Practice Question

RemaPlay

Medium sized business based in Chester.

Sells educational toys via

Internet

Mail Order

Catalogues

Focus is to compete on cost (low cost supplier)

Organisation has 2 levels,

The ownership family

Hourly paid staff

|  |  |
| --- | --- |
| Production | 24 |
| Packing | 15 |
| Warehouse | 5 |
| Office | 4 |

Issues include:

* All hourly paid staff earn the same amount
* Insufficient organisational control on quality, cost, time elements
* Older, and experienced staff doing more in role, but getting paid the same
* Ownership family causing issues by doing jobs poorly, and not delegating (no hierarchy to delegate to)
* The “left-hand does not know what the right-hand” is doing

Questions:

1. Outline why the lack of hierarchy might lead to problems in running the business
2. How does the current structure affect
   1. Profitability
   2. Morale
   3. Communication in general
3. Explain how RemaPlay should be structured via an organisational chart
4. How might your organisation structure improve operations and profitability