

# [Managing organisational change](https://assignbuster.com/managing-organisational-change/)

Managing Organizational Change Overview Not all people are very comfortable with change. However, change is very important in several aspects of ourlives as people. Especially as business operators and organizational managers, change is almost inevitable. Changes the take place in the organization and that affects the way the organization is run or its system of operation is referred to as organizational change (Trede, 2009). Undertaking organizational change should be done with a lot of caution and precision. This is because wrong changes can result in the absolute collapse of an organization whereas a very good change can bring about the success of an organization. In Charlie’s case, a lot of blame in the collapse of his business can be attributed to organizational change.
Why Charlie Failed
Basically, Charlie failed because he did not open himself up to positive change. The only change we are told of Charlie undertaking was the change in pricing with the hope of meeting future inflation values. Wallace (2007) notes that for any organizational change, “ target population for the change will come to realize that the change was for the better.” The question will be ‘ did Charlie’s customer see the change as a better one?’ Charlie’s decision to increase prices against future inflation was not a step in the right direction. This is because the world seems not to have recovered yet from the global economic crisis. For this reason, there is very little money in the pockets of many consumers. For this reason, undertaking reduced pricing should be a strategy for attracting more and more customers since demand for business has generally gone down. Secondly, Charlie refused to take greater advantage of his competitive advantages. The major competitive advantage Charlie had was the location of his coaches at the coast, which was a tourist attraction site. So even if Charlie wanted to increase prices, he could have waited till summer when patronage of coast activities and holidays are very common. Since summer holidays come every year and patronage of holidays continue to increase, Charlie should have used that as an advantage to promote and publicize his business during off seasons so that he would have been sure of having more customers when the holiday season starts. Finally, Charlie should have avoided the private participation on ‘ part-time’ basis. Frequent change of hands in running a business causes a breakdown in organizational culture. Some of the new people in whose hands the business went might have been people that customers were not well pleased.
What Charlie should have done
Charlie should have attempted raised fund through revenue management rather than fixing price ahead of inflation. According to the Decision Craft Incorporated (2010), “ Revenue Management is a process for capacity-constrained industries to maximize profitability by allocating the right inventory to the right customers at the right price.” This means that the increase in price should have targeted only a few ‘ capable’ customers. These could have been holiday makers who come to the coast in groups and need the services of coaches at all cost. It could also have been for customers who come to the tourist site specifically at peak holiday seasons. Secondly, instead of leaving his business in the hands of several private individuals, he could taken the bold step of undertaking a merger with one of the private individuals who were willing and showed good prospects for the coaches business. Merger permits a rapid increase in the size and capital base of a business without the need to inject huge sums of money (Trede, 2009). Cahrlie should have therefore selected one of the private companies that had a very good business plan and strategy and an already existing venture in the car business to partner him for life. This way, there would not have been the need for frequent changes in the way the business is run. If Charlie had undertaken these two major organizational changes, he is sure to have succeeded.
FREFERENCE LIST
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