# Dixon Motor Group

Brian Dixon the chairman of the Dixon motor group was concerned. His chain of 20 car warehouses across the UK was coming under increasing competition from local competition and sales were being affected. In the Leeds branch alone for example the arrival of Car-Shop and Super-car-market had seen their turnover reduced by 30%. Brian organised a meeting with the two trusted employees who made up the second layer of the companies hierarchy, Jackie Whitehead (HR Director - 18 years service) and Damon Morgan (Marketing and Sales director 15 - years service).

Dixon Motor group had been established in Manchester in the 1970’s by Brian’s dad Graham, the head office has remained in the North West city. The senior staff at head office make all the major decisions, although each branch does have a manager. The branches are spread out over the UK as far north as Edinburgh and as far south as London.

Jackie has recommended in the past that the company change from being one that operates a centralised decision making process to a decentralised one. After meetings with several branch managers she claims that the reason the firm is loosing out on sales to new competition is that the individual branches are not allowed to promote the products that sell well in their area. The firm until now has always used national advertising campaigns and Damon is keen to see that continue as he is worried that the firms overall image may be affected if different sales and advertising methods are used in different geographical locations.

After a heated discussion between Jackie and Damon it is clear that the meeting is going nowhere. Brian thanks the pair from their time and requests some time to consider the options.

1. What is meant by span of control? Use an example in the case study to illustrate your answer. (3)
2. Explain the difference between centralised and decentralised decision making. (4)
3. What is meant by the term delegation? (2)
4. Why do you think Damon is keen to maintain control of marketing operations at head office? (7)
5. What other information would Brian require from Jackie before making any decision about delegating responsibility to branch level? (7)
6. What would you advise Brian to do in hi current situation, bearing in mind that he stands to upset at least one of his most trusted and long standing employees? (10)