

Practice Question: Managing Change

Mark Howe, Managing Director of Auto Direct, is a victim of his own success. Mark has created an innovative way of selling cars to the public which takes advantage of the greater freedom given to independent car distributors to market cars more aggressively within the European Union.

This reduces the traditional control and interference of the automobile manufacturers, some of whom own their distributors. He has opened a number of showrooms in the London region and by 2004 Auto Direct had 20 outlets in and around London. The concept is deceptively simple; Mark buys cars from wherever he can source them most cheaply and has access to all of the leading volume car models. He then concentrates on selling the cars to the public, leaving servicing and repair work to other specialist garages. He offers a classic high volume/low margin business model.

Mark now wants to develop this business model onto a national and eventually an international basis. His immediate plans are to grow the number of outlets by 50% each year for the next three years. Such growth will place considerable strain on the existing organisation and staff. Each showroom has its own management team, sales personnel and administration. Currently the 20 showrooms are grouped into a Northern and Southern Sales Division with a small head office team for each division. Auto Direct now employs 250 people.

Mark now needs to communicate the next three-year phase of the company's ambitious growth plans to staff and is anxious to get an understanding of staff attitudes towards the company and its growth plans. He is aware that you are a consultant used to advising firms on the changes associated with rapid growth and the way to generate positive staff attitudes to change

Required:

- (a) **Using appropriate strategies for managing change provide Mark with a brief report on how he can best create a positive staff response to the proposed growth plans. (12 marks)**
- (b) **What research techniques could Mark use to get an accurate assessment of staff attitudes to the proposed changes? (8 marks)**

(Total: 20 marks)