

Simons Construction is a company now situated all over Britain. The company started in Nottingham where a small firm called W and J Simons was formed in 1873. The firm moved from Nottingham to Lincoln in 1944 to service the many airfields around the area. This was the start of what the company has turned into today. Simons have branches in 10 different locations around Britain.

The Company:

Simons is a Private Limited Business. Under the Companies act of 1980 this basically means there must be at least two or more members or share holders. The word Limited must be included in the name of the business due to letting other business be aware of what sort of company they would be trading with. The shares of Simons therefore may not be sold to members of the general public but are issued by the company.

There are many types of businesses in today's market and it is important for companies like Simons to know and understand their differences.

Partnerships:

A Partnership is defined in The Partnership Act of 1890 as the 'relation which subsists between persons carrying on business with common view to profit'. This can be condensed down to 'a partnership has more than one owner'. Being a partnership everything is shared and spread out between the 'joint' owners. This means they share responsibilities for running the business and also share the profits. Being a partnership the partners may agree to draw up a Deed of Partnership. This is a legal document that covers such issues as:

- How much capital each partner will contribute,
- How much of the profits each partner will receive,
- How much control each partner will have,
- Rules of taking on new partners.

If a Deed of Partnership is not drawn up and arguments between partners occur will be subject to the Partnership Act.

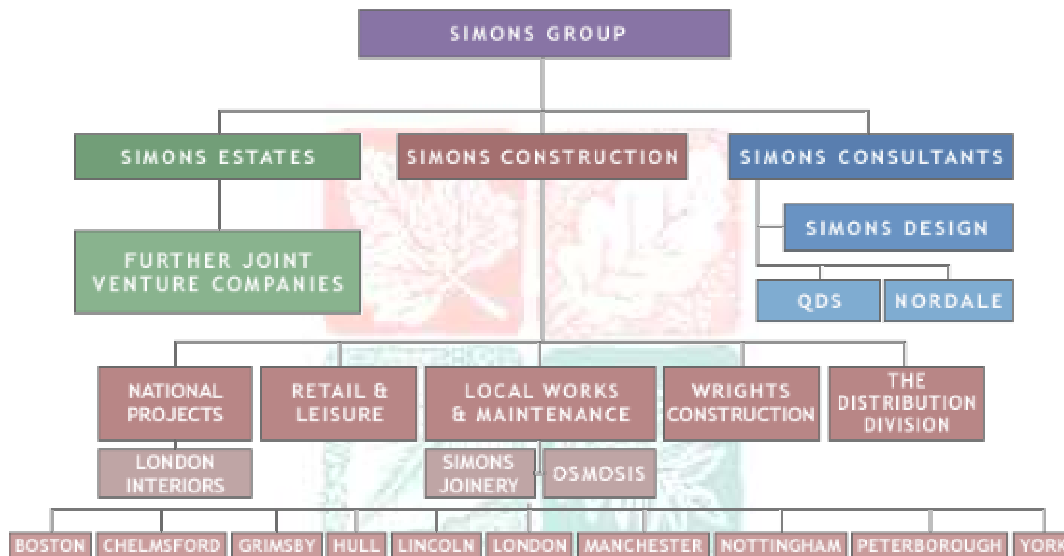
Advantages of a Partnership:

- The potential to raise more capital than competitors, due to having more individuals to contribute,
- A greater range of skills and sharing of responsibilities,
- No necessity to make financial accounts publicly available.

