

MARKING CRITERIA AND STUDENT FEEDBACK

This section details the assessment criteria. The extent to which these are demonstrated by you determines your mark. The marks available for each criterion are shown. Lecturers will use the space provided to comment on the achievement of the task(s), including those areas in which you have performed well and areas that would benefit from development/improvement.

Common Assessment Criteria Applied	Marks available	Marks awarded
1. Research-informed Literature Extent of research and/or own reading, selection of credible sources, application of appropriate referencing conventions.		
Background reading and use of notes, clearly evident, but no interpretation of concepts in any detail. no conventional referencing used.	30	12 12
2. Knowledge and Understanding of Subject Extent of knowledge and understanding of concepts and underlying principles associated with the discipline.		
Quite a good understanding of the theory, but little depth or breadth evident and no real elaboration of basic concepts.	25	12 12
3. Analysis Analysis, evaluation and synthesis; logic, argument and judgement; analytical reflection; organisation of ideas and evidence		
You have discussed some interesting theory, but have not expanded on it and related it specifically to the scenario.	15	7 7
4. Practical Application and Deployment Deployment of methods, materials, tools and techniques; application of concepts; formulation of innovative and creative solutions to solve problems.		
You have demonstrated a basic appreciation for the theories, but have not provided enough	15	8 8
5. Skills for Professional Practice Attributes in professional practice: individual and collaborative working; deployment of appropriate media; presentation and organisation.		
A very confident presentation, with some interesting facts covered,	15	11 11

Assignment Mark Overall (Assessment marks are subject to ratification at the Exam Board. These comments and marks are to give feedback on module work and are for guidance only until they are confirmed.)

Late Submission Penalties (tick if appropriate)

Up to one-week late

Over one week late

50

100

%

50
100
%



HNC/D MECHANICAL AND ELECTRICAL ENGINEERING ASSIGNMENT SPECIFICATION

Student name:	Jordan Thomas	Student P number:	
Programme:	HNC/D Mechanical and Electrical/Electrical Engineering		
Module:	Management, Innovation and Sustainability	Module Level (4, 5, 6):	5
Module code:	M5X01176	Contribution to Overall Module Assessment (%):	50%
Lecturer:	Timothy Clark / Coral Planas	Internal Verifier:	Rabya Kadhim
Assignment Title:	Management, Innovation and Sustainability	Assignment No (x of x):	1 of 1
Hand Out Date:	9 th November 2017	Submission deadline:	18 th April 2018

Referencing:	In the main body of your submission you must give credit to authors on whose research your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have read or quoted in order to complete this assignment (e.g. for books: surname of author and initials, year of publication, <u>title of book</u> , edition, publisher: place of publication).			
Disclosure:	I declare that this assignment is all my own work and that I have acknowledged all materials used from the published or unpublished works of other people. All references have been duly cited.			
Student's Signature:	Assignments will not be accepted without a signature here 	Date:	18.4.18	
Turnitin: Lecturer to tick to indicate if an electronic version of the assignment must be submitted to Turnitin. Note: the Turnitin version is the primary submission and acts as a receipt for the student. Both electronic and paper versions MUST be submitted by the same deadline. No marks will be released until both submissions are received. Late submission of either the electronic or paper version will result in a late penalty mark. Penalties for late submission: Up to one week late, maximum mark of 40%. Over one week late, Refer. Only Year Tutors and the Programme Director may grant an extension.			YES	/
			NO	

Learning Outcomes tested (from module syllabus)	Assessment Criteria To achieve each outcome a student must demonstrate the ability to:
Show detailed knowledge and understanding of the relationship between an engineering organisation and the industrial, socio-economic and environmental context in which it is found.	1. Research 2. Evaluate 3. Analyse 4. Reference 5. Layout the Report 6. Structure the Report 7. Create and deliver a PowerPoint presentation
Demonstrate subject specific skills and cognitive skills in recognising and evaluating accounting methods, planning, costing and monitoring projects, workforce motivation and team dynamics.	
Demonstrate key transferable skills in management, leadership and decision making.	

- Please submit the assignment parts in a suitable report folder or stapled– **NOT IN POLYPOCKETS**
- This form (ALL PAGES) MUST be at the front of the paper submission. Assignments will not be accepted without this form as it is a requirement that you sign the disclosure regarding referencing convention.
- DO NOT put this form into Turnitin or it will match many similarities with other students' submissions.

TASK DESCRIPTION

Introduction

This module introduces the student to the social and commercial context of the engineering industry in terms of business environments including:

- Management organisation and administration
- Regulation
- Legislation.

Assignment Scenario

You have been working as a Mechanical Engineering Technician or Electrical Engineering Technician for a small to medium sized engineering company manufacturing parts for the aircraft industry. Your duties include:

- i. CNC machine setting for manufacturing production and systems maintenance and/or
- ii. Electrical systems installation and maintenance.

In recent years the company has seen a steady decline in turnover and profit, mainly resulting from increased competition from within the UK and overseas along with a lack of investment in technologically advanced systems and machinery.

