

Communications problems at PetFair plc

Petfair plc is a large producer of pet foods. Much of the output is for supermarket own labels, but it also has significant brands such as *Cuddles Catfood* and *Leno* ('Healthfood for dogs'). The company has 650 employees based in Hull, plus a factory employing 220 staff in West Belfast.

The business has always prided itself in being fast and lean, especially when compared with the industry's giant Pedigree Petfoods, producers of *Whiskas* and *Chum*. Recently, however, there have been increasing problems with communications. This has coincided with a huge increase in the use of email within the business, and the introduction of the firm's first intranet (an internal 'internet').

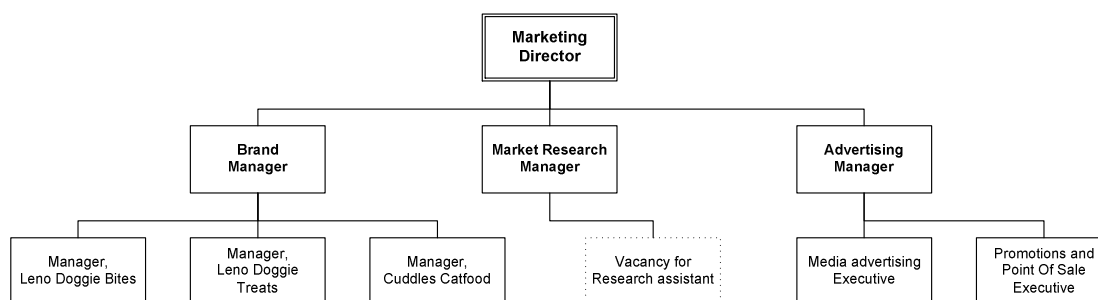
Within the firm's marketing department there should be no problems. Yet just last month the advertising manager had a blazing row with the brand manager for Leno Doggie Treats:

"Why didn't you tell me that you were changing the pack designs. I've wasted £30,000 on 5 days of photography for a pack we're about to phase out!"

The Leno brand manager retorted that she had sent an email to all staff announcing the change. It just prompted the response:

"How an earth can I be expected to pick up on every email message! I'm a busy man!"

The marketing director (MD) heard the row through his closed office door, and called both in for a chat. When they had calmed down, the MD pointed to the organisational chart on the wall, saying: "Look, we should surely be able to cope with a little horizontal communication. There aren't many of us!"



Later that day an email was sent to all the marketing staff announcing that they would start holding a departmental meeting every two weeks.

Questions (20 marks; 20 minutes)

1. Outline two communication problems that might be caused by having one factory hundreds of miles from the rest of the business. (4)
2. Explain the problem that Petfair is experiencing with communication overload. (4)
3. Look at the hierarchy chart.
 - a) What is the Marketing Director's span of control? (1)
 - b) Outline one fault with the marketing department's hierarchy chart. (4)
4. Discuss the benefits the marketing department may gain from the introduction of a fortnightly meeting. (7)

Mark Scheme

1. Outline two communication problems that might be caused by having one factory hundreds of miles from the rest of the business. (4)

Possible responses:

- May be hard for those in Belfast to keep a sense of the mission/aims/objectives/strategy that should be clear at Hull
- It will encourage more electronic and less face-to-face communication; this may affect motivation

1 mark per relevant point, plus 1 for development

2. Explain the problem that Petfair is experiencing with communication overload. (4)

Possible responses:

- Too much electronic communication is squeezing out important news; this affects efficiency (the money wasted on photos) and therefore increases total costs; this hits profits
- Too much electronic communication takes up more and more time from a manager's day; this affects her/his ability to do a good job, which will affect revenues as well as costs

1 mark per relevant point, plus 1 for development

3. Look at the hierarchy chart.

- 3a) What is the Marketing Director's span of control? (1)

Answer = 3 (or narrow). 1 mark

- 3b) Outline one fault with the marketing department's hierarchy chart. (4)

Possible responses:

- The spans of control seem very narrow (between 1 and 3); this may cause excessive interference by managers, i.e. junior staff get frustrated by over-supervision
- The market research manager hardly seems a 'manager' at all, as s/he only has one person to supervise (and even that person is not currently in post!). Shouldn't the Advertising Manager take charge of the Market Research 'manager'?

