



EXECUTIVE REPORT PART TWO

MN202 Organisational Design & Management



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Part one:

Introduction and business idea:

The current pandemic affected multiple retail businesses and shops, there was an increased reliance on delivery services, as the lockdown restrictions and health risks posed challenges for customers. After considering the delivery service options, we found a gap in the market for an app called Food2U, a service that offers delivery from multiple supermarkets. The delivery service market is one that benefited revenues since the pandemic hit.

With Food2U we strongly believe we can offer the most convenient delivery service for our customers. They may not be satisfied with the entire product range from a specific supermarket, an issue which we believe our application solves. We intend to begin our service in Maynooth, working in collaboration with local supermarkets. With your investment we hope to develop and spread our service range to Dublin.

Mission, operative goals, and competitive strategy:

The mission statement of our company is “the new way to shop is to let us do it. Food2U provides a fast, reliable, delivery service that is stress free and has a wide range of options for you.” This mission statement portrays how we aim to reduce hassle from our customers, as we believe the world can be busy and stressful. Our important stakeholder is our customers, our main aim is to help them. We have many stakeholders such as our staff, the government, and competitors. Another particularly important stakeholder is the manager of the supermarkets we collaborate with. If successful, we aim to expand from Maynooth to Dublin which results in convenient shopping for more. Our main competition is the supermarket’s own delivery services, but with your investment the convenience of our app will help us gain a competitive advantage.

Type of staff:

Since this is a start-up company, we need to focus on the simple structure of the configurations’ model by Mintzberg which includes top management, middle management, and technical core. Top management provides strategies, directions and organises the staff to ensure work is being carried out effectively and efficiently. Top management are responsible

for the financials of our company, ensuring we hit targeted profits. Middle management are responsible for the app, while implementing what needs to be done with guidance of top management along with setting schedules for staff and organise what comes in through our app. Technical core is those who do basic work. Firstly, the shoppers which are employees who are given the order and do the actual shopping. Secondly, the delivery drivers who collect the shopping and delivers it to customers. These roles may overlap as if there are small orders the shoppers can deliver them themselves to save time for the main delivery drivers for bigger orders.

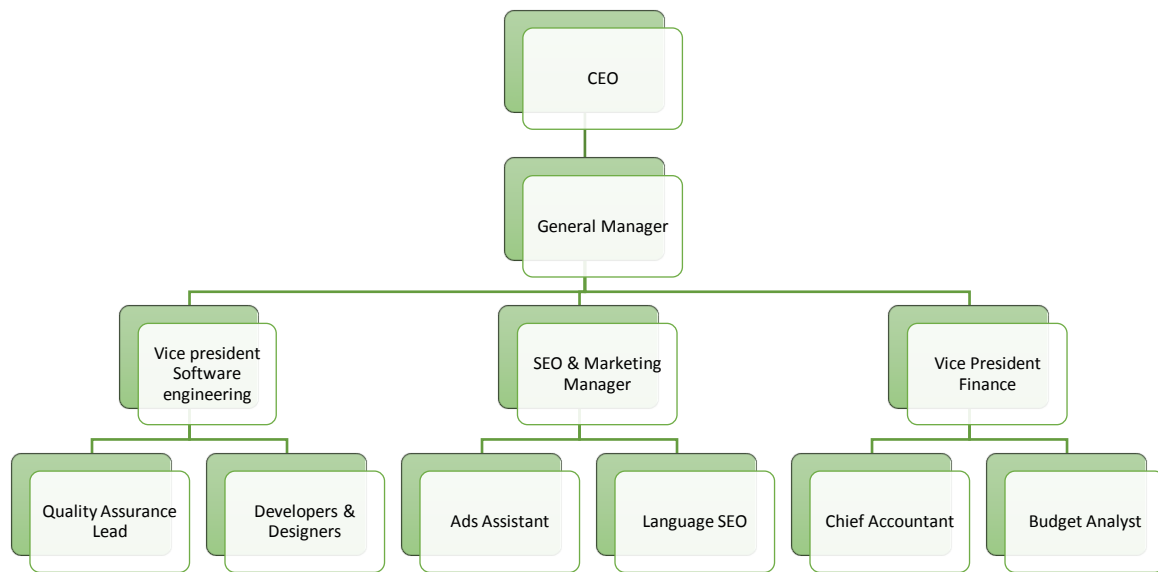
Guidelines/principles that will inspire your design:

We identified three structural dimensions for our business. Firstly, hierarchy of authority is who reports to whom and span of control for each manager. Our span of control is narrow as its important to receive messages quickly, leading to specialisation being high and hierarchy being tall.