The company has advertised the position of 'Engineering Project Manager' with a good salary, private health insurance and a final salary pension. The position is being advertised internally and externally.

Applicants are required to:

- a. Deliver a 15 minute PowerPoint presentation outlining the key factors that influence organisational success and to balance them against the key factors that could potentially lead to organisational failure and,
- b. Write a structured report (minimum 3000 words) encompassing the factors outlined in part (a) above detailing how those factors can be utilised to address the following issues:
 - Falling Sales
 - Limited European and International customer base
 - 10% reduction in production targets on previous year
 - 5% increase in product rejection rates
 - Escalating maintenance costs
 - Unusually high turnover of staff
 - 3 '7 day' + lost time accidents

Your research should result in a professional report and PowerPoint presentation, the report and the presentation can then be delivered and submitted as required as part of the job application process.

Your report should include;

- A title page
- Table of contents
- Introduction
- Objectives
- Theory / Research
- Methodology
- Results
- Analysis
- Discussion / Evaluation
- Conclusion
- References

Word count: The recommended word count is 3000 words.

GUIDANCE FOR STUDENTS IN THE COMPLETION OF TASKS

You will need to consider:

- **Business Organisations And The Environment:** types of business organisations; analysis of the organisation and its external environment; the engineering industry in the UK and global economy.
- **Regulation and Legislation:** product liability and contractual obligations, data protection legislation, protection of intellectual property.
- **Business Ethics:** Corporate social responsibility, the engineer's responsibility to society.
- **Management and Group Behaviour:** management and leadership styles; management roles; management decision making and problem solving; management of change; motivation; quality management; group behaviour and dynamics; individual behaviour; personality and perception.
- **Marketing:** the marketing mix; sponsorship funding models; developing a business plan for a Small Business Unit.
- **Project Management:** Project planning techniques, project monitoring, managing risk.
- **Brexit:** Comment on the potential effects (positive or negative) this will have on the economy in general and more significantly the company in which you are employed.

The report must be structured to include a contents page and a page of references which record all sources of information used in the report adhering to the 'Harvard' referencing system.

Any quotations or citations within the report must also be referenced using the correct method as detailed in the 'Harvard' referencing system.

MARKING CRITERIA AND STUDENT FEEDBACK

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4. Practical Application and Deployment Deployment of methods, materials, tools and techniques; application of concepts; formulation of innovative and creative solutions to solve problems.		
	15	
5. Skills for Professional Practice Attributes in professional practice: individual and collaborative working; deployment of appropriate media; presentation and organisation.		
	15	

Assignment Mark Overall (Assessment marks are subject to ratification at the Exam Board. These comments and marks are to give feedback on module work and are for guidance only until they are confirmed.)	Late Submission Penalties (tick if appropriate)		%
	Up to one-week late		
	Over one week late		