Level 2: good outline of a fault, using theory, within the context of this situation 3 - 4

Level 1: some understanding of a fault, or some understanding of the situation 1 - 2

4. Discuss the benefits the marketing department may gain from the introduction of a fortnightly meeting. (7)

Possible arguments for:

- Should ensure that key information is communicated effectively, eg the new Leno pack designs
- Likely to be more motivating, especially if the meeting involves discussion rather than just information, i.e. two-way rather than one-way communications

Possible arguments against:

- Meetings can seem a frustrating waste of time to those involved
- The time spent in such meetings might be better spent with 10 people spending their time trying to achieve their business objectives

Level 3

Candidate makes relevant judgement using a two-sided argument 6 - 7

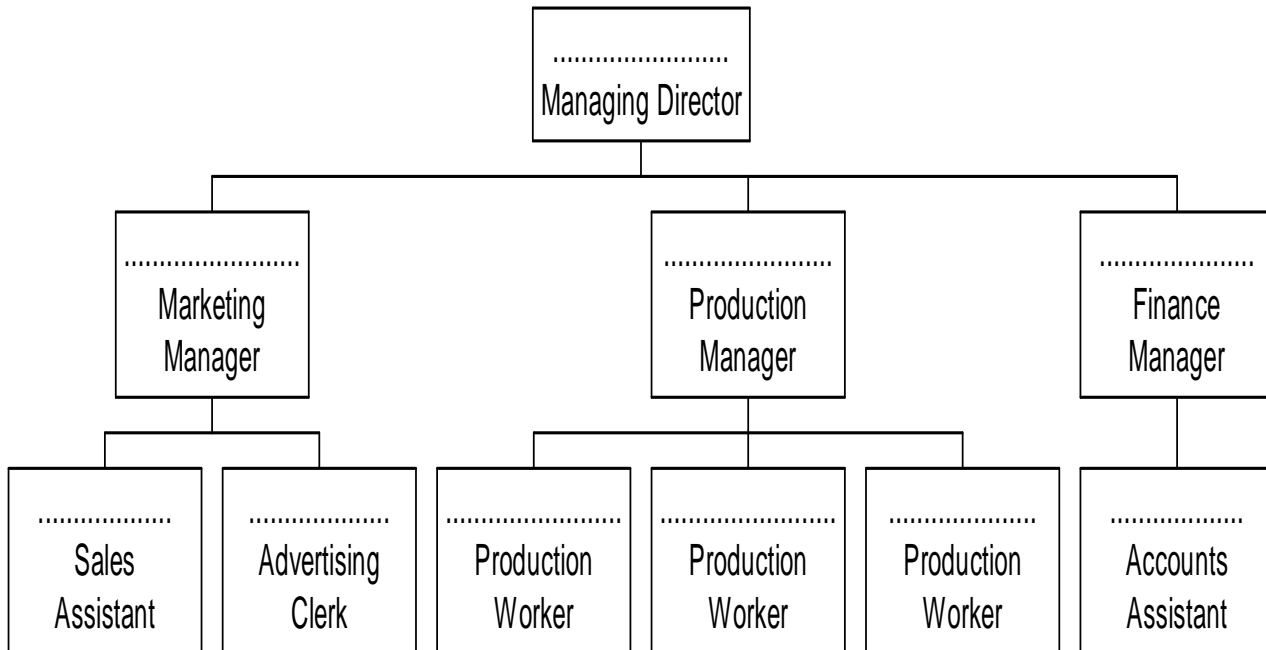
Level 2

Candidate applies sound knowledge to the business context 4 - 5

Level 1

Candidate applies basic knowledge 1 - 3

Organization Charts



1. Gus is in overall charge
2. Gus has delegated responsibility for Finance to Belinda
3. Mary-Lou has a span of control of 2.
4. The chain of command from Gus to Peter goes through Vinnie.
5. Peter has two other colleagues at the same level, Bruce and Sheila.
6. Mary-Lou has delegated responsibility for advertising to Hank.
7. Pat does the cash books for Belinda
8. If Gus wants to send a message to Fred it goes along the chain of command via Mary-Lou

