Exam

Ieon Knight

a) Supernatant

0	- (200,000)
1	- 180,000
2	- 140,000
3	- 80,000
4	- 20,000
5	+ 40,000

Yr 5: 60,000 / 12 months = 5,000 per month

20,000 / 5,000 = 4 months

Payback = 4 years 4 months

Fuge 41

0	- 200,000
1	- 120,000
2	- 60,000
3	0
4	
5	

Payback = 3 years

Centre 4

0	- 200,000
1	- 140,000
2	- 80,000
3	- 20,000
4	+ 40,000
5	

Yr 4: 60,000/12 months = 5,000 per mo

20,000 / 5,000 = 4 months

Payback = 3 years 4 months

leon Knight

b) Supernatant

Yr	DF	Amount	Present value
0	1	(200,000)	(200,000)
1	0.9091	20,000	18,182
2	0.8264	40,000	33,056
3	0.7513	60,000	45,078
4	0.6830	60,000	40,980
5	0.6210	60,000	37,260
		Total cash flow	174,556

NPV = 174,556 - 200,000 = -£25,444

Fuge 41

Yr	DF	Amount	Present value
0	1	(200,000)	(200,000)
1	0.9091	80,000	72,728
2	0.8264	60,000	49,584
3	0.7513	60,000	45,078
4	0.6830	40,000	27,320
5	0.6210	40,000	24,840
		Total cash flow	219,550

NPV = 219,550 - 200,000 = £19,550

Centre 4

Yr	DF	Amount	Present value
0	1	(200,000)	(200,000)
1	0.9091	60,000	54,546
2	0.8264	60,000	49,584
3	0.7513	60,000	45,078
4	0.6830	60,000	40,980
5	0.6210	60,000	37,260
		Total cash flow	227,448

NPV = 227,448 - 200,000 = £27,448

C. Fuge 41 had the quickest returns of only 3 years. Centre 4 has the greatest final net present value of gain of £27,448.
Centre 4 only took a few months longer to reach its payback compared to Fuge 41. for this reason, I have chosen Centre 4 as the best option.

D. Two factors that should be considered in the decision making progress:

- Motives

  A company's motives is a major player when it comes to decision making. These are the companies goals and asperations. A company's goal is to grow in size in all categories: financially, influence and development. The investmen of any decision must benefit and help the company to further reach their goals and motives.

- External factors

  Such factors can involve external competition, politic climate and general world affairs to name a few. Competition can force a company to make decisions to keep the company from falling behind (such as technology advancements). Yearly inflation can cause a company to make decisions on how a company may generally run.

Leon Knight

Q2 Why is change needed?

When looking to change anything in a business, there are multiple factors that can spark this change.

- Inefficiency

  The current system can be outdated and usually involves a lot of manual organisation. Moving into a digital variation can make the organisation, access and addition of data an easier and faster task. This could save time and money for the business. A digital variation can also prevent losses in data, as well as aid in reducing mistakes.

- Staffing levels

  As a business grows in size, so does the workforce. Being able to manage larger quantities of data being added frequently is a must and manual methods would not be able to cope with such a workflow.

- Costs of raw materials

  Paper, ink and other such materials required for producing and storing data gradually increase in price. This cost over time will begin to eat into a business' capital.

- Technology changes

  As time passes, technology is evolving at unprecidented levels. Competition will also look to gain from faster and more powerful systems to give them the competitive edge. Keeping on top of these changes will help prevent a business from falling behind.

Leon Knight

Q2 What issues should be considered?

To ensure that the intergration of any change in a business goes smoothly, you should consider the following factors:

- Resistance to change
  Many people don't like change. With many of the workforce having experienced 25 years with the company, many will believe that change is not needed or wanted. These people would likely pose the biggest obstacle for the change.

- Provide enough communication with staff
  You should ensure staff are notified about the change ahead of time. This would give staff the chance to process and understand the change, as well as time to learn the new process/software. People do not like surprises, so giving them time to come to terms with the change will result in less knock-back from staff.

- Be honest
  Honesty is the best policy!. Ensure the staff knows why the changes are being made, also let them know all the changes that are happening. Trust is something invaluable and can be difficult to regain once lost.

- Provide enough training
  Allow staff a chance to get to grips with the new software. Training can help to boost confidence within the workforce as well as help prevent future mistakes on the software.

