

Analysis of efficiency and effectiveness of ToolWareHouse's Management

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Principles of Management MGT100

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ToolWareHouse, a prominent player in the retail and wholesale industry, has undergone a comprehensive management analysis for the evaluation of the efficiency and effectiveness of its leadership and management practices. This examination focused on key facets of the company's management style to gain insights into its organizational health and potential areas for improvement. The findings conclude that ToolWareHouse's management style is largely efficient and effective, with strong foundations in leadership cohesion, strategic decision making as well as employee cohesion. Furthermore, executive management is open to new ideas, which have the potential to prove innovative and groundbreaking.

1. How do you describe your management style?

I am more on the democratic style and laissez-faire. That way employees do not feel controlled, and they have the autonomy to make decisions on their own, unless it is a strategic decision then we all consult together and discuss. I am open to ideas and propositions and always willing to hear what my employees have to say.

2. Has your management style ever changed or are you planning to?

I did recently, I was a more autocratic manager, but you see when you have 2 sectors, retail, and wholesale, a website, a physical store, want to expand etc. You cannot do it all yourself and cannot be there all the time next to your employees to confirm every decision that needs to be taken. It is very inefficient and controlling, it not only slows us down but also leaves an unbelievably bad feeling to the employees. Imagine, for every deal they wanted to make with a mechanic they had to call me and confirm it, I, and they both would not get any work done.

3. How would you describe your company's management structure?

Every major decision goes through, and it is decided by me. If it is something minor for instance, to close a small deal or sell something I might not intervene. But in general, all the important decisions, especially in importing and distributing, are taken by me. It is not necessarily good because a lot goes

through me and sometimes, I make mistakes. It is good to have management with various levels, because we are a small business with few employees and try to utilize all resources in the best way possible.

4. Do you believe you are going to have to change the company's management structure?

Yes, as I mentioned it is good to have a management structure with distinct levels. The company works better if the employees have more responsibilities so I will have to try and give them more as time goes by and as the company grows.

5. What are the main goals of your organization? How do you work to achieve them?

Our business goals are simple and clear, first revenue. We need to make more money plain and simple. Second growth, we need to expand our operations in various locations and open more retail stores. Thirdly, we must increase our efficiency in delivery, importing and exporting.

6. Has your approach worked so far in achieving those set goals?

At the beginning our goal was to get our name out there and get our name heard, we were doing unnecessary things just for the public to see us. We had to make sacrifices, have lower prices than others, advertise in a much bigger audience thus spending money without earning. Now that we are more established with a large existing customer base, we do not need to do any of that anymore.

7. What is your personal management style and how do you make decisions for the company?

I believe all my employees are equal, no matter what position they hold or how much money they bring back. I give everyone the same attention and opportunities. If my best employee who makes me the most money makes a mistake, I will tell him. In the same way when a container comes in, I do not sit there and observe I go and help.

8. What influenced this management style?

Mostly the experience I have gathered along the way and my father influenced me in many ways. But in general, I have my own very personal style developed by the things I have done along the way, even outside of this business.

9. Could you tell us of a time you made a wrong decision and how did you recover?

I had hired an employee which damaged the company. He was constantly lying, had a bad and intimidating attitude towards customers. Every time I asked him about it, he would lie to me, and I would believe him. He ruined the company's reputation. I had to become a better and more assertive person and leader to fire him and regain the lost customers but also sustain the remaining ones.

10. How do you plan for the future and set long-term goals for your business?

I first envision what I would like to achieve, I analyze it first in my mind. Then we outsource an analytics company to do market research and other analysis. Especially now that we are trying to move abroad and open stores in Europe.

11. Have you planned for future goals in the same way since the beginning?

Yes, the only thing that changed was that we did not do any formal analysis other than for the costs of operating. But I always had the mindset of achieving whatever I set my mind on.

12. How often do you review that plan and goals?

We do a review at the end of each year, we see how the business did, the revenue etc. But also, if something goes wrong, I sit down and think it through either alone or with the rest of the employees.

13. How do you keep your employees motivated and happy at work?

First, the money aspect is important. The company is both salary and commission based, the more you sell the more you get paid. So that is the most key factor in both the motivation and happiness aspect. Also, for them to see the company constantly growing is particularly important, this way they know they are not just at a place that just sells stuff, they know they are somewhere safe without fear that the company will collapse.

14. Have you noticed anything which helps in keeping your employees happy and motivated?

Being next to them and supporting them in any problem they have, financial or personal, I do whatever I can to support them but obviously in reasonable margins.

15. What do you use to track how well your business is doing?

I use specific inventory tracking software, it shows in detail what products are in stock, which products we sell the most and which products make the most profit. This way we can see what we need to restock or what we should never bring again. It is extremely helpful in both planning and organizing but also in staying effective and efficient when conducting business.

16. Did you try something to track business processes that did not work?

Yes, in the past we used other software from a different company, but it was designed very badly, and it took an exceptionally long time to manage and edit,

it was slowing us down, so we switched. Bad software can really be the breaking point for an organization, so we had to be incredibly careful when switching, we talked with many companies and looked at many options until we decided.

17. Can you give an example of a time when you had to adapt to a challenge or opportunity in your business?

Personally, the hardest challenge was when I flew to China alone at 20 years old. I wanted to see the Chinese market and their products and what I could bring to Cyprus. It helped the company greatly because we had products that had never been sold on the island before.

18. What advice do you have for people who want to become managers or business owners?

Primarily, stay humble, it is amazingly easy to think you own the world when you have a successful attempt. Also, stay ready to adapt and face the unexpected problems that are always going to arise when you least expect it. It is also crucial to be open-minded to new and better ideas as you are looking forward to the next step. Overall, you always need to be ambitious and efficient.

19. Which management principles have been most helpful in making your business successful?

Authority and responsibility, Unity of command, Initiative, and remuneration of employees

20. How will AI redefine management?

I believe that fundamentally It will change a lot in the upcoming years, we can already see some of it abroad, but in Cyprus it still has a lot of time till it becomes part of the norm. For now, they are struggling to access a website, but that it is normal everything comes to Cyprus late.

21. Do you use or plan to use any AI tools?

As of right now, we are not planning to use any Artificial Intelligence tools, but if it could enhance our processes and make us more efficient and effective then yes, I do not see why not.

22. Which competitive forces affect your organization?

To begin with, competition in the industry, although visible it does not affect us, I have always believed that competition itself cannot close your company, so I do not see it as a competitive force. Neither are the threat of substitutes since we offer products that no one else has and top quality as well. Something that does affect the organization is the power of suppliers, because then we must plan in a unique way and offer different prices. Also, the wars around the world and economic crises can really affect that force. Nevertheless, I am a firm believer that with good planning the business can overcome all kinds of problems.

23. Which management style do you think will be the most effective and efficient after 5 years?

Personally, the best thing you can do is separate the company into different sections, so the employees can have their own responsibilities and each section can have their own manager. And only major decisions need to be approved by the company manager. That flattened hierarchy is going to become the norm in the next years and will stick around.