Key words:

Delegation = passing responsibility down the hierarchy

Span of control = number of people a person has working for them

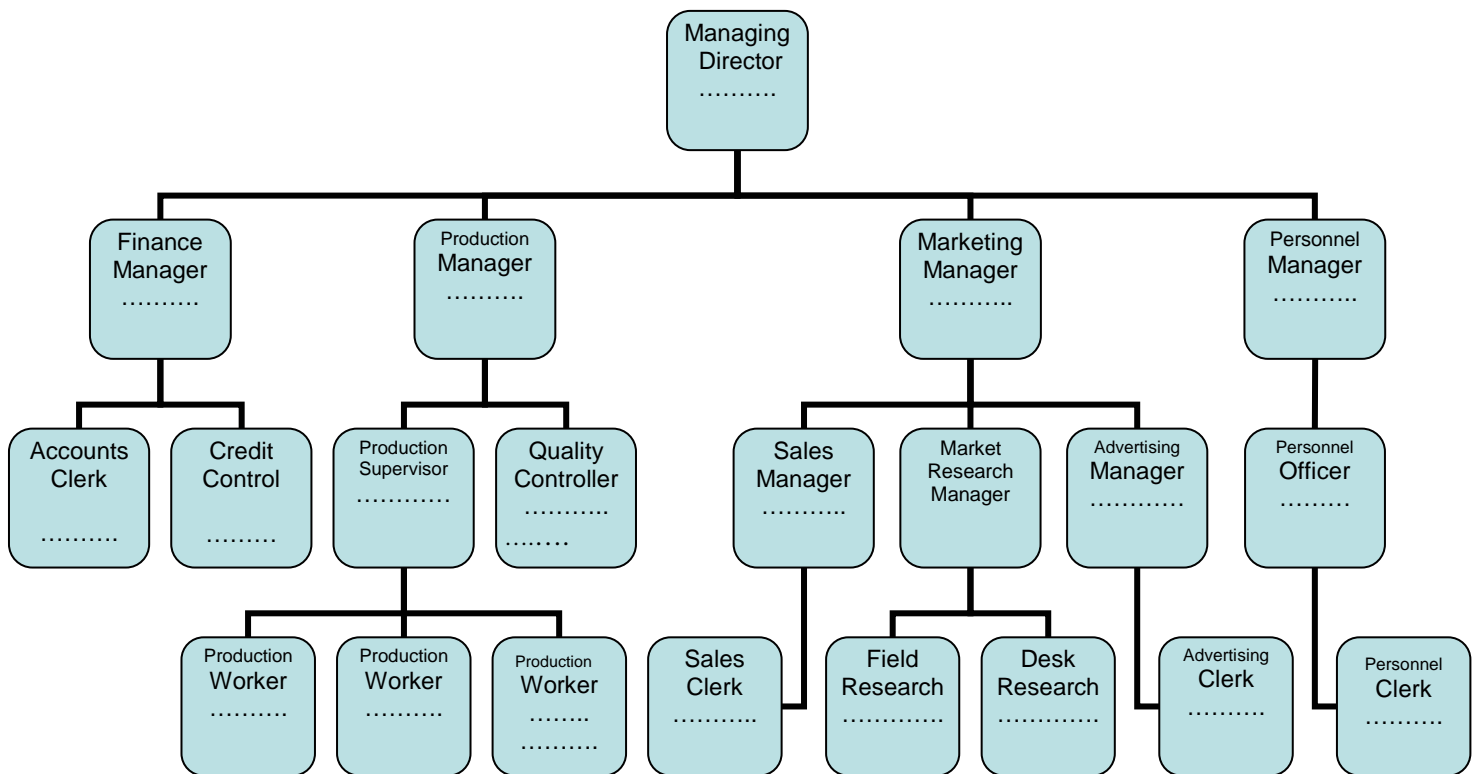
Chain of command = the route that orders take up and down

Organization Puzzle – what does Mandy do?



