

Orifarm essay sample



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1. 0 Introduction:

Orifarm is a well-growing Danish company. It has goals to enter new markets and to sell new products world-wide. The aim of this project is to analyse company's Orifarm organization structure. Organization structure is a very important factor to make company work successful, and as different types of companies there are as different types of structures there are, so it is very important to chose the right one for exact company. As the company is growing, their organization structure should be changed as well, so we are going to search for its improvements as we believe that nothing is perfect in the business world as it is changing all the time.

1. 1 Problem statement:

We will analyze the organization of Orifarm and focus on optimization oppertunities. We will base our analysis on the following questions:

1. What kind of organizational structure does Orifarm have now?
2. How can Orifarm's organization structure be optimized to become a successful international company?

1. 2 Delimitations:

Orifarm has worked very successfully last few years, so the company has got bigger, with more employees. So we are going to analyze current organization structure, as this is a very important factor so that company could be able to work as good as possible. Moreover, Orifarm has crossed the border and is selling their production in other countries not only in Denmark. So they have developed from national organization to international. And their

politics are to get in even more markets world-wide. And as it known the structures of national, international and multi-national companies are different.

1. 3 Report structure:

The methodology section briefly describes the organization structures we are going to use. Then there comes the introduction about Orifarm. Next part is about the analysis of the company based on theory. After that we look at different theories about the organization structure and discuss pluses and minuses. The report ends with a summary conclusion.

1. 4 Methodology section:

In our report we are using only trustable source - The book Organisational behaviour and analysis 4th Edition. In the book there are many types of organisation structures. The Country-focused structural design is a structure for international and multinational organisations. This system is made so it would be possible successfully to work in markets in different countries. The company hires a manager and a team who works in every exact country, so that not every time to make a decision about an action in exact market the main office in home country was not disturbed.

2. 0 Analysis

2. 1 Introduction of Orifarm :

Orifarm group is the second largest supplier of parallel imported pharmaceuticals in Europe¹. They have two business areas, parallel import pharmaceutical and generics. Orifarm group's predecessor-Orifarm was

founded in Denmark in 1994 by Birgitte and Hans Bøgh-Sørensen². They started out with an entrepreneurial mission that they later re-named the “explorer spirit”. This concept also describes their company culture that there are always looking for new way to develop and improve with respect for both quality and the individuals in their company.

Today Orifarm group is a progressive European actor in the health care business, they become an International company and they operate in Denmark, Sweden, Norway, Finland, Germany, Switzerland and the Czech Republic.

2. 2 Organisational structure analyse of Orifarm:

We think Orifarm group has a hybrid structure. “ The hybrid organizational structure attempts to combine the advantages of both product/ process-based and functional-based structures”. This conclusion is based on the analysis as follows:

Management experts have identified 6 different organisational structures:

The Functional Organisational Structure

The Geographic Organisational Structure

The Form/Product Organisational Structure

The User/Market Organisational Structure

The Hybrid Organisational Structure

The Matrix Organisational Structure

The Hybrid Organisational Structure combines two or more than two separate structures into one. Many companies use this structure because of its simplicity and effectiveness. Orifarm is also a member.

2.3 Analysis from the organisation chart

This is an organisation chart of Orifarm group's one subdivision- Corporate Finance, IT & HR. As you can see, there are independent departments for each function - HR, Finance & IT- to work specially; but at the same time, they work under the same leader in Corporate Finance, IT & HR, that means they "work together" and have a good communication with each other.

In this chart they are specialized in different countries, to be responsible for each special market.

2.4 Dimension of structure:

Configuration or Grouping:

As we can see in the organization chart, Orifarm use the horizontal differentiation and also the vertical differentiation. First we will analyse the horizontal. Orifarm has four different activities which are managed by an Executive Vice President; the activities are working independently from each other. This encourages efficient use of resources and discourages duplication and we can understand better the structure of the company. When we go in more detail each corporate of the company, we can see that the corporate parallel import use the geographic grouping, there are department sales for each country where Orifarm has market. Regarding the vertical differentiation we can see that there are many department for every

corporate has different level of department, it is different because each corporate does not have the same need, the same work so they need different department.

Centralisation :

As we can see in above, there are four different corporate, (corporate IT, finance & human resource; corporate parallel import; corporate generics and corporate supply chain). Each corporate is responsible of his department, there is manage by an Executive Vice President who work for the president of Orifarm, then each EVP have Department Manager. So we can say that the authority is well distribute, everyone knows who he works for and who he is accountable.