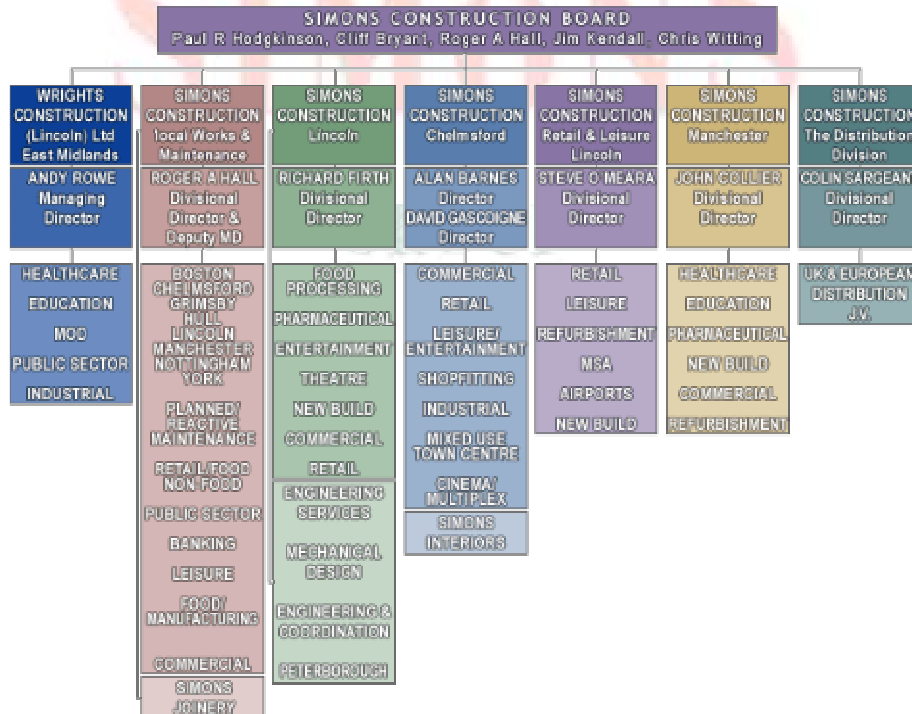
Disadvantages of a Partnership:

- Unlimited liability – each partner being liable for the whole debt of the partnership and risking personal bankruptcy if the business becomes insolvent,
- Disagreements among partners which sometimes result in the dissolution of the partnership and the business,
- Business decisions take longer to make as a wrong decision can have consequences for all partners.

The Structure of Simons Group:



Structure of Simons Construction:



The Structure of Simons:

Stuart Turner

The image on the last page shows the working parts of Simons Construction.

Limited Liability:

Limited Liability is the owners of a business in this case Simons Construction Limited, are liable only for the amount of money that they have invested, because in the event of liquidation the assets of the owners cannot be used to cover the debts of the business. Also limited liability provides less risk for the owners whilst allowing some control of the business to be maintained.

Private Limited Company:

Simons is a private limited company (LTD) under the companies act of 1980, limited companies such as Simons must have at least two members or shareholders, although there is no upper limit.

In addition to this the word Limited must appear at the end of the name. Many small and medium sized businesses trade as private limited companies. This is also the path followed by sole traders and partnerships when they wish to expand their operations but still retain the control of the business.

Advantages of a private limited company:

- Limited liability for shareholders,
- Greater potential to raise capital,
- Benefits of economies of scale and use of specialist staff,
- Some control of the business is possible as the shares are sold privately,
- No break in the continuity if a shareholder dies, shares can be sold to another by invitation.

Disadvantages of a private limited company:

- There is a large expense setting it up and legal costs,
 - The accounts have to be audited and this can be expensive,
 - Increased paperwork associated with the legal requirements to submit annual returns and financial statements,
 - Details of the companies accounts must be published annually and consequently become available for inspection by competitors, customers, and suppliers,
 - Shares cannot be sold to the general public which suggests it is harder to raise capital,
 - Profits are distributed to shareholders and must therefore be shared.
-

Simons Vision Statement:

Stuart Turner

Page 3

Simons Construction.

“Through becoming the first choice provider of high quality construction, development and consultancy services to selected clients and by continuously developing our products, services and people, we will achieve goals of profitable growth, customer satisfaction and employee fulfilment.”

Vision

S T A T E M E N T



The corporate values to which SIMONS are committed are:-

- an aspiration to be the best at whatever we do;
- a belief in the importance of people in achieving business success;
- a recognition of the need to achieve profitable growth;
- a desire to achieve high level quality and customer service;
- a will to create a corporate culture that encourages well motivated employees to commit themselves to company success.

