



The holding company of a series of retail brands left the operational side firmly in the hands of the local management of each subsidiary. However, the staff functions, such as Finance and HR, were strongly coordinated from the centre. The company made two or three acquisitions per year, and in addition its revenues grew organically at about 6% per year.

The Finance Director became increasingly concerned, despite having good compensation packages, that the company

was constantly losing professional finance people. There were about 120 such positions across the Group and about 20 left each year. He often had to resort to interim appointments, because recruitment was a long process.

Questions for discussion

You are a consultant called in to help him solve this problem. What kind of questions would you ask?



Make an initial reading of the case study to gain an overview of the situation, and then read the questions that you will need to address. Now read the case study again, making notes of issues and facts that will help you in your analysis and responses to the questions. Remember to 'read between the lines' as well as picking out the obvious points, and also to consider what is not said as well as what is presented here.

The Limassol Manufacturing Company is based in Cyprus and produces technical equipment for the wine industry. It employs 4,000 people. The structure of this

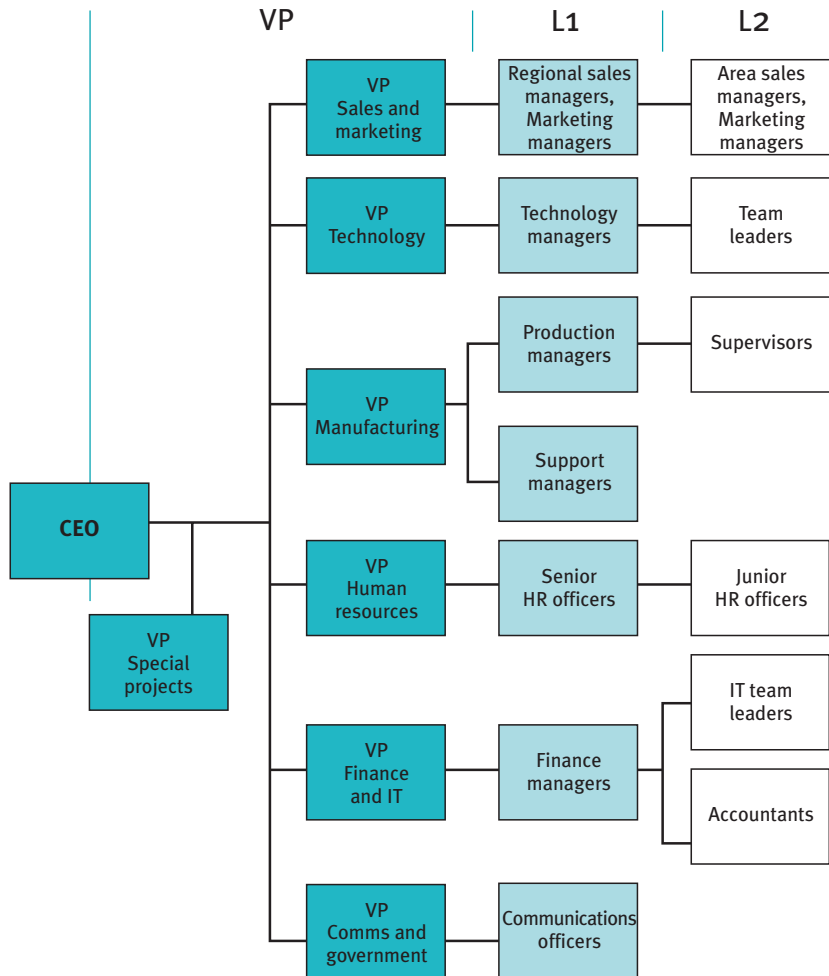
organisation is indicated by the organisational chart (see Figure 17). In addition you have got an overview of the talent pool (see Table 17).

