic and centralized leadership, it becomes slightly challenging for the firm to achieve its objectives than when it employs a team-based leadership approach (Leymann & Roller, 2004).

Effective leadership encompasses the incorporation of strategies within a given organization. Leadership strategies vary across the line of business that firms employ. Every firm uses strategies that suit its line of business. For instance, the leadership of the Home Depot employed a three-part strategy, which included extending the business into other lines, expanding into emergent markets and customer segments, and drive efficiency (Narayana, Appannaiah, & Sathyaprasad, 2010). Driving of efficiency involved eliminating wastes and ensuring clean and safe stores in the existing operations.

The Home Depot leadership strategy was to centralize merchandizing. The

centralization saw the closure of nine regional merchandising offices. The centralization leveraged the firm's purchase power and enabled it to manage exclusive deals and bargain for better terms of pricing across the board (Robbins, Stephen P., 1943-, 2005). As such, organizations would want to introduce new strategies into their operations to improve efficiency and promote the effectiveness. For Home Depot, the centralization of merchandising would see it improve ordering and reduce inventory inefficiency at the store.

Introducing new strategies into the existent operations often comes with challenges. These challenges affect the process by slowing it. For instance, Home Depot lacked the required infrastructure to support the centralization process. Moreover, the merchants lacked specific data concerning the customer preferences or the store sales (Schermerhorn, John R, 2005). When the leaders of the organizations strive to establish strategies for their organizations, they also put efforts to improve the operations.

Efforts to Improve Operations

Improving labor productivity.

Labor productivity is one of the key elements that organizations focus on when establishing efforts to improve their operations. Improving labor productivity involves various aspects some of which include standardization and technology (Sen, 2008). The Home Depot employed these two aspects in their quest to improve labor productivity. Standardization improves accuracy while technological innovations and initiatives improve in the accessibility of data.

Metrics.

Metrics is important in improving operations of the organization. Metrics involves the assessment of the top management of the organization as well as the associates on performance. These performance metrics can include people, customer, financial and operational skills. The strength of metrics is that it enables the evaluation of individuals in the organization (Smith & Fingar, 2002). Evaluation gives room for improvement among the evaluated individuals. On the other hand, metrics can be disadvantageous if the communication around the metrics is unclear (Stokes, Wilson, & Stokes, 2006). That is; misunderstanding of the motives of the managers or other leaders can lead to unforeseen inefficiencies.

Human resources.

Human resources are another important aspect of management in an organization. Organizations seeking to improve their operations should ensure efficiency in their human resource management. Companies can decide to increase the number of the part-time workers to promote flexibility in coverage and scheduling, and to gain essential costs. Such initiatives can be beneficial to the organization (Weinberger, Kimberly, 2001). However, they can also be drawbacks to the involved firm. That is; the training of the part-time employees can become challenging like in the case of Home Depot.

Conclusion

Management is an elemental aspect for organizations seeking to achieve success by gaining competitive advantage or increasing the sales and

revenues. Firms go through various stages of development and experience transformations as they grow in business. Both external and internal environments play a key role in the changes that occur within the operations of a given business organization. For instance, organizations like the Home Depot went through a variety of changes in its organizational functions and operations. Some of the factors influencing management of business organizations include customer services, the entrepreneurial spirit and the factors that promote improvement of the organizations' operations.

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