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Q3 looking at existing leadership theories, this can give insight in possible ways to manage the project.

- Herzberg's Two-factor theory

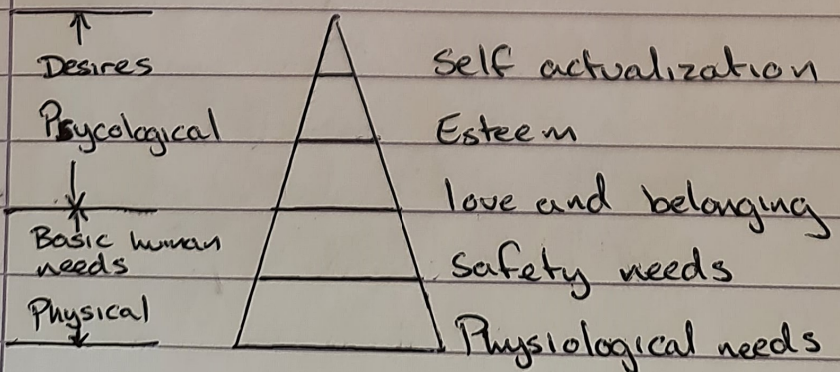
This theory states that job satisfaction can be gained through the two factors: Motivators and Hygene factors.

Hygene factors include factors that are there for a person's health and safety where motivation factors improve a person's satisfaction. The theory shows that as you improve motivation factors, satisfactio increases where as the improvement of hygine factors have an adverse reaction.

This theory shows that a balance of these needs is required to maintain the satisfaction of the technicians whilst also being able to implement the necessary factors to manage the project.

- Maslow's Heirachy of needs

This theory put the five main needs of a person into a pyramid chart.



This theory states that the high level needs influence future human behaviour more so than lower level needs. The desires are what motivate individuals and promote work satisfaction. The basic human needs are the necessities are material objects individuals need for meeting basic living conditions.

The benefit of this theory is that it can give an individual the motivation to strive for the higher levels. On the other hand, the theory cannot explain why individuals may ignore or abandon the ~~need to~~ lesser needs when trying to attain the higher ones.

This theory can show what desires the technicians will be aiming for. This can give an idea to what needs should be balanced along with enough incentive from the desires, reaching a middle ground to where everyone is satisfied.

Leon Knight

Q3. When looking at the proposed changes for the training of all technicians, there are a couple of factors to be aware of:

- All technicians will need to be given extra time for re-training.
  Each technician will need to learn three new areas which require new knowledge, thus a lot of training. They will also need to learn this off the existing technicians who run each area during a shift period that they do not currently work to ensure an area is not a technician down. This will take a lot of time to complete the training for all technicians.

- Fear of loosing specialist skills.
  The term "Jack of all trades, master of none" comes to mind. With each technician learning multiple areas, they will begin to loose their [redacted] proficiency in their original area.

- Operators nervous about change
  The operators have expressed their concern for this change as it may affect their bonuses. The fact that they may be training during their shift instead of being their usual productive selves may have knock on affect with their productivity bonus. Also, since they are now working in new areas that they are not used to, their productivity levels may not reflect their true work.

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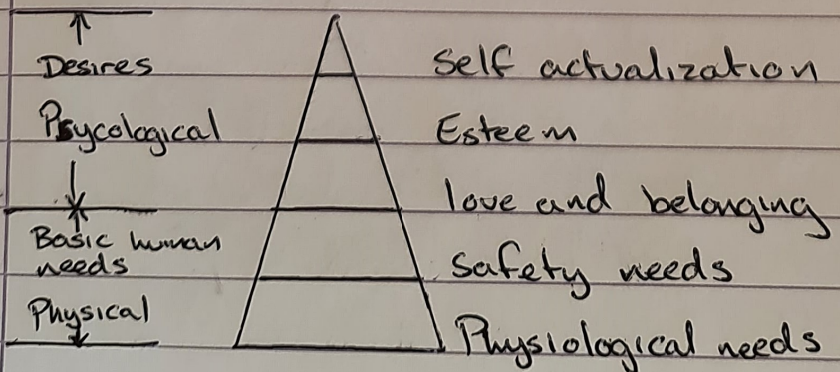
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