

3). Factors to Consider :-

Techs resisting change to train in all areas

- Load of training required to cover all areas

- Specialist skills loss in areas

Nervous operators, lower productivity = lower bonuses.

8 techs per ship, 2 specialists in each area.

Absenteeism increasing.

- The first leadership style I would use to stop the techs resisting is transactional leadership. This will focus on rewarding the techs for good performance but also by using discipline for any issues stopping the techs performing at their best.
- I would also use Transformational Leadership to ensure there is a focus on team building and personal and professional growth. Both the above from (Covey S Burns 1982)
- Autocratic leadership can be seen in transactional leadership. However as the techs start to change and get rewarded I will change the style to democratic. (Lewin Lipper and White 1939)
- Emotional Intelligence can be used for the techs ensuring that there will be an outburst of work to train in the four areas. By understanding the techs emotions I will be able to motivate them to change and to train. I will clearly set the vision and the expectations to reach the vision. I can help to inspire them and encourage them.
- I can also turn to (Maslow's Hierarchy of needs) to help with my motivation. I can explain that the change required will lift the techs up the pyramid and incorporate Physiological, Safety, Social and esteem needs.
- The specialist skills will always remain and can even be transferred although may need to be adapted for different environments.
- The nervous operators will require motivation to definitely move them up from the physiological needs, Bonuses, to more esteem needs.

Case 4

Yr	£	Cumulative £
0	£ (200,000)	£ (200,000)
1	£ 60,000	£ (140,000)
2	£ 60,000	£ (80,000)
3	£ 60,000	£ (20,000)
4	£ 60,000	£ 40,000
5	£ 60,000	£ 100,000

Payback 3 yrs X months

$$\therefore \text{Income/Contribution} = \frac{£60,000}{12 \text{ months}} = £5,000$$

$$\text{Months of payback} = \frac{£40,000}{£5,000} = 8 \text{ months}$$

Payback = 3 yrs 8 months.

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b). Supernovae

Yr	£	Cumulative £
0	£ (200,000)	£ (200,000)
1	£ 20,000	£ (180,000)
2	£ 40,000	£ (140,000)
3	£ 60,000	£ (80,000)
4	£ 60,000	£ (20,000)
5	£ 60,000	£ 40,000

Payback = 4 yrs 2 months

$$\therefore \text{Income / Contribution} = \frac{£60,000}{12 \text{ months}} = £5,000$$

$$\text{Months of payback} = \frac{£20,000}{£5,000} = 4 \text{ months}$$

Payback = 4 yrs 4 months.

Figure 41

Yr	£	Cumulative £
0	£ (200,000)	£ (200,000)
1	£ 80,000	£ (120,000)
2	£ 60,000	£ (60,000)
3	£ 60,000	£ 0
4	£ 40,000	£ 40,000
5	£ 40,000	£ 80,000

Payback is 3 yrs 0 months.

<u>Course 4</u>	Yr	£	Discount factor	Present Value
	0	£ (200,000)	1.000	£ (200,000)
	1	£ 60,000	0.9091	£ 54,546
	2	£ 60,000	0.8264	£ 49,584
	3	£ 60,000	0.7513	£ 45,088
	4	£ 60,000	0.6830	£ 40,980
	5	£ 60,000	0.6210	£ 37,260
Total Cash = £ 227,448				£ 227,448

$$\begin{aligned}
 NPV &= \text{Total Cash} - \text{Initial Investment} \\
 &= £ 227,448 - £ 200,000 \\
 &= £ 27,448
 \end{aligned}$$

1c). Project Fudge 41 has the quickest payback with 3 years exactly.

Project Course 4 has a better return of £ 27,448 over 3 years and 8 months.

I would go with Project Course 4 because of the greater payback of £ 27,448 vs £ 19,550 of Project Fudge 41.

1d). Two factors to be considered are

Motives for Investment — There may be requirements for the business to comply with changes to legislation.

- There is competition from other companies.
- The business may need to grow due to demand
- There can be advances in technology

External factors — There can be changes to situations in the world and local markets.

- Interest rates can be changed.
- Policies from local and national governments may change or be added
- Levels of inflation can fluctuate.

1b).