Objectives:

All businesses have objectives. These are goals, which are set out by the people who lead or control the organisation. The performance of a business could be judged on how effectively carpenter aimed to make a satisfactory profit and actually made £10,000 he might consider that he had achieved his objective.

The objectives of businesses in the private sector used to be different form those in the public sector. However, since 1979, many of these differences have been eliminated. Most of this unit focuses on objectives in the private sector.

Simons Vision Statement show the main objectives of the company and what they hope to achieve.

Simons Plans and Objectives for the coming years:

Simons Construction recognises the need to develop their environmental position and demonstrate to customers and employees the need for quality construction and innovative design. In early 1999, Simons appointed an Environmental Manager to promote awareness of the environment within the company. The formation of the Environmental Squad which was comprised from all groups companies, to develop an overall environmental approach towards construction following the Group Environmental Policy Statement, approved by the Board in September 1999.

During the next twelve months, Simons shall be maintaining a focus on caring for the environment, and developing a detailed environmental policy statement. Many of the issues covered will be those pertinent to sites, but shall also be the developing the position on office activities, transport, purchasing and the role in Design and Build projects.

Within Simons, there policy is to do everything simply better and earlier than their competitors, this basically means that they would concentrate on few high-profiles environmentally less damaging rather than many high impact environmental projects.

Following the success of the waste segregation exercise in the scaffold yard in Lincoln, they intend promote the use of segregated skips as the normal on sites. Where only single skips are practical, he plan to ensure that these are sent to waste transfer stations to ensure that recyclable waste is separated before the remainder is disposed of the landfill or incineration. They shall also be addressing a number of other waste issues including:

1. Recycling of trade-specific waste with partner subcontractors,
2. Additional recycling of office and site consumables,
3. Practical ways of dealing with cardboard and polythene waste, both on site and in there offices.

Throughout the coming months Simons will be trying to maintain and focus on the prevention of pollution from out sites, paying particular attention to the storage and use of fuel and chemicals, and the prevention of silt build up and the entrance of it into sewage plants.

Simons are committed to the quality of service that the supply. The effectiveness of the companies departments reflect the service which the supply. This is supported by the many awards won by the company for the quality of construction and service the supply. These awards and accomplishments motivate the employees of the business to better themselves and the company to gain higher status in the world of construction. By my insight into the working of Simons and can make a fair judgment that the internal objectives that the company and set are realistic and obtainable. These small but important steps increase the possibility that the company can better itself.

Survival:

All businesses disregarding there size will consider survival importance.

Early stages of trading – most firms begin on a small scale, establish themselves and grow. Firms may encounter a number of problems when they first begin trading these problems include:

- Lack of experience,
- Lack of resources,
- Competition from established firms,
- Unforeseen problems such as unexpected costs,
- Limited recognition by customers.

As result of uncertainty the important business objective might be to survive in the initial stages of trading.

During a recession a business could face falling demand, bad debts and low confidence. Firms sometime become target for other firm to take over. When this happens the survival of the firm in its existing form may be the main objective. One way to do this is to persuade the owner not to sell share to the person or company bidding for them.

In the long run it is unlikely that survival would remain the only objective.

Maximising Profit:


One of the primary aims of a private sector business is to maximise their profit. This is achieved where the difference between the total revenue earned by the business for the selling of its products and the total cost of producing those products is at its greatest.

Firms aim for as much profit as possible. In practice a business is more likely to have a satisfactory level of profit as an objective.

Objectives of small firms: owner of small firms may not want to expand their output to a point where their profits are maximised. This may be because:

- It involves employing more workers, making more decisions and working longer hours,
- They may want to keep their turnover below the VAT threshold, avoiding the need to charge their customers VAT and filling in VAT returns,
- They are happy with a satisfactory profit level and their current lifestyle.