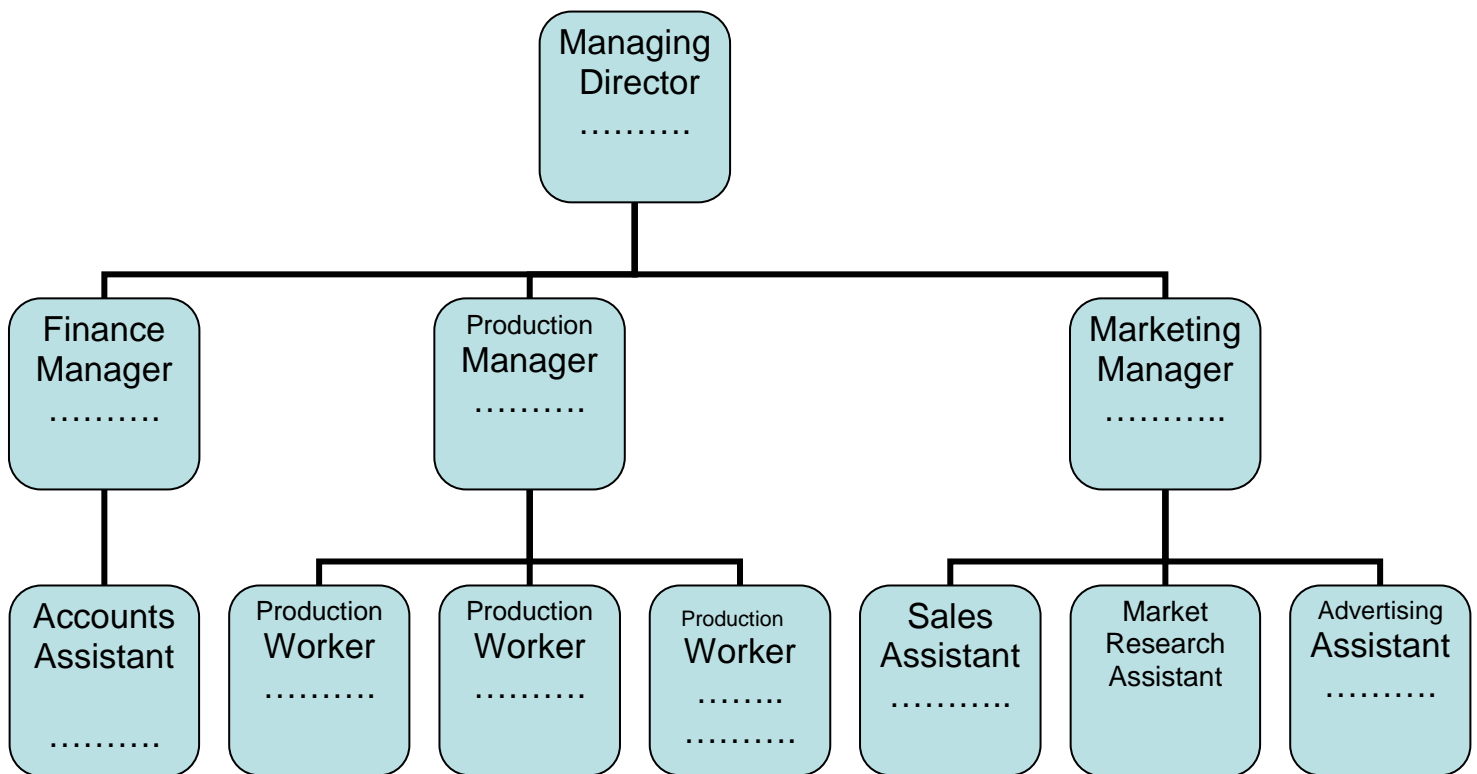
1. Adam works with money
2. Boris has a span of control of 2
3. Charlie has a span of control of 3
4. Doris works for Boris and has a span of control of 2
5. Eve is at the bottom of a chain of command which starts with Charlie, then goes through Mandy and then Harry to Eve
6. Fay is two layers below Charlie and in charge of publicity
7. Gavin works with June
8. Harry is responsible to Mandy and responsible for Eve
9. Ian would like promotion into Mandy's job
10. June is at the bottom of the chain of command
11. Kevin has delegated some responsibility to Adam
12. Lois has had responsibility delegated to her by Boris
13. Mandy – what job does Mandy have?

