



**Institute of Administrative Management
Level 4 Diploma in Administrative Management
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Case study 1

Scenario



Tartan Foods Ltd

Tartan Foods Ltd is a rapidly expanding company which specialises in Scottish foods. It is a very traditional family run business which was set up 40 years ago and has increased its turnover every year. However, over the last few years the profit has been decreasing.

Valerie Scott is the Chairperson of the company and Stefan Scott is the managing director. There are two other directors, Rachel Scott who is in charge of production and quality control and Freddy Scott who runs the administration side of the enterprise and a marketing team. Both of these directors personally recruit all staff for their areas of responsibility.

Stefan wishes to retire and in preparation for his succession Freddy is assuming some of his father's workload. Freddy is very ambitious and wants to move the company in an international direction though lacks information to conduct a market analysis.

There is sufficient capacity in the production area to cope with a reasonable increase but Freddy realises that the administration function, in its present format, is not able to cope with any more business growth.

Jane Summers has recently been appointed as administration manager and now finds that as well as being responsible for all the office and administrative functions of the enterprise she is also line manager for six administration staff and ten sales staff who report to her on a daily basis. Also, there are fortysix production workers who turn to Jane for instructions and guidance as Rachel never seems to be available to them.

A number of problems have arisen of late. In the production department there has been a higher than usual number of accidents this year. Staff tend to undertake tasks in a variety of ways with no set method and have resisted any attempts to introduce new standardised procedures.

Absenteeism is also much higher than in previous years yet management has failed to address this concern. There have been a few promotions made on seniority and not on merit and this has caused some disaffection.

Communication with staff has not been very effective. Some staff complain that information is frequently sent out by e-mail but a large number of staff do not have access to PCs and nor do they have an E-mail account. This is causing resentment.

They are also complaining about not being told what is happening within the company. Recently a minor royal opened a new extension to the factory and the staff only heard about the visit by this member of the Royal Family when they read about the forthcoming event in the local press.

Various complaints have also been received about the standard of customer service. In response the administrative staff say that they have too much to do and that their equipment is out of date and keeps breaking down.

At present all administrative staff share the tasks of word processing and use manual methods for book-keeping and accounting, payroll, invoicing and stock control. The telephone is answered by whoever is free and they each have their own preferred methods of undertaking these tasks since they lack well documented policies and procedures to guide them.

Consequently there is a high incidence of errors but staff contend they are too busy to check their work. Freddy wants to bring the company into the 21st century in terms of introducing state of the art Management Information Systems. Many of the staff who have been with the company for many years are resistant to any change, particularly in regard to Information and Communication Technology.

Another area of concern is marketing. The marketing team are held in high regard by their strong and loyal customer base within Scotland. Unfortunately they have no experience in penetrating European or international markets or in using suitable methods of data presentation on which to analyse markets. This presents a big challenge for Freddy.

Whilst Stefan is willing to see his son grow the business he is reluctant to ask the 'old hands' to change their ways although he realises that this is the way the business must be directed if it is to compete in an international marketplace.

Nowadays he and his wife Valerie are spending less and less time in the business and more time relaxing in the sunshine. Rachel is more interested in leisure than attending to her work although she is extremely competent in the more technical aspects of her role. Both she and Stefan have an equal share in the business.