COMMON ASSESSMENT AND MARKING CRITERIA

Assessment Criteria	OUTRIGHT FAIL	UNSATISFACTORY	SATISFACTORY	GOOD	VERY GOOD	EXCELLENT	EXCEPTIONAL
	0-29%	30-39%*	40-49%	50-59%	60-69%	70-79%	80-100%
1. Research-informed Literature Extent of research and/or own reading, selection of credible sources, application of appropriate referencing conventions	Little or no evidence of reading. Views and findings unsupported and non-authoritative. Referencing conventions largely ignored.	Poor evidence of reading and/or of reliance on inappropriate sources, and/or indiscriminate use of sources. Referencing conventions used inconsistently.	References to a limited range of mostly relevant sources. Some omissions and minor errors. Referencing conventions evident though not always applied consistently.	Inclusion of a range of research-informed literature, including sources retrieved independently. Referencing conventions mostly consistently applied.	Inclusion of a wide range of research-informed literature, including sources retrieved independently. Selection of relevant and credible sources. Very good use of referencing conventions, consistently applied.	A comprehensive range of research-informed literature embedded in the work. Excellent selection of relevant and credible sources. High-level referencing skills, consistently applied.	Outstanding knowledge of research-informed literature embedded in the work. Outstanding selection of relevant and credible sources. High-level referencing skills consistently and professionally applied.
2. Knowledge and Understanding of Subject Extent of knowledge and understanding of concepts and underlying principles associated with the discipline.	Major gaps in knowledge and understanding of material at this level. Substantial inaccuracies.	Gaps in knowledge, with only superficial understanding. Some significant inaccuracies.	Evidence of basic knowledge and understanding of the relevant concepts and underlying principles.	Knowledge is accurate with a good understanding of the field of study.	Knowledge is extensive. Exhibits understanding of the breadth and depth of established views.	Excellent knowledge and understanding of the main concepts and key theories. Clear awareness of challenges to established views and the limitations of the knowledge base.	Highly detailed knowledge and understanding of the main theories/concepts, and a critical awareness of the ambiguities and limitations of knowledge.
3. Analysis Analysis, evaluation and synthesis; logic, argument and judgement; analytical reflection; organisation of ideas and evidence	Unsubstantiated generalisations, made without use of any credible evidence. Lack of logic, leading to unsupported/missing conclusions. Lack of any attempt to analyse, synthesise or evaluate.	Some evidence of analytical intellectual skills, but for the most part descriptive. Ideas/findings sometimes illogical and contradictory. Generalised statements made with scant evidence. Conclusions lack relevance.	Evidence of some logical, analytical thinking and some attempts to synthesise, albeit with some weaknesses. Some evidence to support findings/ views, but evidence not consistently interpreted. Some relevant conclusions and recommendations, where relevant	Evidence of some logical, analytical thinking and synthesis. Can analyse new and/or abstract data and situations without guidance. An emerging awareness of different stances and ability to use evidence to support the argument. Valid conclusions and recommendations, where relevant	Sound, logical, analytical thinking; synthesis and evaluation. Ability to devise and sustain persuasive arguments, and to review the reliability, validity & significance of evidence. Ability to communicate ideas and evidence accurately and convincingly. Sound, convincing conclusions / recommendations.	Thoroughly logical work, supported by evaluated evidence. High quality analysis, developed independently or through effective collaboration. Ability to investigate contradictory information and identify reasons for contradictions. Strong, persuasive, conclusions, justifiable recommendations.	Exceptional work; judiciously selected and evaluated evidence. Very high quality analysis, developed independently or through effective collaboration. Ability to investigate contradictory information and identify reasons for contradictions. Highly persuasive conclusions
4. Practical Application and Deployment Effective deployment of appropriate methods, materials, tools and techniques; extent of skill demonstrated in the application of concepts to a variety of processes and/or contexts; formulation of innovative and creative solutions to solve problems.	Limited or no use of methods, materials, tools and/or techniques. Little or no appreciation of the context of the application.	Rudimentary application of methods, materials, tools and/or techniques but without consideration and competence. Flawed appreciation of the context of the application.	An adequate awareness and mostly appropriate application of well established methods, materials, tools and/or techniques. Basic appreciation of the context of the application.	A good and appropriate application of standard methods, materials, tools and/or techniques. Good appreciation of the context of the application, with some use of examples, where relevant.	A very good application of a range of methods, materials, tools and/or techniques. Very good consideration of the context of the application, with perceptive use of examples, where relevant. Evidence of some innovation and creativity.	An advanced application of a range of methods, materials, tools and/or techniques. The context of the application is well considered, with extensive use of relevant examples. Application and deployment extend beyond established conventions. Innovation and creativity evident throughout.	Outstanding levels of application and deployment skills. Assimilation and development of cutting edge processes and techniques.
5. Skills for Professional Practice Demonstrates attributes expected in professional practice including: individual initiative and collaborative working; deployment of appropriate media to communicate (including written and oral); clarity and effectiveness in presentation and organisation.	Communication media is inappropriate or misapplied. Little or no evidence of autonomy in the completion of tasks. Work is poorly structured and/or largely incoherent.	Media is poorly designed and/or not suitable for the audience. Poor independent or collaborative initiative. Work lacks structure, organisation, and/or coherence	Can communicate in a suitable format but with some room for improvement. Can work as part of a team, but with limited involvement in group activities. Work lacks coherence in places and could be better structured.	Can communicate effectively in a suitable format, but may have minor errors. Can work effectively as part of a team, with clear contribution to group activities. Mostly coherent work and is in a suitable structure.	Can communicate well, confidently and consistently in a suitable format. Can work very well as part of a team, with very good contribution to group activities. Work is coherent and fluent and is well structured and organised.	Can communicate professionally and, confidently in a suitable format. Can work professionally within a team, showing leadership skills as appropriate, managing conflict and meeting obligations. Work is coherent, very fluent and is presented professionally.	Can communicate with an exceptionally high level of professionalism. Can work exceptionally well and professionally within a team, showing advanced leadership skills. Work is exceptionally coherent, very fluent and is presented professionally.

Student Self Evaluation Form

Student name:		Student P number:	
Programme:		Year of programme	
Assignment Title:			

This section repeats in brief the common assessment criteria detailed on previous pages. The *extent* to which these are demonstrated by you determines your mark. Using these criteria, tick the box that best indicates the level of achievement you feel you have achieved with regard to each of them.