Supernature

Yr	£	Discount factor	Present Value
0	£ (200,000)	1.00	£ (200,000)
1	£ 20,000	0.9091	£ 18,182
2	£ 40,000	0.8264	£ 33,056
3	£ 60,000	0.7513	£ 45,078
4	£ 60,000	0.6830	£ 40,980
5	£ 60,000	0.6210	£ 37,260
Total Cash = £ 174,556			<u>£ 174,556</u>

$$NPV = \text{Total Cash} - \text{Initial Investment}$$

$$= £ 174,556 - £ 200,000$$

$$= (£ 25,444)$$

Frage 41

Yr	£	Discount factor	Present Value
0	£ (200,000)	1.00	£ (200,000)
1	£ 80,000	0.9091	£ 72,728
2	£ 60,000	0.8264	£ 49,584
3	£ 60,000	0.7513	£ 45,078
4	£ 40,000	0.6830	£ 27,320
5	£ 40,000	0.6210	£ 24,840
Total Cash = £ 219,550			<u>£ 219,550</u>

$$NPV = \text{Total Cash} - \text{Initial Investment}$$

$$= £ 219,550 - £ 200,000$$

$$= £ 19,550$$

2. ~~3.~~ Continued.

Messages to all individuals and encourage them to continue on path to change

- Monitor change. Plan, Do, Check, Act. Continuously Improve.

- Always be honest with plans to change and act with

integrity especially if future change is needed.

- Be reasonable with the expectations and timescales from senior management, hence there is a process in place to measure this.

2.

3. Need to improve the efficiency of the plan.

- SAP will allow for the speedy stock control and remove any potential human errors.

- Keeps the company competitive against rivals.

- Help to improve finances within company.

- Centralises stock information and makes it easier to control and regulate.

- Change needs to start at the top of the company starting with senior management. All levels below senior management will look up for support and direction.

- Every layer within company will need to be involved in the change. The layers within the company must be aligned to achieve the change and change must cascade from the top down.

- Create change by giving factual evidence for reasons required for change. Use financial and or monetary values at all levels within a company can relate to it. Show that the company can positively change and provide a "Road Map" with milestones.

- Give ownership to different teams within the company. Ensure each team has a specific task which helps the company reach it's goal or change.

- Communication is key to change. Be transparent with what is needed and what is being done. Allow for communication to flow both from the top down and bottom up. Ensure the right information is delivered at the right time.

- Ensure that the culture of the company is also prepared for change. Define new roles and new expectations. Ensure that people's values, beliefs, attitudes and behaviours are all geared towards what the company wants to achieve.

- Monitor and evaluate resistance to change. Use appropriate disciplinary proceedings where needed and educate people.

- Celebrate change and each milestone achieved. Drive positive

3). Continued.

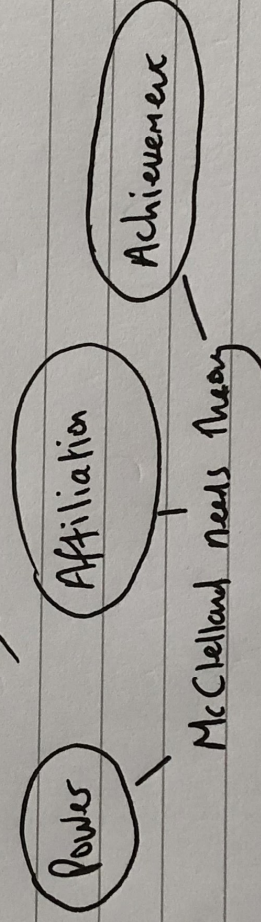
They can have further training to work with the techs or even if absenteeism continues they can fill the role. Even moving into and incorporating the social needs as being part of a new group.

- It will also be required to delegate roles to people.

(Herzberg two factor theory)

I will delegate to the supervisors what my expectations are and allow the supervisors to have responsibility and allow them to also motivate the techs and operators. By more people techs, operators and supervisors having career responsibilities it will make the job more interesting.

- Empower people using (McClelland 1960 - Motivation theory)



- Drive achievement into all people. Give them regular feedback and set goals.
- Affiliation. Allow them to be part of a group, encourage collaboration between different roles.
- Power, help to influence others to do the right thing.