**Question 1 - Appleton's Plc**

Appleton's Plc is a family run organisation which began in the early 1900s when Mr Matthew Appleton opened a small sweet shop in Lincoln. He made toffee in the back of the shop and it was so popular that he gradually opened more shops in the area.

Now Appleton's is run by Matthew's grandson Paul. The company has 300 shops stretching the full length of Great Britain and it is renowned, not only for toffee, but also for delicious chocolates.

In 1990 it was agreed that the factory and offices in Lincoln had become too small and so a massive investment of cash was needed. The shares were floated on the stock exchange and the Company became a Plc. This was quickly followed by the building of a new Head Office and factory in 50 acres of land at Sleaford. In addition to this there is a packing plant at Grantham.

In the last year the company has developed outlets in France and has opened up a factory in Belgium which makes exclusive chocolates.

The company has operated on a hierarchical structure (see fig 1) for the last ten years, but since the development of the overseas outlets is has been re-structured (see fig 2).

**Fig 1**

**Board of**

**Directors**

**Managing Director**

**General Company**

**Manager Secretary**

**Middle Management** (eg Production Manager, Personnel Manager)

**Supervisors**

**Workforce**

***Question 1 continued***

**Fig 2**

Board of Directors

Managing Director

Human Resources unit

Working across all teams

IT Unit

Headed by supervisors Headed by the Company Secretary

Research and Purchasing and Sales and Finance and

development production marketing administration

team teams team team

**Questions**

1. In Fig. 1 what is the managing director’s span of control & who does it include? *(2 marks)*

2. Identify the factors which determine the structure of organisations *(10 marks)*

3. Explain what is meant by 'de-layering' and say what changes this has brought about in the example

given. *(6 marks)*

4. What would be the benefit of de-layering Appleton's structure when the overseas outlets were

developed? *(8 marks)*