

Report
on
Communication Systems

To: The Board of Directors of Cadburys

From: Ashiq Hussain

Date: 3/11/00

Terms Of Reference

I am presenting this report on the Communication system of Cadburys.
This report is my G.C.S.E. coursework.

Aim of the Report

The purpose of the report is to find out the way of communication systems used at Cadburys
eg. Communication to Employees, Customers to other businesses etc.

The methods that I am going to use are to find out the internal and external communication between the two buildings. The problem the business has is they are too far apart from each other. The transport from suppliers could have problems delivering because there are now two sites. They will have to be informed of precisely to which site the delivery has to be done. Otherwise they will have to drive another 50 miles. Another problem would be the make up of the population, housing, schools etc. If there is an available work force then the business will do well. If not than it won't. The same applies with schools and housing.

Method

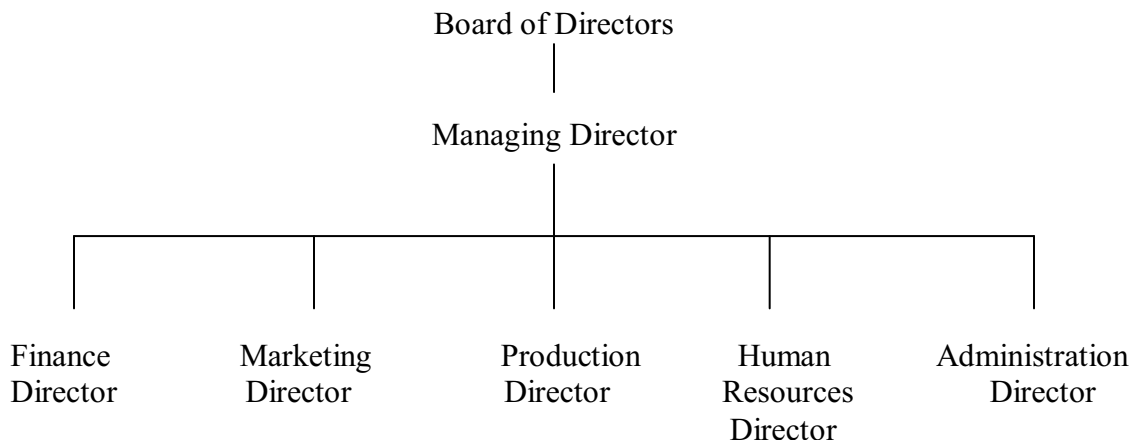
I have found the information by:

- Desk Research
- Reading the Assignment. (Appendix 1)
- Asking the teacher. (Appendix 2)

Findings**The Main Background**

Cadbury's world is a Limited Company, which basically means they have limited liability and it is owned by shareholders. This means it will be easier to run and you can decide who can and cannot buy shares because if it was a PLC anybody can take over if they have the most shares. It provides whole range of products such as chocolates, sweets, drinks and educational talks. It is a medium sized manufacturing company employing 120 people. Until this year production and administration has been located in central London. There has been a reorganisation of the company and its personnel.

The Board of Directors, Managing Director, Finance Director and the Administration Director work at the London Head Office. The Marketing Director, Production Director and Human Resources Director is now based at the company's new manufacturing facility 50 miles outside London.

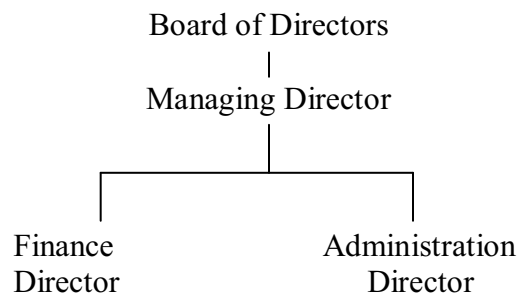
Organisation Chart

The Board of Directors is in charge of the whole of organisation, but the different departments report to the Managing Director who takes charge over the rest. In one building there is the Board of Directors, Managing Director, Finance Director and the Administration Director who are working from the London Head Office. The Marketing Director, Production Director and the Human Resources Director will be based at the company's new manufacturing facility 50 miles outside London.

There is no longer production at the London site.

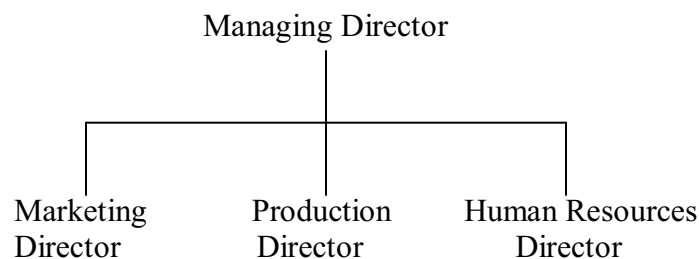
Re-organisation charts

The Organisation has split into two. In one building there will be The Board of Directors, Managing Director, Finance Director and the Administration Director will be working from London Head Office. This is what the organisation chart will look like:



The Board of Directors is in charge of the Managing Director and the Managing Director is in charge of the Finance Director and Administration Director. He is also in charge of the other Directors. The Finance Director and the Administration Director can tell each other what to do because neither of them are in charge of each other.

