

# The absence of an appropriate functional structure and its impact on the company's performance



## Problem Statement

**SME factory** that specializes in producing customized furniture. **The company has been in operation for five years**, and during this period, it has experienced significant growth in terms of sales and the number of employees. However, the management has realized that the absence of an appropriate organizational structure is hindering the company's growth potential.

The current structure is hierarchical, and there is a lack of clarity in roles and responsibilities, leading to confusion and inefficiencies in operations.

## Goals

The primary goal of the company is to establish an **appropriate organizational structure** that can support its growth and facilitate efficient operations. The structure must be designed to provide clarity in roles and responsibilities, promote teamwork and collaboration, and enable effective communication and coordination among employees.

## Application

Outsourcing non-operational departments (purchases, warehouses, production planning, maintenance planning, costs, human resources) to **White Corp's** technical office to carry out them, and integrating the ERP system to facilitate data transfer with the presence of an operations development engineer and a project manager to increase the quality of operating those functions.

## Results

The implementation of the new organizational structure led to significant improvements in the company's operations.

Some of the results achieved include:

- **Improved Efficiency** - The new structure eliminated redundancies and overlaps, leading to increased efficiency in operations.
- **Clarity in Roles and Responsibilities** - The new structure provided clarity in roles and responsibilities, reducing confusion and conflict among employees.
- **Enhanced Communication and Coordination** - The new structure facilitated effective communication and coordination among employees, leading to improved teamwork and collaboration.
- **Increased Productivity** - The new structure led to increased productivity, as employees were better equipped to handle their tasks and responsibilities.