Specialisation:

Specialisation allows for better production quality because each employee has the qualification required. This is the goal of every company to have the best employees which are formed in the best school. In this company we can see a good specialisation, in each corporate there is many different department which are specialise in one thing in particular. The skill of every employee is very important

Formalisation:

For this point we have not enough information but we can say that the company respect work rules and country where it operate, i. e. Denmark. Also she respects the environmental rules during the production of generics, as we can see in the website of the company “ Orifarm meets all the strict

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standards set by the national and EU authorities.” and “ all production facilities are frequently inspected by ourselves and EU authorities”, “ Orifarm Generics is approved by the Danish authorities”

Standardisation:

The standardisation permeates into the whole organisation to keep the company work: For instance about the quality, Orifarm has two departments, one for the quality control and the other one for the quality assurance.

2. 5 Summary:

In Orifarm, the organisation is highly specialized mainly based on the function and market regions for sales. But at the same time, each of them is controlled by the same central part from the company. So that makes sure every task can be finish fast under the control of company

3. 0 Strategic option for Orifarm:

Company Orifarm at the moment works on getting in more markets world-wide and as it is said on their webpage, they are ready to sell new products as well. So they should work as a multi-national company. The option is to use country focused structural design⁹. By using this type of organization design they could work more efficient as they could have employees in every country they sell their production, so they would be able to make faster all decisions linked with the politics in the exact country they work. For example, at the moment company is selling their production in Sweden. In an research it has been found that there is a product which could be sold in Swedish market with good profit.

First of all this information has to be sent to the main office in Denmark, so that they could discuss if it is a good idea to start selling this product in Swedish market weather not. However, people who work in Denmark are not that close to Sweden, so it is more efficient if the decision is made by a group of people who work in Sweden so they work only with this exact market every day. Moreover, if they even make a decision to give a green light - they start selling this product in Sweden, it takes a lot of time. So this is also a very heavy argument that in every country there should be a head manager. In addition, as it is known, in each country there are some culture differences, so having a manager in each country could give a possibility to understand what really is needed in this market and there could be more information about the potential customer as the people who work for Orifarm would be a part of whole society in this exact country.

4. 0 Conclusion:

After analysing the information that was available for our group, we consider that Orifarms organisation structure has to be improved, because at the moment company is working with a structure which fits with companies work in the past. But now as they have new goals as getting into new markets world-wide, start selling new products. According to that company has to change from their old structure to country-focused structural design. As this type of organisation is focused on work in different countries, so in this way Orifarm could be more successful to enter new markets and to make the best politics for work in these exact markets. Moreover, in case of using this model, the main office in Denmark will not be disturbed every time there should have made a decision in any of markets the company works. So

the company will become more decentralised and it will be able to make decisions faster than if they use the old system.

5. 0APPENDIX

APPENDIX A:

Social contract

Team: group no. 2-MM206

Members: Waqas Ahmed, Aurélie Cribaillet, Vydas Gouobuzas, David

Lakatos, Lei Wu, Ritvars Reimanis Time: 7-10-10

Rules for team members:

- 1) Everybody has to speak english
- 2) Everybody must be present during the meeting, if someone can not show up, he must inform others
- 3) All the members have to be active during the project
- 4) We need to share contact with each other to keep working together during the project
- 5) Everybody has to finish his task in time

Contact can be used during the project:

skype: phoebe. wu7849, aureliecribaillet, chessplayer85, laki9111,

vydasaero email:,,,,,

APPENDIX B:

Log book

Time: 07-10-2010

Place: TBC

Participants: Waqas, Aurélie, Vydas, David, Ritvars, Lei

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Process: During the meeting, we planned to find out the topic which we are going to work with for this project. We discussed the type of orifarms organization and tried to find its advantages and disadvantages from which we can get our topic. Next meeting: time: 08-10-2010

Place: TBC

Goal: analysis more and define our topic

Signature:

Log book

Time: 8-10-2010

Place: TBC

Participants: Waqas, Aurélie, Vydas, David, Ritvars, Lei

Process: During the meeting we was thinking new questions and discuss about them and talking about the project structure. Next meeting: time: 10-10-2010

Place: Dormitory

Goal: to discuss about those questions, start to make good structure of project.

Signature:

Log book

Time: 11-10-2010

Place: TBC

Participants: Waqas, Aurélie, Vydas, David, Ritvars, Lei

Process: During the meeting, we were solving few questions. We have

discussed and answered those questions. Also we have organized what we need to do for tomorrow. Next meeting: time: 12-10-2010

Place: TBC

Goal: to finish the project

Signature:

Log book

Time: 12-10-2010

Place: TBC

Participants: Waqas, Aurélie, Vydas, David, Ritvars, Lei

Process: we fixed all parts for the report together and prepare it well.