Secondly, Specialisation is the degree to which different activities are divided up into jobs. Food2U will have high specialisation as it will lead to productivity to develop modern technologies/techniques. Lastly, centralisation is when the hierarchical level has the authority to make decisions. All decisions will be centralised at top level and operate in each unit as it will include hiring employees like software developers.

These dimensions are relevant to Food2U as it will allow our business to operate where communication is high, highly motivated staff to be productive and effective decision making after hearing from each department.

Organisational chart:



This organizational chart represents various positions in our business and who reports to whom. The managers leading each department represents formal reporting relationships, grouping individuals and design of systems to ensure communication and coordination.

With your investment, this chart will operate and ensure each department is communicating effectively. Our business decided to adopt a functional grouping as it places our employees together who perform similar functions, work processes and similar knowledge. This choice will allow our business to meet our goals and can be controlled and coordinated through the vertical hierarchy.

Additional vertical or horizontal linkages:

At Food2U, we recognise that communication through horizontal/vertical linkages are valuable and allows communication to be elevated. Both formal and informal horizontal linkages can help reduce transaction costs, create economies of scale, and contribute to efficiency and competitiveness of an industry. For example, there may need to be a horizontal link between the budget analyst and the marketing manager to evaluate how much money can be allocated to marketing. Our vertical organisation structure allows for tasks to be completed and managed efficiently and adding horizontal linkages or committees within the structure for certain tasks or projects that will benefit us in the long-term.

Technology:

At Food2U, we have aligned our structure and technology to accomplish our goals as efficiently as possible. Our core technology is delivering groceries to our customers. As a result, we have adapted a vertical structure which allows for direct, efficient communication. This is essential for our business because of the nature of our goods being delivered. For instance, if anything goes wrong with our app, the developers/designers contact the engineer who contacts the general manager.

This vertical communication means problems can be fixed fast, which is essential when dealing with perishable goods. It allows to see who is accountable and the departments within our organisation do not depend on one another, except for managers. At Food2U, we believe we have a pooled form of interdependencies. We have a divisional structure with low communication and low priority for locating units together. This is because each department can work independently to provide our service.

On review of our decision of the organisational chart we believe we have chosen the correct chart in relation to our core technology. Even though we are a start-up, Food2U requires a vertical structure and communication to meet organisational and operative goals.

Information technology:

When decision-making occurs, information reporting systems would be suitable as it provides managers with summarized reports for day-to-day decision making. It will be important for Food2U to review their reports and make sure the company is performing well in terms of reporting, targeting, who downloaded the app etc.

When it comes to control, feedback control systems should be implemented as it allows the business to set standards of measuring performance, actual performance and comparing it to the standards along with correcting or changing activities if needed. We decided to implement this as decisions need to be made effectively and allow Food2U to achieve operative goals.

Part two:

Environmental Domain:

Our brand, Food2U exists in the domain of courier services and the food industry. Some sectors that are of immense importance to us are:

Industry sector: As we realise that while there are no apps that provide the exact same service as us, there are other services worth paying close attention to such as Buymie. It is also vital that we evaluate industry size to estimate how much profit we could potentially earn from our service.

Market sector: Evaluating each segment ensures that our company does not waste resources on segments that will not be interested in our services. Staying connected with the market sector will ensure that Food2U is run as efficiently as possible.

Technology sector: We have chosen technology as its of huge importance to us as the groundwork of our business is positioned around an app. Ensuring that we keep up to date with all new developments in the technology sector will mean that our app will stay fresh and as user friendly as possible to our customers.