Common Assessment Criteria Applied	Level of Achievement						
	REFER		3 rd	2:2	2:1	1 st	1 st
	OUTRIGHT FAIL	UNSATISFACTORY	SATISFACTORY	GOOD	VERY GOOD	EXCELLENT	EXCEPTIONAL
1. Research-informed Literature	0-29%	30-39%	40-49%	50-59%	60-69%	70-79%	80-100%
	☐	☐	☐	☐	☐	☐	☐
2. Knowledge and Understanding of Subject	0-29%	30-39%	40-49%	50-59%	60-69%	70-79%	80-100%
	☐	☐	☐	☐	☐	☐	☐
3. Analysis	0-29%	30-39%	40-49%	50-59%	60-69%	70-79%	80-100%
	☐	☐	☐	☐	☐	☐	☐
4. Practical Application and Deployment	0-29%	30-39%	40-49%	50-59%	60-69%	70-79%	80-100%
	☐	☐	☐	☐	☐	☐	☐
5. Skills for Professional Practice	0-29%	30-39%	40-49%	50-59%	60-69%	70-79%	80-100%
	☐	☐	☐	☐	☐	☐	☐

PLEASE COMMENT ON AREAS IN WHICH YOU FEEL THAT YOU HAVE PERFORMED WELL	PLEASE COMMENT ON AREAS YOU FEEL THAT YOU NEED TO DEVELOP

Student's Name		Date	
Student's Signature			

HND

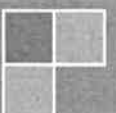
Management, Innovation & Sustainability

Assignment 1: Timothy Clark & Coral Planas

THO10043184

Jordan Thomas

HND



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- Summary -

My name is Jordan Thomas and I currently work as an Electrical Engineering Technician for Fly Safe. Fly Safe is a small to medium sized engineering company that manufactures parts for the aircraft industry. During my 10 years of service I have noticed some key issues which I believe have seriously contributed to the company's steady decline in turnover and profit. This report will look into the key factors that influence organisational success, the key factors that influence organisational failure, the relationship between the two and how these key factors can be used to address the relevant issues within the company.

SWOT Analysis

Whilst working within the company, there has been many issues which have highlighted themselves as key factors for the decline in turnover and profit. The global economy can also have an impact, either positive or negative. Below is a SWOT analysis of the company in its current situation.

<u>Strengths</u>	<u>Weaknesses</u>
Existing customers	Limited European and international customer base.
Skilled and experienced work force.	Decline in turnover.
History of higher production rates.	Decline in Profit.
Ability to offer a good personal package to employees.	Decline in production.
	High sickness rates.
	High staff turnover rates.
	High product rejection rates.
	Lack of investment.
	Ageing machinery.
	Lost customers.
	Staff morale.
	Productivity of staff.
	Lack of innovation.
	Struggle to get new investment
<u>Opportunities</u>	<u>Threats</u>
Potential new markets/customers after Brexit.	Falling sales.
Investment could improve production &	Uncertainty over Brexit.

profit.	
Improved marketing team could find new European and international customer base.	3 '7 day' + lost time accidents.
New ideas from project manager.	Increased competition.
New leadership style.	Reputation of company.

Although there are lots of weaknesses and threats to the company there are still opportunities for the company to improve itself. Many of the weaknesses and threats are interlinked and can be rectified through a series of improvements which include looking at management styles, motivation of staff, continuous staff training, marketing and investment.

Lack of investment

It is well known that there has been a lack of investment within the company. There is also a common opinion amongst staff that the lack of investment is having a hugely negative impact on the company. The lack of investment and continued use of poor equipment will have many knock-on effects. Poor equipment will affect the motivation of the staff which will result in lower production rates and an increase in sickness rates.

There are 2 different types of investment.

1. The need for investment to replace faulty or worn out machinery, buildings or any other equipment. This is a continuous investment required at any given time depending on the age and condition of company assets. Older assets will require more of this type of investment.

2. The second is investment that will be used to purchase new machinery, buildings or any other equipment. The aim of this type of investment is to increase production rates and / or start producing a new product. This could then reduce long term costs, increase the competitiveness of the company and therefore raise profits.

Both of these are important to prevent a decline in turnover and profit. The company needs to act in order to stop the decline. This then leaves the decision whether to lease, rent or buy any new equipment.

Lease - Leasing involves a contract where the company can make monthly payments but do not own the equipment until an optional larger final payment is made. This can be particularly useful when looking to invest in order to increase turnover and profit to the previous levels but do not have the funds available upfront. Other advantages include:

- Less initial expense.
- Tax deductible - Business expenses on tax return.
- Flexible terms that can be tailored to suite company requirements.
- Easier to upgrade machinery or equipment.

Disadvantages include:

- End up paying more for the equipment than the outright price.
- No ownership until the end if payment is made.
- Will show as a debt which can effect a company valuation. (Sources of finance)

Rent – Rental is a good option for tools or equipment that are only required for a short period of time. There are no large upfront fees or lengthy contracts which allow great flexibility but it is important to calculate the overall cost for the year against the cost of leasing or buying.

Advantages include:

- No fixed contract
- No large upfront fees
- No maintenance/repair fees
- No depreciation
- Only pay when equipment is required

Disadvantages include:

- Extremely expensive if required over a long period
- Don't build up equity or have anything to sell at the end
- Availability of equipment needed could be a problem. (Quickbooks.intuit)

A lot of theory included but no referencing included.

Buy – Buying is the most cost effective way of obtaining any new tools or equipment. If there is cash available up front then this is the best option when investing. It will give the company freedom and increase any potential profit. (Buying Equipment Outright) ?