Organisation Puzzle – what does Will do in this fictional firm?



1. Amanda helps to arrange recruitment to the firm and is responsible to Kate.
2. Cecilia has delegated some responsibility to Joe.
3. Charlotte is two levels below Rohan and works for Cheryl.
4. Cheryl has the same status as Olly and works in the same department
5. Christopher is responsible to Mick.
6. Craig has delegated some responsibility to Mehdi.
7. Denny chases debtors.
8. Emma is responsible to Amanda.
9. Joe designs questionnaires.
10. Kate has a span of control of 1 and a department of 2.
11. Kerri is on the fourth layer of the hierarchy and is responsible to Cecilia.
12. Lisa is in a team of three with Sam.
13. Lucie is on the same level as Charlotte and often on the phone to customers.
14. Mehdi has had responsibility delegated to him by Craig and is responsible for Ryan and Denny
15. Mick has a span of control of 2 and a department of 5.
16. Olly is responsible for Lucie and responsible to Rohan.
17. Rohan has a span of control of 3.
18. Ryan is on the same level as Cheryl but in a different department.
19. Sam is at the bottom of the hierarchy.
20. Stefan works for Will
21. Will - what job does Will have?

Organisation Puzzle – what has Craig done?



The Efficiency Drive

Pressure from the shareholders to cut costs has forced the MD to re-structure the organisation. He has decided to de-layer the business.

Finance department: the credit control function and general accounts work have been merged into one more highly skilled job.

Production department: the workers have been given more responsibility for their work. They are given weekly targets and left to organise themselves. They are responsible for ensuring quality.

Marketing department: the junior managers have been phased out. Their subordinates have been given more responsibility and now report directly to Rohan. The field and desk research is now the responsibility of one person.

Personnel department: with the retirement of the personnel manager, it was decided not to replace her and to abolish the department altogether. The duties of the personnel manager have been passed on to each senior manager.

1. How many members of staff have been made redundant?
2. Who left through natural wastage?
3. Who was made redundant and invited to apply for a new job related to their previous work?
4. Who was made redundant and told that there was no job for them in the new structure?
5. Why does the MD think that this will make the business more efficient?
6. Is there any danger in this approach?
7. Define the terms which have been underlined.

Business communication

Communication is the passing on or exchange of information.

Internal communication in a business might be to pass information from a manager to an employee. **External** communication might be between a business and a customer.

<u>Internal</u> - inside the firm	<u>External</u> - outside the firm
• • •	• • •
<u>Formal</u> - where a record is needed	<u>Informal</u> - where a record need not be kept
• • •	• • •
<u>Verbal</u>	<u>Non-verbal</u>
• • • •	• • • •

Memo; letter; telephone; advert; e-mail; interview; notice board; invoice; face-to-face; tannoy; meeting; minutes of a meeting; staff newsletter; report.

Communications

1. The Managing Director wishes to tell all staff that profits were up last year.
2. The Personnel manager wishes to invite people to a staff Christmas party
3. The Sales Manager wants to tell customers about a new promotional offer.
4. The Sales Manager wants to tell the Manufacturing manager that he is not getting as many orders as expected.
5. The Managing Director wishes to call a meeting of all department managers in two weeks time.
6. Sally in Administration wants to ask Gill if she is free to go for a drink after work.
7. Reception wants John in Packing to go straight to the front entrance to meet a visitor.
8. The Personnel Manager wants to recruit more packing staff