Environmental Uncertainty:

Environmental uncertainty occurs when there is a lack of information about the external environment. For Food2U an environmental uncertainty could be the economy collapsing which would leave to a major decline in food delivery services. There are two main dimensions of environmental uncertainty: environmental complexity and stability. As Food2U is filling a gap in the market, we would be operating in a complex yet stable environment and as a result external element need to be managed closely by our managers. However, for our managers, the information is there and is accessible and as a result uncertainty is low. Our organisational design will be changed, this means the structure of our organisation will be altered to add more positions. These positions will help us deal with the external elements more effectively and allows us to address complexity without altering the organisational structure.

Dependence on Resources:

We are dependent on the stores and supermarkets located within our region as well as the selection offered by these stores. If the stock of a certain product is low in a supermarket it will negatively affect our ability to satisfy the customer's order. To fulfil the orders placed by the customers and increase customer satisfaction we have long term contracts with our suppliers. We are also working alongside smaller grocery stores that do not have their own delivery service, this will benefit us in satisfying customer when some stores run out of an item. The stores are also working alongside Food2U to keep note of stock levels as to ensure that customer orders can always be fulfilled.

Need/Opportunity for Partnering with Potential Competitors:

Competition is good for our company so that customers keep choosing us instead of other companies because we are best in their eyes. This applies to competition of other businesses like ours that are separate to supermarkets. Supermarkets who already have delivery services would be our competition too. But by partnering up with them it would give us the opportunity to promote Food2U within stores which would get us more customers. For example, partnering up with Tesco, Supervalu, Lidl, Aldi, Marks & Spencer's, and even local town shops like Daybreak and Centra. One challenge that might arise, is that many of these shops have their own delivery services already. However, a major difference between us and our competitors is that here at Food2U we do not have a minimum order requirement. We are also the only delivery service in the business to offer delivery from multiple shops and supermarkets.

Specialists or Generalists Approach:

The characteristics of the competitive environment for us is maintaining contracts and relationships with other supermarkets, promotional methods, marketing channels and resource dependence and utilization. Food2U are adopting a specialist strategy because we offer a narrow range of products (I.e., household items from different supermarkets) to a narrow market. The niche we target is those customers who have a busy lifestyle, those with disabilities, no transportation, and the elderly. As mentioned before, Food2U is a fast and

reliable delivery service that will save time for these groups as they will not endure the hassle of going to different stores physically.

Norms in the competitive environment:

The retail industry is the sector of the economy that is comprised of individuals and companies engaged in the selling of finished products to end consumer. At Food2U our main competitors are Tesco delivery, Buymie and stores who have their own click and collect option. However, we do not see them as a threat as no other competitor provides the service that we do.

One of the key norms in the retail industry is marketing. All retailers no matter how big or small use some means of marketing. It is essential we use marketing, because as a start-up we are not well known within the industry and using this norm will help advertise and get our app's name out there. We follow this norm by advertising the service we offer within the stores we deliver from. We are also following this norm by giving one free delivery away every day for the first four months to a random customer who uses our app. This will help generate publicity for Food2U.

A second norm is collaborative relationships with the retailer. For us, this retailer is the supermarkets. Having this relationship makes it easier for us to work alongside the supermarkets we deliver from. Which is essential for us here at Food2U, not only does this improve morale of staff and increase work productivity, but it also increases customers satisfaction as everything runs smoothly. To follow this norm, we have strengthened our relationships with retailers by asking for their advice on how we could make improvements to make delivery more efficient and cost effective.

Conclusion:

Food2U is going to be a successful venture. From the pitch above, there is great reason to provide us at Food2U with financial backing. As discussed above, we have great benefits for our consumer, along with a substantial competitive advantage over our competitors. We have developed a simple app to enable consumer satisfaction for efficient, stress free grocery shopping. The beauty of our business is that our customers can virtually complete their

grocery shop within a mere five minutes of their day. We have no doubt that Food2U is going to be a major success in this newly evolving technological era. We even believe we have changed the face of household shopping. We would be grateful for the financial backing to launch Food2U as providing customers with a range of grocery stores is costly.