Advantages include:

- Ownership of equipment allows you to do what you want with it or make any modifications
- Maintenance is the owners responsibility so repairs can be made immediately
- Government/Tax incentives when purchasing new equipment
- Can sell equipment to recover costs or to go towards further investment in the future. ✓

Disadvantages include:

- Higher initial expense
- Depreciation of equipment
- Responsible for any large unseen maintenance costs

- Escalating Maintenance Costs -

Escalating maintenance costs are another issue and are largely a result of a lack of investment. The company may think it is 'saving' money by not spending on investment, but the costs caused from not investing can easily be the same. New investment would have the biggest affect on maintenance costs, but there are also other improvements the company can make. like what?

'Statistics show that the cost of a typical repair is 5 to 15 times greater than the cost of the (proactive maintenance) effort that would have prevented the failure from occurring.'
(Dabbs, 2004) ✓ good.

For this reason it is important the company makes a maintenance plan to insure potential faults are fixed before failing. Also planned maintenance can take place during down time which will prevent a loss in production when the maintenance takes places. ✓

Effective maintenance planning will allow the workforce for to learn about the equipment and when certain parts are likely to need replacing. All these points will help reduce maintenance costs and improve the profit margin.

5% Increase in Rejection Rates

An increase in rejection rates shows that the quality of the product is failing to meet the customer requirements. This can either be the fault of the machinery or the workforce. There are escalating maintenance costs and a lack of investment in new machinery which will have an effect on the quality of the product. This is another factor when to consider when the company is discussing whether to invest or not.

The other reason could be the workforce. There is an unusually high turnover of staff which can affect the quality of the product. It takes time to be trained or learn the job role and a high turnover of staff will prevent this from happening whilst also affecting the amount of experience within the workforce. It is important to find the cause of the high turnover of staff in order to prevent it in the future. The main cause is often staff motivation and how they feel they are treated.

A study has shown that the top 5 reasons for high staff turnover are:

- Rude behaviour
- Work-life imbalance
- The job did not meet expectations
- Employee misalignment
- Feeling under valued (Smith)

So could a change in leadership style encourage staff to remain at company? Motivation?

The rejected items will cut into the profit of the company because the wasted cost of labour, materials and energy. Not only this but If the quality is not improved quickly it will have a bad effect on customer relations. If the rejection rates remain the same for a longer period of time then customers are likely to cancel contracts and look for other suppliers. This will then further reduce the turnover of the company and damage the reputation. This

will cause a downward spiral that could be hard to get out of. It is important the company acts soon before customers are lost.

Quality control is an area that can improve and will hopefully reduce the amount of products rejected.

Statistical process control (SPC) is one method of quality control that is widely used. This method uses statistical data to monitor and control a process. The inspections can take place at various stages and any items that do not meet the specification will be identified and taken out of the production line. This method helps prevent waste as it can identify any defects early on. This is a method of early detection and prevention instead of correction after an issue has occurred. (Quality control in manufacturing) ? ✓

A persistent quality of products will earn a brand loyalty which is a key ingredient to success.

3'7 day' + Lost Time Accidents

Sick pay can have a big effect on the company's profit and production rates. Whilst the employee has been off the company has been short staffed and still required to pay the wages. This can sometimes result in the company paying overtime rates or getting contract workers in which increases costs and reduces the profit margins. Some roles can't easily be replaced which would result in a decline in production rates. This could cause bad relations which customers if orders are missed and/or reduce turnover. It is known that competition has increased and sales have fallen so this could be one reason why customers have looked elsewhere. (The Impact of Absenteeism) ? ✓

Lost time accidents are accidents that occur in the workplace and result in the injured person having 1 or more days off. These accidents must be reported as part of the HSE guidelines. (What is considered a lost time accident) ?

There has been 3 occasions where an employee has been off for 7 or more days. This suggests there is a safety issue within the company. This links with a lack of investment as some of the older equipment within the company is likely to be more dangerous. There are escalating maintenance costs which the company is struggling to meet and this is having a

the

knock on effect on safety. The company needs to act quickly before an employee is seriously hurt and/or the company is faced with more costs from lost time accidents.

Health and safety improvements need to be made within the company in order to prevent further accidents happening and costs. A risk assessment should be carried out on all machinery and processes with the results visible in the working area and any high scoring areas should be acted on immediately. It is also important that the work force report all accidents and a near miss in the accident report book in order to prevent the same accident happening again.

All companies are scored on their Health and Safety within the work place and are placed in a band. Contracts can be lost if the company drops into a lower band therefore having a knock on effect on sales, turnover and profit.

Limited European and International Customer Base

With a steady decline in turnover and an increase in competition it is important the company looks at improving its customer base. The Marketing strategy is one area that needs to be looked at in order to improve the customer base.

