

2.2 Organisational Structure: Activity D



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Read the case study below and answer the questions that follow.

G&M CARS LTD



Sophie Smith and Anna Grant founded the G&M car-hire business six years ago. Their business now employs 33 people and it has a fleet of 2000 vehicles. Sophie Smith is the chief executive (CEO) and Anna Grant, while still controlling a significant proportion of company through her large shareholdings, has no formal role within the company. The company has four executive directors. They are in charge of finance, vehicle repairs, marketing and administration. The latter role includes dealing with all

staffing matters. The finance director has three accounting assistants. The director in charge of vehicle repairs has two supervisors who report to her – one for the day and one for the night shift. They each have six mechanics working under them. The marketing department contains four people – one sales manager and three junior sales assistants. Administration has six office staff who take all the bookings and are responsible to an office supervisor who is under the direct control of the director.

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This type of structure has served the business well, but Sophie is concerned about the impact of further expansion on the organisation. In particular, she is planning two developments – one would involve renting trucks to other businesses and the other would be setting up a new office in another country.

QUESTIONS: 22 MARKS, 40 MINUTES

1. Construct the current organisational structure of G&M Cars Ltd. Include all staff on your chart. **[4 marks]**
2. Evaluate whether the current structure is appropriate for the business. **[6 marks]**
3. Explain how a matrix organisational structure of project teams could be used by this business for new developments. **[4 marks]**
4. Evaluate G&M's decision to use project teams to manage the new developments. **[8 marks]**