Implementation, Strategic Controls, and Contingency Plans

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Implementation plan

At present, one of the challenging tasks for JHC to continue is investing in the future and increases the numbers by growing in the market. To succeed in the goals and make the company grow the management needs to involve transforming the strategic concept into business task action. In the words of two very popular phrases, JHC needs to move from “planning their work” to “working their plan”.

JHC already has a good organizational long term objective to be fulfilled. There is no change the company needs to do in its objective. The company now has to understand the short term objective to meet the long term goal. According to Pearce & Robinson (2013)," Short-term objectives “operationalize” long-term objectives. If we commit to a 20 percent gain in revenue over five years, what is our specific target or objective in revenue during the current year, month, or week to indicate we are making appropriate progress? "It will be an effective idea for JHC to make its work plan and progress report breaking down into monthly-quarterly-yearly order. In this way the team will understand their monthly goals well and will work on monthly first to achieve and which can be accumulated in quarterly and then yearly. Increment of sales and production in every quarter for 5 percent will not be an impossible to work on if JHC's team will work in a systematic order. Slowly with growth results the management can increase their goals every year.

JHC is very much focused on employee's development and wellbeing. Working socially for the community brings the company and management very close to the employees. JHC needs
to understand what the employees think about their work and what they want the management to improve for them at work. JHC should be very attentive about the functional areas of the company. Understanding the time factor and quality needed while finishing one art or craft item will give a clear idea of setting target for the artists. JHC should have record of day to day operations done in the artist's work place as well as the gallery locations. In this way the company can evaluate the production and sales and also have strategic control on them. Setting work process at each location will make the work actions more systematic and easy to calculate the finding. The company should have deadlines for each project or tasks for the employees. Assigned employees should know their goals, work tasks and the time frame they need to finish and report about their work to the supervisors. To encourage the employees JHC should also have employee of the month program. In this program JHC can reward employees every month for well performance at work or who are trying hard to perform well. Rewarding the weak employee too will encourage the employee to perform better to be the best.

**Required organizational change management strategies**

JHC's organizational structure is very simple. At present, the company is controlled by a single owner and has 41 employees. Naturally it is more complicated and harder for him to instruct 41 employees who work in 3 different locations. This has made communication, responsibilities and tasks arrangement highly informal. The tasks are accomplished through direct supervision but are time consuming. It has been very demanding on owner. The company’s dependence on the owner as the lead in center for all decisions has been blocking the current managers in the company from developing in career and experience as well as this is also stopping them from being capable of assuming duties. The owner gets less time to think about
matters deeply and understand situations well to build new strategies due to busy in all kinds of works within the company.

JHC has different functional areas like: crafts manufacture, arts workshop, art galleries, craft supply. In all these different places, there are no particular jobs assigned to the supervisors and workers. This has limited them from assuming what their job description demands from them and what the company's expectation are. This will be more effective if the company changes its organizational structure to a functional. A functional organizational structure is one in which the tasks, people, and technologies necessary to do the work of the business are divided into separate “functional” groups (such as marketing, operations, finance) with increasingly formal procedures for coordinating and integrating their activities to provide the business’s products and services (Pearce & Robinson, 2013). Distribution of tasks into functional areas will provide the opportunities to the employees of JHC to focus on only one aspect of the necessary work. This will also allow them to use their job related skills and will grow efficiency in JHC's production and sales.

The other change JHC should do is to have development programs for the supervisors in the different functional areas. JHC's supervisors and managers should be able to adapt structures, develop the team-mates, bring together different modern work systems, generate different ways to coordinate, and share data and news about the organization's progresses and plans.

**Key success factors, budget, and forecasted financials, including a break-even chart**

A key success factor plays important role in affecting the ability of a company to achieve success in the competitive market. It is very necessary for JHC to develop competence in arts &
crafts industry’s key success factors to remain successful. The key success factors in the arts and crafts industry to be focused include Quality, marketing, innovation, leadership and integrity. These are the factors JHC has always done great and can do much better. For any business effective communication is a key factor for effective marketing. Good communication media can help JHC to have effective marketing works as well as other operational tasks like coaching to employees, presentations about arts worldwide etc.

The other factor that JHC should be much focused is the financial forecasting. Preparing forecasts can help JHC to assess the company's plan product costs, sales, financing and budgeting needs, income and profits. Financial forecasting for JHC should also be based on monthly, quarterly and yearly like the functional strategy of the company. In this way the management can make their budget based on the projects being implemented and earning will also be assumed in the same way. To make this happen, JHC should use the concept of break-even analysis. In this way the company can identify the point at which it can start to make profit. To calculate the break-even point the management needs to know the following: the total fixed cost- rent, loan repayments etc., variable costs-employee’s salary, utilities, packaging and shipping and unit selling price of the arts and crafts.

JHC's Fixed cost for all the locations = $15,000.

JHC's Unit contribution margin = $15. This makes the company's Contribution margin ratio =0.6

Therefore, the break-even sales in units for the Products = 1000 units, the breakeven sales in dollars=$15, 0006/0.6 = $25,000.
Risk management plan, including contingency plans for identified risks

In this competitive time in market, many companies are experimenting with new ways to lower risks and improve chances for failure regardless of the new strategies they use. The idea of functional groups within the company can play a major role in trying to improve JHC’s overall business. The only risk seen for the company is that the new changes for improvements can bring conflict within the company. People resist changing because they get so much used to with the old strategies that they do not like to try the new one. Transforming from a simple organizational structure to functional can bring denial from the team member and conflict situations in the company. JHC should be ready for this situation too and should know how to handle it. Rather than informing the employees directly about the changes, JHC should have some awareness training programs about the functional structure and its benefits over the traditional simple structure. The company should train the employees about the work standard and simplicity of
work process in functional structure. Once the employees understand the convenience well then the company should announce about the changes and the reason behind the changes. After the change happens the company should also have the door open for feedback from the people about the changes. This will help JHC to implement the change as well as avoid the risk of conflict within the company.

**Conclusion**

JHC has been facing many challenges and has hurdles in growth of the company. The company should change many of its organizational structure as well as should also implement some new strategies in process. Breaking the long term objective into the short term objectives can help the company to meet its long term goals. In this way the company can succeed every year and increase its revenue.
References

Pearce, J. A. & Robinson, R. B. (2013). Strategic Management: Planning for Domestic and