Table 17 Talent pool: Limassol Manufacturing Company

Department and group	Level below VP	Total number	Potential A ready for move now	Potential A not yet ready for move	Potential B ready for move now	Potential B not yet ready for move	Potential C and/or D
<i>Manufacturing</i>							
Production managers	1	7	0	0	1	1	5
Senior staff roles	1	4	0	0	0	0	4
Supervisors	2	20	1	0	2	1	16
<i>Purchasing</i>							
Senior purchasing officers	1	4	0	0	1	0	3
Junior purchasing officers	2	6	0	0	0	0	6
<i>Sales and marketing</i>							
Regional sales managers	1	4	1	0	1	0	2
Area sales managers	2	12	0	0	1	1	10
Marketing managers	1	3	1	0	0	1	1
Marketing officers	2		1	0	1	0	3
<i>Finance and IT</i>							
Finance/IT managers	1	6	0	0	1	0	5
Accountants etc	2	19	2	2	2	1	3
IT team leaders	2	6	0	0	1	0	5
<i>Human resources</i>							
Senior HR managers	1	3	0	0	0	0	3
HR officers	2	7	0	0	0	0	7
<i>Comms and government</i>							
Communications officers	1	3	0	0	0	1	2
<i>Technology</i>							
Technology managers	1	4	0	0	1	0	3
Team leaders	2	8	1	0	0	1	6



Figure 17 Organisation chart: Limassol Manufacturing Company



Your task

You are the Organisation and Manpower Planning Committee reviewing the attached succession plan (see Table 18). Consider the following issues:

- 1 What actions would you take if the VP for Finances and IT resigned?
- 2 How would you prepare Mr N for the position of VP Technology?
- 3 How would you prepare Mr O for VP Purchasing?
- 4 What would you do about succession to VP Communications and Government?
- 5 What do you conclude from examining the 'talent pool'? What actions would you place on the HR Director?



Table 18 Succession plan (January 2007): Limassol Manufacturing Company

Job title	Current holder, date app'ted, age	Expd date of move	risk	P'tial	Pfinance	Planned next job and date	Emergency successors	Longer term- successors and date ready	Development required
Chief Executive	Dr A 9/01, 62	6/09	L			retire	Mr D	Mr D: 3/09 Mr I: 2013	
VP Manufacturing	Mr B 1/97, 54	now	L	D	**	early retire 2009	Mr C	Mr C Mr O: 2010	
VP Purchasing	Mr C 5/02, 46	now	M	C	****	VP Mfg 2009	Mr O		
VP Finance and IT	Mr D 3/02, 48	now	H	B	***	CEO 2009	None	Ms L: 2009 Mr I: 2009	customer involvement
VP Sales and marketing	Mr E 1/00, 51	now	M	B	***		Mr J	Mr K: 2009	
VP Human resources	Ms F 8/04, 43	Q4 07	M	D	***		None	Ms M: 2008 Ms Q: 2011	
VP Comms and government	Ms G 3/05 45	09	M	C	**		None	None	
VP Technology	Dr H 1/97, 61	now	L	D	**	retire 2010	None	Mr N	
VP Special projects	Mr I 6/05, 38	07	H	B	****	VP Finance 3/09	None needed		
Level 1 below VP: Potential A and B									
Regional sales manager	Mr J 3/01, 42	now	H	A	****	VP Sales and marketing	from pool	from pool	involvement with gov'tment sales
Regional sales manager	Mr K 2/99, 48	now	L	B	***	marketing role, 2008	from pool	from pool	needs marketing experience
Management accounting manager	Ms L 4/04, 41	now	M	B	***	IT manager, 2007	from pool	from pool	wider experience of finance/IT
Factory HR manager	Ms M 6/05, 36	08	H	B	***	Managemt developmnt mgr, 1/08	None	None	involvement in HR strategy
Product marketing manager	Mr N 4/03, 45	now	M	A	****		from pool	from pool	
Production manager	Mr O 4/02, 47	now	L	B	***		from pool	from pool	more people mgt exper'nce staff role in Manufac'ing
Production manager	Mr P 5/04, 39	Q3 07	M	B	***	Senior staff, Mfg	from pool	from pool	appropriate courses
R&D manager, Tech dept	Mr R 4/99, 47	now	L	B	***	?	from pool	from pool	
Press relations officer	Ms Q 3/06, 27	6/07	M	B	****	Job in HR, 2008	Recruit	Recruit	HR generalist position

Notes Risk: H high M medium L low

Potential (P'tial): A high potential; fast mover B some potential; move one level C lateral move D in the right job