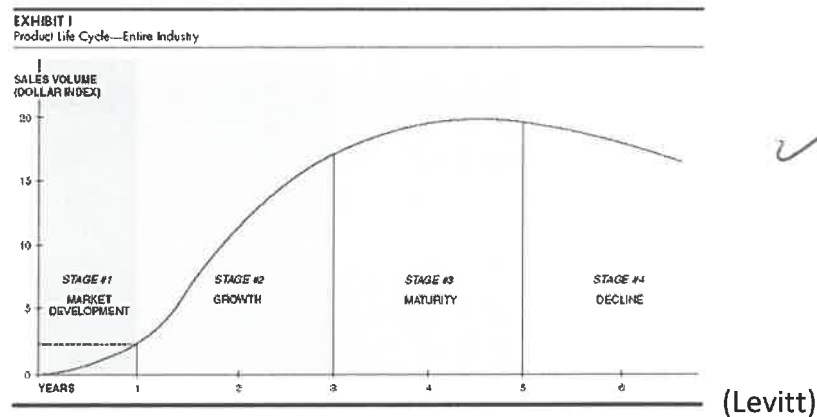
The company needs to understand the product lifecycle in order to understand the challenges ahead and to understand where the product is. The life cycle of a product is the steps/stages a product goes through from first thoughts until it is taken from the market.

The main stages are:

1. Introduction: This is the first stage of the life cycle which involves research, development and introducing the product to the market
2. Growth: At this stage the products grasp on the market will begin to grow and sales will increase at their fastest rate.
3. Maturity: At this stage sales will be at their highest and the product will be well established within the market. It will be the most competitive time for the product and growth will slow. It is now where the company must invest wisely in all marketing and product improvements in order to prolong the next stage.

4. Decline: This is the final stage that eventually all products will come to. The market will shrink and sales will begin to fall. It is not the end for the product but the company needs to adapt for the product to prevent its decline.

(Product life cycle stages.)



The company is currently in the decline stage so marketing strategies and understanding the product will be very important.

So what mix would you suggest?
The Marketing mix, or 4 P's is a marketing tool that is widely used by marketing companies in order to understand what a product or service would be able to offer when put on the market and to make sure it is the right product in the right place.



(CleverISM)

Product: The product will either be a service or in this case an item. It is important to understand the product life cycle and plan for the various challenges that might be faced at the different stages. It is also important to understand the benefits, features and unique selling point of the product. Finally it is important to identify the buyers of the product and understand their needs.

Price: The price of the product is the amount the customer is expected to pay for the product. The product should be priced appropriately to what the perceived value of the product is to the customer rather than the physical cost of the product. For this reason it is extremely important to understand how the customer sees the product. If there is positive customer feedback on the value then the product can be priced higher than its physical value. However if the product has little value to the customer then it may need to be under-priced in order to successfully sell. Rivals pricing can also have an impact on sales. There needs to be research into similar products to make sure that the product is not largely over or under-priced compared to rivals. ✓

Promotion: Promotion is a way of communicating with the target market. It is important to understand the market and engage it with eye catching advertising, special offers and sales promotions. These techniques need to be relevant to the product and the market in order to be most effective. ✓

Place: It is important that the product is in the right place for potential clients to engage with it. The different locations need to be evaluated with the target market in mind in order to see what best suits the product. ✓

'The right product, at the right price, at the right place, at the right time'. (The 4 P's of Marketing)

Strategic planning is also an important part of any marketing strategy and understanding the business environment is part of that. A PESTLE analysis is a tool that can be used to help identify and understand factors that could impact the product. The 6 letters stand for Political, Economic, Social, Technological, Environmental and Legal. ✓

Below is a PESTLE analysis of the current business environment.

<u>Political</u>	<u>Economic</u>	<u>Social</u>
Currently part of EU which allows free trade to other EU nations but this is	Exchange rates: £ has lost value against the €, product can be more affordable in EU.	- Increasing travel lifestyle. - Customer environmental ✓

likely to change. • Government stability. • Government funding, subsidies, support.	• Labour costs are higher in the UK than some other countries. • Taxes will be added when trading overseas and outside of EU • Growth, Inflation & Interest rates	awareness. • Workforce force age, need to be looked after.
<u>Technological</u> • New technology can increase the quality of the product. • Impact of internet and reduced communication costs. • Life cycle of technology/new equipment.	<u>Environmental</u> • Greenhouse and carbon emissions. • Noise control levels • adverse weather conditions the parts/components can face.	<u>Legal</u> • Can be huge costs (or worse) if any components fail in the aircraft industry. • Tax policies • Safety regulations are continually improving/tightening.

Brexit

Brexit is something the company will have to consider in the near future. No one knows exactly what will happen yet but there will certainly be plenty of opportunity for the company. Currently there is only a limited European customer base so the company has a lot to gain and less to lose from Brexit. Since the referendum the value of the pound has dropped rapidly which may seem like a bad thing but it makes exports cheaper which could lead to potential new customers.

Below is a SWOT analysis on potential affect Brexit could have on the company and customer base.