Simons Construction Finance Chart:



	1997	1998	1999	2000	2001
TURNOVER (Unconsolidated)					
Construction	74,470	108,114	141,402	160,236	216,812
Property	41,587	19,775	20,339	29,899	27,793
Consultancies	2,447	1,945	1,993	2,441	1,753
Total	118,504	129,834	163,734	192,576	246,358
PRE-TAX PROFIT					
Construction	740	1,806	2,182	2,019	1,779
Property	421	696	100	357	1,419
Consultancies	(62)	(115)	63	132	64
Group	34	15	(132)	(931)	(1,345)
TOTAL	1,133	2,402	2,213	1,577	1,917

Growth:

Many businesses pursue growth as their main objective. Business people argue that firms must grow in order to survive. Failure to grow might result in a loss of competitiveness, a decline in demand and eventual closure. If a firm is able to enjoy some monopoly power and raise its price. By growing, a firm can diversify and reduce the risk of business enterprise. It can sell to alternative markets and introduce new products. If one market product fails it will have a range of others to fall back on. Firms can exploit economies of scale if they grow large enough. This will enable them to be more efficient and enjoy lower costs.

A number of people involved in business activity might benefit from growth in many ways such as:

- Employees may find their jobs will be more secure,
- Managers and directors will tend to have more power and status,

- The salaries of directors and the chairperson are often linked to the size of the firm,
- The owners of the companies might have mixed feelings about growth. Growth often means current profits have to be invested to fund that expansion.

Sales Revenue Maximisation:

Sales Revenue Maximisation was put forward by William Baumol in the 1950's. The objective of firms may be to gain the highest possible sales revenue. Those employees whose salaries are linked to sales will favour this objective. Managers and sales staffs are examples of staff paid according to the sales revenue that they generate. Sales revenue maximisation is not the same as profit maximisation.

Image and Social Responsibility:

In recent years firms began to realise how important their image is. Many have also seen the benefit of showing responsibility to the people involved in business activity, such as customers, employees, and suppliers.

This has happened because legislation has been passed which favours consumers, changes have occurred in social attitudes, and competitive pressure has forced businesses to take into account the needs of others.

What determines Business Objectives:

Behavioural theories suggest that the group, which dominates the business, will determine the objectives. If the owners are in control they are likely to aim for profit. However there are other factors that influence the choice of the objective.

- The size and the status of the firm for example many small businesses may be content with profit satisfying. Large firms may aim for growth and market domination.
- The age of the business. Businesses starting off may be content with survival. Later, when they are established, they may pursue other objectives.
- The state of the economy may affect business objectives. During a recession many firms. Both large and small, concentrate on survival. During this time normal trading conditions and other objectives will be important.
- Whether a business is in the public or private sector. Up until recently, organisations in the public were set up to provide a service, whereas firms in the private sector pursued other objectives such as making a profit.

Objectives that apply to Simons Construction Ltd:

- Survival,
- Profit Maximisation,
- Managerial Objectives,
- Sales Revenue Maximisation,
- Image and Social responsibility,
- Behavioural theories.

Cultures Present within Simons Construction:

Culture in organisations is often described as the set of values, beliefs and attitudes of both employees and management that help to influence decision making and behaviour within the organisation. Each organisation has a unique culture.

Whatever the attitude of management, it always has a significant impact on the culture of the organisation. In a Tall structure, the influence of top management might not reach the shop floor operatives, whereas in a flat structure, the attitudes and beliefs of management directly influence all employees.

Categories of business culture range from the negative where there is little co-operation between managers and workers, to the dynamic culture with enthusiastic managers and employees working together to implement positive changes and innovations. A positive culture is often an innovative one and a bureaucratic one is often a negative culture.

Business Cultures:

- Bureaucratic Culture – Strict conformance to establish formal rules and communication channels, with clearly defined chains of command and authority.
- Competitive Culture – Tremendous rivalry between employees, competing for attention, recognition or advancement. Can lead to frictions between employees.
- Customer driven Culture – The organisation is dedicated at all levels to satisfying customers. Attention is focused on improving all aspects of the production process down to the minutest detail for the customers benefit.
- Dynamic/Innovative Culture – Energetic, enthusiastic employees and management, not afraid to venture into unknown technological and market area. A lot of status is afforded to new development.
- Negative Culture – Cynical culture, with mutual distrust of workers and managers. Lack of enthusiasm for change irrespective of possible consequences.
- Person Culture – Managers and employees are genuinely supportive of each others personal development and progress.
- Positive Culture – Managers and workers alike are co-operative and supportive of each other's contributions and efforts, and consider many issues as opportunities rather than threats.
- Power Culture – A centralised firm, with the power to control exerted by a strong senior management team directing operations.
- Role Culture – Power, authority and respect is obtained via the individual position or role in the company hierarchy.