Here is the other half of the company, which has the Marketing Director, Production Director and the Human Resources Director. They all are situated at Birmingham 50 miles away from the London Head Office.



As shown on the previous page you can see the Directors are all working by themselves. They cannot tell each other what to do. They are still being told what to do by the Managing Director and the Board of Directors.

Cadburys would not be a good business because of the move the reason being is there are two sites and they contain different things such as the production site is now situated in Birmingham which means if customer wants buy their products and he does not know they have moved and ends up in the London site he would not be very happy and properly never purchase from them again. Whereas if any other company such as Nestles which has all its directors in one Building would gain more customers because Cadburys have let them down, and they would move on to another company which sells the products they need.

Having all the directors in one building is better than having them split up because when their in one building they can communicate properly and have no problems because it contains all the directors which means they will not lose customers because of things like splitting up like Cadburys is having now.

They can never advertise too much because there is always someone who forgets so I really recommend them to stick posters on motorways reason being is people will always use them to get anywhere far and when their on the way they will still be able to turn back rather than going all the way to the site and finding out they have come to the wrong site so at least they have been alerted about the move which might not make the customers feel that angry.

Main factors for move

The main factors for the relocation is the expansion of the company, location of raw materials, transport and communication links and labour supply.

This firm uses a lot of raw materials so the reason they have moved could be because they want to move closer to their suppliers which will lower the cost of transporting the raw materials.

The firm wanted to move to keep its wage bill as low as possible. Therefore they have to locate in areas of high unemployment.

This firm also needs to be near airports or seaports because they are exporters. They should be near good road and rail links to transport goods and people quickly around the country. Along with this they will need good telephone and postal services as well.

These are the most common reasons why companies move such as this one.

Additionally where they are based has become run down. It is not attractive to customers and does not help recruitment. The alternative could just be a nice place to live and work.

Ways the Business can improve

The Business has been improving but because of the move there is space for more improvement because of the distance.

Here are a few suggestions on how the business can improve because of the move:

- They will have to improve their communication by having call centres.
- Sponsor local events.
- If a person does turn up in the wrong site you can give him a 10% or so in the products he buys.
- You can give the customers offers.
- Have prizes like holidays or just somewhere out and when people enter you can always remind them of the move, on TV adverts, posters, wrappers etc.
- You can have offers like if you collect a certain amount of chocolate wrappers you can go and watch a film in the cinema for free plus the message, which will tell them about the move.
- If they need more staff they can give out certain packages, which contain deals for them on purchase on homes and travel.
- They should have more sites, which are situated, around the country so people will not have to go far to the nearest site.
- Have dedicated computer links.

The way the can improve is on the way the use these improvements and use certain techniques which will make the customer and your staff happy.

The Company should use batch production because it saves time and money and it can be easier to check the quality at the end of the batch also you can then make a batch of something else which will be have more varieties to the customers and this is a quicker way to make up the money for using it on good communication.

Problems as the result of the move

Redundancy

If production employees are made redundant, the company has to pay out thousands of pounds. Some people might not want to move because of the mileage difference so some redundancies will happen. Also a lot of employees are women who have partners working in London.

We might make it easier for people to move house. Those with children moving school, which then means they have to start over, again in their new house, might still want to stay in London.

There are financial implications either way. A lot will depend on how easy it is to recruit new labour.

Information

The company will also lose customers and clients if they do not tell them clearly about the move.

Communication

The communication side gives difficulties. In particular communication between the two sides must be good.

An excellent telephone link should be set up with television conferencing facilities, and introduce call centres to deal with any inquiries.

A first class dedicated computer link is a priority. It must be totally secure.

They also increase publicity by sponsoring such things as local fun raisers, and events like fairs. Also the company can advertise on the Internet using web pages.

Effective communication will only happen if the information is sent, received and then understood.

Customers

The company will have to tell their customers about the move or else they will lose a lot of money.

They can do this by using media such as adverts and sponsoring films.

They will have to send out company news letters telling them about the move, as well as telling them what is now at the London site and what is at the Birmingham site.

To really get the message through their customers they will have to advertise it nearly everywhere eg. On their chocolate wrappers, bus shelters, they could even give samples of their products with the message regarding the move etc.

There's always someone who forgets so the company will have to put it in writing so people won't forget about the split up of the company.

Need for Communication

The needs for good communication in this business will be greater and can cause problems if the communication is poor. I have mentioned some things needed in the last section.

The two sites are 50 miles away from each other so the ways of communicating is: people, mobile phone, fax, telephone, e-mail etc. None of this is useful unless it is done properly.