Strengths	Weakness
Potentially easier to trade with the rest of the world.	No free movement of people could result in staff shortages or increased wage demands.
High quality product.	Uncertainty over trading market.
Release restrictions on small to medium enterprises.	No longer apply for EU funding grants.
	Potentially a smaller market
	Finding talented workers
Opportunities	Threats
Stirling value drop makes product cheaper for overseas customers.	Losing the limited European customer base.

Still be able to trade with EU.	This hasn't happened before so there is huge uncertainty which can affect spending
There are 19,000 EU rules/regulations which could be abolished or adapted to suit the UK.	UK market could be less attractive

Falling Sales

Falling sales is a key factor in the decline of turnover and profit within the company. When the number of projected sales fall it will increase the overhead price per item. This will then increase the overall price of the product. There are a number of issues within the company which could contribute to the decline including the quality of product and marketing (previously mentioned) Motivation and Leadership styles.

Motivation and leadership styles

A leadership style that suits the workforce will result in happy and motivated staff. If the staff are motivated they are more likely to work harder and more efficiently which will result in higher production rates. The motivation of the workforce will also have an effect on the quality of the product.

There are 2 main motivational theories that companies use to increase their success which is the F.W. Taylor and Scientific Management Theory and Elton Mayo's Human Relations Approach.

In the first theory Taylor believes that the main motivation for workers is money. He then pushed forward the idea of "*a fair day's pay for a fair day's work*" (Frederick Taylor and scientific management) the idea was that if someone had done less work than another worker then they didn't deserve to be paid the same. Likewise if someone was doing more work than the rest of the workforce then they deserved to be paid more. This was an incentive for workers to improve their productivity. This is something which could help improve production within the company as employees would be earning more if they are producing more items than they currently are.

Taylor also completed various experiments in order to find the most efficient ways to complete a wide variety of tasks. He then set all equipment up and set out exactly how he wanted all tasks to be completed.



This managerial style is a very direct approach of telling the employees what/how to do things which is often unpopular but the incentive of earning more money for doing more work keeps the workforce motivated.

The second theory began with the aim of proving that people were the key to improving the productivity and not machines. The theory or approach was based around the opinion that *"If employees receive special attention and are encouraged to participate, they perceive their work has significance, and they are motivated to be more productive."* (Business.com)

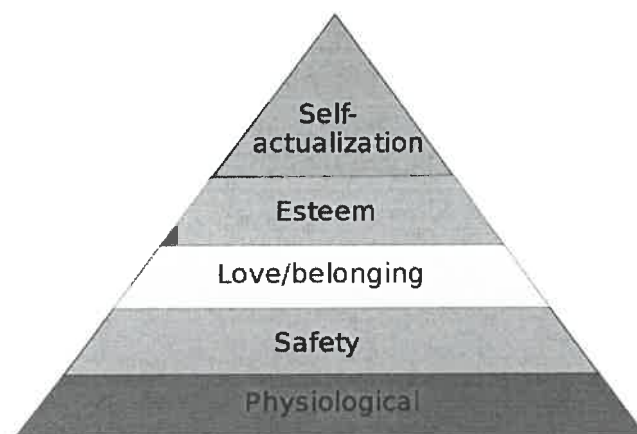
The results of the study found that the relationship with employees was the most influencing factor for improving productivity.

Experiments with different leadership styles need to be undertaken within the company in order to see which best motivates the workforce in order to improve the production levels and the quality of the product.

Maslow's Theory

Maslow's hierarchy of needs is a well know human motivational theory which involves a five-tier pyramid of human needs.

Maslow stated that *"People are motivated to achieve certain needs and that some needs take precedence over others. "* (McLeod)



(Maslow's hierarchy of needs)

As part of his theory he expresses the opinion that our most basic need is for physical survival, and this will be the first thing that motivates our behaviour. When one level of the pyramid is completed then the next level up will be the motivation.

The first two stages are described as basic needs, the third and fourth are described as psychological needs and the final stage is described as self-fulfilment needs.

McGregor's Theory:

Another theory of human motivation to be considered is one that was created by Douglas McGregor. McGregor had 2 theories, theory X and theory Y which have contrasting motivational styles.

Theory X is one assumption based on a typical worker. It assumes the worker has little or no ambition and doesn't want to take on responsibilities and is driven by individual goals.

Generally, managers who would use this theory style believe their workers are less intelligent and lazier than their managers whilst being solely driven by their income.

Theory Y is the opposite where managers act on the belief that the workforce will be internally motivated whilst also enjoying their labour within the company and want to work in order to benefit them without simply doing it for a return. These are seen as the most valuable types of people to the company as they take full responsibility for their work and are capable of working without the need for constant supervision.