- Risk Adverse Culture – Employees and management are naturally suspicious of change and undertake careful planning before making decisions.
- Task Culture – Project-organisation, where all attention is focused on the completion of the task, with all individuals expected to be flexible according to the needs of the firm.
- Technological Culture – Emphasis and focus is on the development of technological excellence. Ideas and suggestion from all levels in the firm are positively encouraged.

The main culture present in Simons is the Task Culture. The business has to be flexible due to weather and supplier set backs. This is the ideal culture for Simons and suits the running of the company due to the structure and type of business they are involved in.

Organisational Functions:

All organisations must carry out and run by a number of separate functions. These functions put together constitute the business system of the organisation. In most businesses there are six organisational functions, and they are closely related.

- 1) Production – The function of production is to use material to manufacture goods, or to supply a service. If production fails, the whole organisation will fail.
- 2) Finance – All business must control their expenditure. To achieve this, the Finance department must record all transactions produce all financial documents and reports and deal with incoming and out going payments.
- 3) Marketing – The function of marketing is to identify and anticipate customer needs. This is done through a variety of activities, including market research, advertising, promotion, packaging pricing and distribution.
- 4) Research and Development – The R&D function is usually found only in large organisations which try to maintain or increase their market share by introducing new products or by changing and improving existing ones. Simons Construction have a small R&D department that cannot be used to a large extent.
- 5) Human Resources – This function of a business is concerned with the labour factor. It deals with all aspects of recruitment, selection and training of staff, employee appraisal, and any disputes, complaints or grievances that might arise.
- 6) Administration – Its departmental function is to communicate with the workforce, produce all necessary documentation, keep all records apart from financial ones, and deal with all enquires.

All business organizations exist either to manufacture goods or to provide a service in order to make a profit. All business activity require the use of factors of production, And all Businesses must ensure that they have the requisite factors of production, and that these are used effectively. This requires the organization to ensure that all its parts carry out their functions. All organizations must carry out a number of separate functions. These functions put together constitute the business system of the organization. In most businesses there are 6 organizational functions and they are closely related.

Production

The function of production is to use materials to manufacture goods, or to supply a service. If production fails, the organization as a whole will fail. No business can survive if it does not produce enough goods or services to satisfy the customers needs. One part of Simon's construction within the production sector is Wrights construction. Based in Lincoln since 1830's, Wrights Construction (Lincoln) LTD operates in Lincolnshire, Nottinghamshire and the east Midlands area for a wide range of clients. Wrights have a long track record of delivering high quality traditional

buildings, particularly in the public sector. High levels of directly employed, skilled labour force ensure maintenance of quality standards. Wrights operates as an autonomous member of the Simons group, but with direct access to the groups' extensive resources.

Finance department

All businesses must control their expenditure. To achieve this, the finance department must record all transactions produce all financial documents, reports and deal with outgoing and incoming payments. With Simons Construction, the finance sector overview the finance areas. Shown below is a table of the turnover of the business.

Marketing department

The function of marketing is to identify and anticipate customer needs. This is done through a variety of activities, including market research, advertising, promotion, packaging, pricing and distribution.

Research and development department

The Research and development function is usually found only in large organization which try to maintain or increase their market share by introducing new products or by changing and improving existing ones. Simons Estates specialize in providing investors and tenants with solutions for the property development market. Their key objective is to meet their customer needs and constantly research with them how improve the processes and end products. The estates team has an outstanding balance of skill, experience and energy. Combining this with the wide resources of the Simons Group, they are able to provide clients with a complete package from sourcing the land, through design and construction, to hand over to the end user. Working principally for property development investors, Simons estates identify opportunities and develop solutions to build these into successful investments. They excel at matching the disparate elements necessary in order to provide a successful whole and the team's track record allows clients to choose them with total confidence. Simon's estates have a reputation for reliability, quality, tailor made customer service and a high standard end product. Whatever they are providing; whether it be a supermarket, a distribution center or a factory; they have to be efficient, and the large amount of repeat business secured is testament to the quality that is provided.