Signature:

APPENDIX C

The Tietgen Company

Internal Memorandum

To: Meg Sønderlund Date: October 12 2010 From: Dávid Lakatos

Subject: Personal Development during the Project 1

During the presentation I have learnt many things. Firstly, I need to be punctual because if I am late, I miss a lot, that can be an important information for me. My team members are such interesting people. I can see, that I have improved a lot. I had problems in the field of communication, I do not want to say that I do not have problems now but I have learnt a lot of new words which I can use in business life. Before that I did not dare to say

anything but now I dare to add my ideas. This makes me feel good. I have improved in the field of collaboration, too. There were some questions, that we needed to do with one of my group members, and it was good speaking on Skype and talking about the project. I have also improved in searching web pages. There were a lot of things that we needed to know, and the only way was the internet. I have acquainted with a lot of opportunities that Google gives us, for example the Google Books, that I have never heard of. To sum up, I think these projects are very important for us because it teaches us a lot of things, and it helps me to understand everything we study in the lessons.

Dávid Lakatos

The Tietgen Company

Internal memorandum

To: Meg Sønderlund Date: October, 12, 2010

From: Aurélie Cribaillet

Subject: Personal development

At the beginning of the project, I was a little apart from others, I let them talked and I listened, because I did not really understand what we should do. But later when I really saw and understand what was expected of us and the importance of the project; I started to be involved, has coming up with ideas for the problem statement, giving my point of view, discuss with other member of my group. This project is based on a group work but sometimes I had the impression we were not a group work, not everybody work, only some members. So we had to push some group members to work more. The

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goal of a working group is to work together and not everyone on his side, even if we should divide the tasks, we should discuss the answers of each one.

Think to this project, I learn how work in team with the advantages and disadvantages, to have a good communication between all the member of the group to make oneself understood. Also how to properly use the theories of the book, our knowledge and internet sources. Finally I learn how make a report.

Aurélie Cribaillet

The Tietgen Company

Internal memorandum

To: Meg Sønderlund Date: 12 October 2010

From: Waqas Ahmed

Subject: My back ground and personal development

My name is Waqas and I came from Pakistan, I did bachelor degree in humanities from my home land my level of English is average and I had gotten 5.5 overall bands in IELTS test from British council. My previous educational system is totally different from Danish educational system, where we just read theories and methods without any implement strategy. This is my first experience in Danish Educational system especially in group work; I had no experience before of doing project, this is a new thing for me and I liked it because this is a challenging thing and with a great team effort we solve it. During doing project I feel great change in my personal

development, like respect of group members opinion, patient during discussion, making decisions and using new method of study. All group members are very cooperative and we try to make an environment like environment within a real company.

Waqas Ahmed

The Tietgen Company

Internal memorandum

To: Meg Sønderlun Date: October, 12, 2010 From: Vydas Guobuzas

Subject: My development during the assignment

I am writing you to inform you about my development during the process of completing the assignment. First, during the work I have improved my English skills and my work efficiency in international group also increased. I have learned to use theoretical knowledge into practice. Finally, I also found out that the structure of the company is important to company's size, strategy, age, and organization.

Vydas Guobuzas

The Tietgen Company

Internal memorandum

To: Meg Sønderlund Date: 12 OCT. 2010

From: Lei Wu-group 2-mm206

Subject: My personal development in project1

During the last week, I worked together with my group members (Waqas, Aurélie, Vydas, David, Ritvars) on our first project in 1st semester of marketing management-Personal Development and Methodology. During the process of completing this project, I got a big improvement on aspects of both team work and personal skills as follows:

1. Communication with each other-as we discussed and argued a lot in meeting or on Skype and tried to understand each other better.
2. Enhance understanding of knowledge from lessons-we used the knowledge from lessons to analysis the real case and found more resource out of lessons to better understand and support our topic.
3. How to write reports-it is a practice for writing business report.
4. Work together-share information, discuss problem, argue for opinions and finish the task together like a real team in the company.

Lei Wu

The Tietgen Company

Internal Memorandum

To: Meg Sonderlund Date: 12 October 2010

From: Ritvars Reimanis

Subject: Personal development

I am writing this memo regarding to task to write about my personal development during the group work on Project 1. I have worked in groups before this project, but this time it was harder as we are different nationalities in our group. So now it will be more easier for me to understand people from different cultures. However, this was the first time I had to make

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a project in form like this, so in the beginning it was hard to understand how to write it in the best way. Moreover, we had to find the compromises about the project, and also when to arrange the group meetings. So it was experience in planning process as well. If you are interested in more detailed information do not hesitate to contact me.

Ritvars Reimanis

APPENDIX D

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