"McGregor's ideas suggest that there are two fundamental approaches to managing people. Many managers tend towards theory X and generally get poor results. Enlightened managers use theory Y, which produces better performance and results, and allows people to grow and develop." (McGregor XY theory of management)

Leadership Styles

Another thing the company should consider is the leadership style used by management and if it best suits the current workforce. The wrong leadership style for the employees can effect production and the moral which can eventually reduce turnover and profit. There has also been a high turnover of staff which would suggest the wrong style is being used. There are 5 main leadership styles which are:

1. The Laissez-Faire Leader: This style involves little or no supervision or feedback from the team. For this to work the employees need to be highly skilled and motivated.



The lack of supervision doesn't work for some employees which can lower production.

2. The Autocrat: This is a leadership style where managers make their own decisions without the input from anyone else. This gives the manager a large amount of authority to impose on the employees. No one will challenge the decision for this type of leadership. This style favours employees who require supervision but can prevent creativity.
3. The Participative Leader: This is sometime referred to as the democratic style. This style takes on board the values of other people in the team but the responsibility for the final decision will remain with the leader. Employees are more likely to accept decisions with this style as they feel they have had an input.
4. The Transactional Leader: This is a style where managers and team members set goals together and the employees agree to follow the leader to meet the goals. Employees will often receive benefits or rewards when the goals are met.
5. The Transformational Leader: This style works with high levels of communication from the management to the employees. The leader will motivate the team in order to get productivity to where it needs to be by being visible and by having good communication skills.

(5 Different Types of Leadership Styles)



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The Decline in Turnover and Profit

MANAGEMENT, INNOVATION & SUSTAINABILITY



Introduction

- During this power point I will outline some of the key factors that influence organisational success and failure.
- If these key factors are applied it is likely the company will succeed. If they are not applied it will likely lead to organisational failure.
- Key factors I will discuss:
 - Marketing Strategy
 - Investment
 - Motivation
 - Leadership Styles

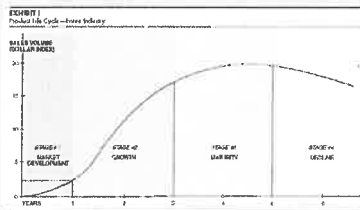
Marketing Strategy

- 4 P's:
- **Product:** The company needs to identify the buyers of the product and understand their needs. The product needs to suit the needs of the customer and then understand the benefits, features and unique selling point of the product. Finally it is important to understand the product life cycle and plan for the various challenges.
- **Price:** The product should be priced appropriately to what the perceived value of the product is to the customer rather than the physical cost of the product.
- **Promotion:** The company needs to understand the market and engage it with eye catching advertising, special offers and sales promotions.
- **Place:** The company needs to make sure the product is advertised in the right place and on the right platform for the intended customers to see it.

Product Life Cycle

- The life cycle of a product is the steps/stages a product goes through from first thoughts until it is taken from the market.
- **Introduction:** This is the first stage of the life cycle which involves research, development and introducing the product to the market.
- **Growth:** At this stage the products grasp on the market will begin to grow and sales will increase at their fastest rate.
- **Maturity:** At this stage sales will be at their highest and the product will be well established within the market. It will be the most competitive time for the product but growth will slow. It is now where the company must invest wisely in all marketing and product improvements in order to prolong the next stage.
- **Decline:** This is the final stage that eventually all products will come to. The market will shrink and sales will begin to fall. It is not the end for the product but the company needs to adapt for the product to prevent its decline.

Product Life Cycle



Lack of Investment

- A lack of investment can have many knock-on effects.
- Poor equipment will affect the motivation of the staff which will result in lower production rates and an increase in sickness rates.
- There are 2 different types of investment.
 1. The need for investment to replace faulty or worn out equipment.
 2. Investment that will be used to purchase new machinery in order to increase the production rates or start producing a new product.

Leadership Styles - The Laissez-Faire Leader

- Leadership styles are important to get the best out of the current workforce. There are 5 main styles.
- **The Laissez-Faire Leader:** This style involves little or no supervision or feedback from the team. For this to work the employees need to be highly skilled and motivated. The lack of supervision doesn't work for some employees which can lower production.

The Autocrat:

- This is a leadership style where managers make their own decisions without the input from anyone else. This gives the manager a large amount of authority to impose on the employees. No one will challenge the decision for this type of leadership. This style favours employees who require supervision but can prevent creativity.

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The Transformational Leader:

- This style works with high levels of communication from the management to the employees. The leader will motivate the team in order to get productivity to where it needs to be by being visible and by having good communication skills.

Motivational Theory

- Motivation of staff is another key factor for organisational success.
- F.W. Taylor and Scientific Management Theory. Taylor believes that the main motivation for workers is money. He then pushed forward the idea of "a fair day's pay for a fair days work". The idea was that if someone had done less work than another worker then they didn't deserve to be paid the same. Likewise if someone was doing more work than the rest of the workforce then they deserved to be paid more. This was an incentive for workers to improve their productivity.

Elton Mayo's Human Relations Approach.

- This theory has the aim of proving that people were the key to improving the productivity and not machines. The theory or approach was based around the opinion that *"If employees receive special attention and are encouraged to participate, they perceive their work has significance, and they are motivated to be more productive."*
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