Human Resources

This function of a business is concerned with the labour factor. It deals with all aspects of recruitment, selection and training of the workforce. It is also responsible for health and safety legislation at work, and for looking after the welfare of the employees. Another aspect of this function is dealing with training of staff, employee appraisal, and any disputes, complaints of grievances that might arise.

Administration

Its departmental function is to communicate with the workforce, produce all necessary documentation, and keeps all records apart from financial ones and to deal with all Enquirer.

Communication channels in businesses:

There are five main types of communication contained within businesses these are:

- Internal Communication – Sending information and receiving feed back within the business.
- External Communication – The ways in which a business communicates with other organisations and with individuals outside the business.
- Both the above can be oral, paper-based or electronic Communication.
- Oral Communication – this includes communication by word of mouth, which can be face to face, by telephone, through meeting and conferences or in some cases by presentations.
- Paper-based – Informal notes, internal memoranda, formal business letters and business reports are included in this method of communication.
- Electronic Communication – The business world and the way it operates have changed greatly in recent year, mainly due to new technology. Today almost all organisations use the following communication methods as a matter of course: Fax, E-mail, Internet and Videoconferencing.

The two main types on communication obtained within Simons are Electronic and Oral Communication. With computers and such being the future it is sensible for medium size companies to get involved in it. Oral communication is important with in Simons due to have construction managers and project managers over looking sits and wanting to talk to suppliers and other External companies connected to Simons. In any business communication and effective communication as that is of great importance.

Performance in operations:

Having organised, effective and efficient structures, cultures and managers in a business is very important. These set the tone for the whole company and hold the future of profit or loss.

Simons Business culture: The Task Culture which Simons employ is the most effective and efficient for that line of work; Construction. With this culture it has allowances for weather and supplier set backs and also allows flexibility while jobs need completing.

Simons Organisational Functions: Simons undertakes and very popular organisational strategy. This strategy is in the use of six sectors of a business: Finance, Human Resources, Marketing, Research and development, Administration and Production. Using the method all aspects of running a business are incorporated. In the case of Simons the majority are held under one roof, this gives and added advantage in that if one sector finds a mistake by another it can be quickly corrected. All the departments contained within Simons work together effectively to form an efficient yet passionate work force who are determined to meet and further objectives.

Management style of Simons: Simons although having a board of directors also employ departmental managers. These managers give regular detailed reports to the directors informing them on what his happening and any problems arising which the department manager cannot fix without directorial input. Managers are trained in communication to make them more accessible to their departmental co-workers. This enhances internal communications within the company increasing there effectiveness by getting input from different subject workers. Being more effective makes is quicker and easier to meet objectives due to increased input by all departmental personnel.

Simons management style is based upon a Democratic system. This is defined as a system based on equality of all members of a community. This basically means that employees are encouraged to participate in decision making.

The other styles of management are Autocratic where one person makes the decisions, consultative where the management takes the democratic principle and asks workers for their opinions as a matter of course.

The pros and cons on the use of high grades of technology in today's business environment:

Pros:

- Improved speed – information is processed fast and can be sent over the internet and lightning fast speeds improving efficiency.
- Information can be sent and received over the internet – this means that at any point in the world with internet access organisations can get access to information etc.
- Improved access – vast amounts of data can be stored on computers, providing companies with easy access to a wealth of details.
- Wider audiences – the internet and satellite communication networks reach many more people than had ever been possible before.

Cons:

- Cost – investment in hardware and software can be very substantial and on going costs are also high.
- Incompatible equipment – this can be a serious problem in Information Technology. Different manufactures produce different software to work with different Operating Systems and if a certain type of software is not made for the Operating System then it will not work.
- Threats to security – some organisations give this as a reason for not using the internet.
- The dangers of deliberately introduced computer viruses – they can destroy information access can be given to accounts and restricted information. This can be very dangerous for the business.

