

1 a) Supernatant

Year	Net Cash	Cum. Cash	NPV
0	-200,000	-200,000	-200,000
1	20,000	-180,000	18,182
2	40,000	-140,000	33,056
3	60,000	-80,000	45,078
4	60,000	-20,000	40,980
5	60,000	40,000	37,260
			-25,444

$$\text{Monthly contribution} = \frac{60,000}{12} = 5,000$$

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

Payback = 4 Years 4 months

Fuge 41

Year	Net	Cumulative	NPV
0	-200,000	-200,000	-200,000
1	80,000	-120,000	72,728
2	60,000	-60,000	49,584
3	60,000	-	45,078
4	40,000	40,000	27,320
5	40,000	80,000	24,840
			19,550

Payback = 3 years

Centre 4

Year	Net	Cumulative	NPV
0	-200,000	-200,000	-200,000
1	60,000	-140,000	54,546
2	60,000	-80,000	49,584
3	60,000	20,000	45,078
4	60,000	40,000	40,980
5	60,000	100,000	<u>37,260</u>
			27,448

$$\text{Monthly Contribution} = \frac{60,000}{12} = 5,000$$

$$\text{Months} = \frac{40,000}{5,000} = 8$$

Payback = 3 Years 8 months

b) NPV Columns added

$$\text{Supernakant} = -£25,444$$

$$\text{Fuge 41} = £19,550$$

$$\text{Centre 4} = £27,448$$

c) Project fuge gives fastest return on investment at 3 years but Centre 4 gives better return over time with only an additional 8 months for payback making it the clear choice.

d) External factors such as government policy must be considered e.g. emissions regulations for motor vehicles

The business must have confidence in it's share of the marketplace to secure sales.

2) Why must businesses change? ✓

- Services or products currently in use become obsolete.
- Raw materials generally increase in cost
 - This forces efficiency savings to be made in both equipment automation and staffing
- Competitors will innovate and set new customer expectations that become 'new normal' ~~etc~~ whether or not your company changes (can get left behind)
- external pressures from customers, shareholders or governments to adopt processes - particularly green schemes

What prevents change?

• Resistance

- change can be resisted actively or passively, overt or covert, individual or organised, aggressive or timid and even justified!

~~comp~~ The most famous example of resistance is perhaps the Luddite movement, workers would smash industrial equipment that they viewed as damaging to their artisanal skills.

Poor Communication

Management must communicate the reasons for change - how the change benefits the worker and how a decision was reached.

Honesty

- The reasons for change must be clear as well as expectations placed on the workforce.
- Progress must be rewarded and the rewards of change must be delivered as resistance can also come after a change

In short, never assume a change will be welcomed, ~~an~~ be honest with intentions and be reasonable in what you are doing.

Management of Change

In light of the points above changes can be broken into steps.

First, make your case. Be honest about intentions be clear and be prepared to answer questions to help people understand why the change is required

Then, get backing and support. Get the workforce involved. change is difficult to resist if you're been part of the development. Emphasise whats in it for them but be honest about future hardships

Finally, be introspective. Understand and empathise with people. Keep commitments, a trustworthy leader is a followed leader. Take responsibility for all expects - good or bad. Be open to change yourself, you do not know everything!

3. Leadership can be Summarised into 7 Common styles

1. Autocratic

- Believes in ~~an~~ absolute authority, makes decisions with no input from the team. Decisions are final

2 Authoritative

- A visionary. Displays confidence and energy that can engage a team with clear expectations

3 Pacesetter

- Leads from the front, sets high expectations of themselves and therefore from the team

4 Democratic

- Share information and decisions with team
seek approval from team on decisions

5 Coaching

- views the team as talent to be unlocked under the guidance of the leader

6 Affiliative

- See themselves as a conduit through which team works better together

7 Laissez-Faire

- Believes that the team knows best and just need an opportunity to flourish.

These 7 styles can be broadly grouped into either leadership or management.

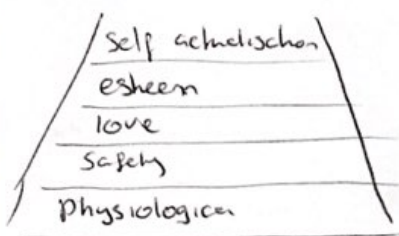
Leadership is generally motivating a team into sharing a common belief or goal and guiding the team through adversity.

~~PM~~ Management typically revolves around controlling processes - these can involve processes with people but would be a co-ordination or planning role.

In this case the process is well established so a role more like a leader is required to overcome the resistance to change.

The leader will require an understanding of motivation to lead such a change.

Maslow's hierarchy of needs describes motivation as follows:



each layer must be satisfied before moving on to the next level of satisfaction required to properly motivate.

Currently, physiological needs are met through the provision of a comfortable workplace with steady pay.

Safety needs are met through rigorous regulation of physical safety and the emotional safety of sick pay and anonymous bullying reporting sources.

Love/belonging is currently satisfied through team ~~catch~~ meetings and strong company ethos.

Esteem needs are met through appraisals and promotion. employees respect each other

Self actualisation is met by giving opportunities to improve by working hard

This change threatens to remove or damage the love/belonging needs by breaking up teams.

It also threatens the esteem as some work areas are viewed as more prestigious, this could create animosity between members who ~~see~~ could see a position as unearned in a team.

The threat to productivity bonuses threatens to remove the physiological needs.

Removal of any layer can ~~cause~~ prevent the higher needs from being satisfied. Meaning the team member is improperly motivated.

Therefore a leader must seek to reassure through the strong interpersonal connections of an affiliative leader mixed with the vision of an authoritative leader. This will allow honest dialogue about the reasons for change, reassure members that specialisms and pay will be respected.

By rebuilding the motivational pyramid the leader can effectively manage this change.