Internal Communication:

In order to establish an effective system of communications at work, it is necessary for management to be quite definite about what people must know. In smaller organisations the communication system is normally a lot different of that of a larger company.

Communication types:

Downward communication – sent from upper levels of the company down to the lower levels. The management use this method to communicate with sub-coordinators within the company

Departmental Communication – this where is certain bit of information is released to certain department taking into account what information is for which department.

Upward Communication – a system which allows workers to communicate effectively with supervisors and managers.

Downward communication used to be the only type of communication obtained within an organisation. This led to an autocratic system of management. This meant that employees were never consulted or asked about the companies policies and plans for the future, thus giving no chance for the employees to express there view on issues and what new strategies could be undertaken.

The upward channel of communication gives all employees a chance to express there feeling on issues and to give there views on what they think of some of the companies policies. This in turn gives the higher ranked employees a wider perspective, and employee input on what should and shouldn't be undertaken.

Formal Communication – is going through established methods and channels, usually in written form.

Informal Communication – is an unofficial format used, outside formal channels.

External Communication: A businesses organisation must have a good internal communication channels in place if it is to function efficiently equally as important is the organisations external communication which enables them to strike deals in the outside world. A business organisation exists to provide a good or service, and make profit in order to survive. The methods used in internal communication are in the majority of cases the same as that in external but just the recipient is different.

Organisations that businesses contact:

- Their supplier
- Their customers
- Local authorities
- The Inland Revenue
- The VAT office
- Banks and insurance companies
- Solicitors
- Market research specialists.

The communication with suppliers is of great importance. Wrong material can destroy a product and delays can occur and build up costing large amounts of money. When purchasing material companies go through certain procedures:

- Send a letter enquiring about your interest in using them as a supplier.
- Contact potential suppliers and ask for a price list and catalogue.
- Receive requested information and compare quality and price to other potential suppliers.
- Contact selected supplier and asked for a written quotation.
- Place the order.
- Receive and invoice and file it.
- Send payment.

Production Process and Quality Assurance:

Simons have many stages of quality assurance within its working environment. Site managers and surveyors are constantly onsite observing the quality of work being done and the speed at which it is being completed. These site managers and surveyors file regular reports on progressing work, these reports are then evaluated to discover whether there are any improvements and adjustments that can be obtained to higher the level of service. This constant evaluation of reports goes together with the constant improvements, constantly upgrading and updating, to greater quality of service that Simons provide.

Simons Environmental assessments onsite:

In August 1999, Simons started carrying out Environmental Assessments of projects, this limited construction operations themselves rather than the finished 'product'. These assessments cover the same issues as the 'Environment Awareness' course, and the early assessments doubled as training for the site staff. To date, the assessments have been carried out on over 30 locations, with improvement targets beyond statutory minima being set on many sites with varying degrees of success.

Environmental Technology:

In the last twelve months Simons has been determined to build their knowledge on environmental based technology, both in the establishment of an Environmental Reference Library at Lincoln, and the circulation of selected, more widely useful information, on an intranet database that can be accessed by all staff. They have participated in many external activities including the Lincoln Waste Minimisation Club 2000, the ACTIVE workshops on concrete innovation through Oxford Brookes University, and a DETR project on waste in the construction industry through Nottingham Trent University. They are regular contributors to the Bigreen group, and internet subscription discussion group dealing with the environmental issues on major construction projects, including emerging new technology.

Possible improvements ascertainable within the company:

Simons has the possibility to branch out into other areas of the market such as the environmental aspects of construction. Advice conferences could be held for other constructional companies to help them help the environment.

Materials use and design of builds are becoming very large in the construction business. Many councils want non-obtrusive but very functional building to be erected. These buildings effect the visual environment, by a way that they are not immediately noticed due to their design. Simons would benefit from undertaking projects based upon that specification. This would increase the view of Simons Architects into designing more environmentally friendly buildings.