For example if an order is placed by Cadbury's the suppliers will want the directions and who to meet to if none of this is done then if the suppliers deliver it, at just say at the London Head Office at it is not needed there, but it is needed at Birmingham site they

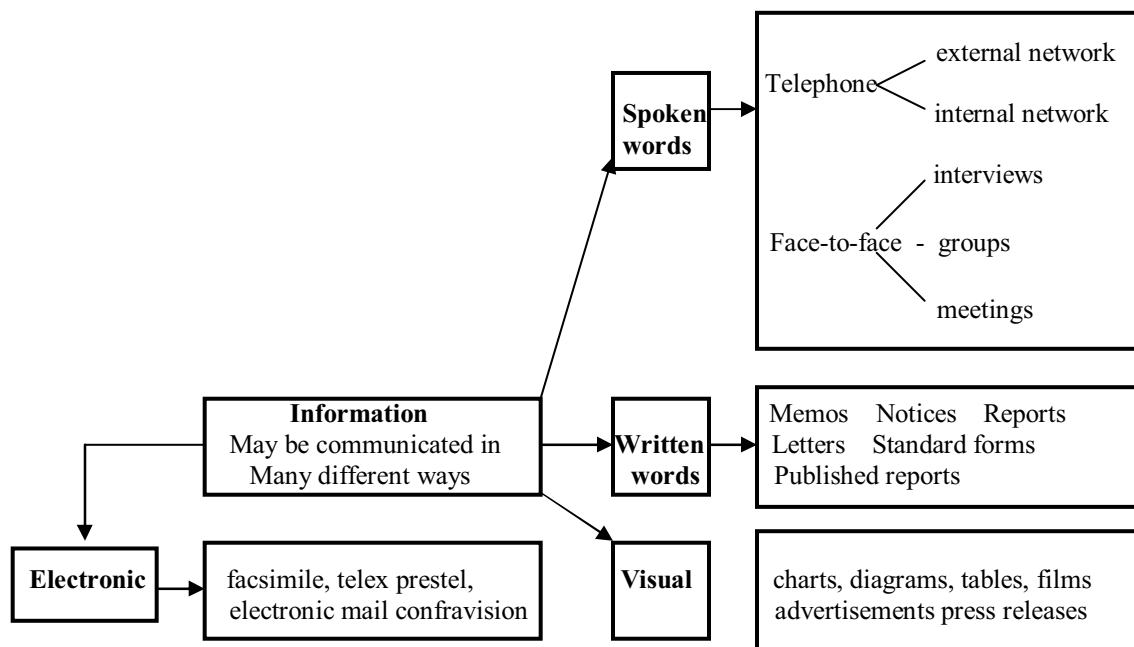
will be angry and properly won't supply it or won't do it again. This will cost the company money to sort out the problem.

If the London site send a memo to the Birmingham site to see if they have received the delivery or the can ring and tell them to ring back when they do receive it.

The worst thing could be for the company is that it could cost the company more than needed, but then the good thing would be they won't always have to check up on it. All the directors and employees should have a full range of communication methods available. This will cost the company more money, but they will not have any problems in communication again.

Method of Communication

There are three basic forms of communication: spoken, written, and visual. Each may be used in different circumstances and some of these are shown in the diagram below:



As you can see the communication starts of electronic and goes to spoken, written and visual.

Spoken

People spend a great deal of time talking and listening to others at work. This takes place between two people on a one-to-one basis, or on the telephone, or when one person talks to a group, or when several in groups discuss things together at a meeting.

Advantages are that the sender conveys information quickly, views and ideas can be discussed, feedback is immediate and the process can be in formal and personal. However, no written record is provided, so the message may be forgotten (therefore may be unsuitable for long complicated details) and as a result of long group discussion, decisions may take longer to make.

Letters

Letters enable an accurate, clear message to be sent. They are used mainly as a means of external communication, but are also used internally in connection with such matters as appointment or dismissal of staff.

Advantages of sending letters are that it may be cheaper (especially over long distances) than other methods such as the telephone or telex, it is easier to communicate in a foreign language because more time is available for translation and formulating a reply and a letter provides a permanent record of events. However, letters may be time consuming, they are slower than telephone calls, they may also be more formal and less personal. The sender does not get immediate feedback and there is a danger that the person to whom the letter is addressed may never see the document, because, for example, correspondence is often dealt with by secretaries.

Visual

An organisation can use charts, diagrams, pictures, maps, photographs or films to communicate. Sometimes these can inform of gossip or rumours.

Conclusion

The problems are not insurmountable. There are likely to be short term (transitional). Labour should be available and other costs should be lower than London. Communication will require considerable capital expenditure and care will have to be taken to ensure that customers are not inconvenienced. One person at each site should be given direct responsibility and authority to ensure good customer relations and communication.

When an organisation is in one building everyone could communicate directly, by face to face at meetings and if there were any changes all the directors would know about it because they would be told personally. As if the buildings were apart like it is now it will be pretty difficult too, because to agree or disagree on something you have to be there personally, it is too far to do this.

I have given a number of recommendations and in particular I feel that Tele-conferencing facility should be a priority.

I therefore recommend that Managing director and the Board of Directors should keep in constant contact with each other, and with the rest of the directors so that there are no mishaps.

A detailed financial prognosis is urgently required and the finance director should be asked to confirm if he could keep within budget.

The problems because of the move would be redundancy because more people would not want to move because of the mileage difference and women workers who have partners working in London will not move. This a basic problem, there are more problems such as not telling their clients and customers they have moved also communication problems they can sort it out by having excellent telephone links and a call centre to deal with enquires. Customers is the main concern because they will have to be informed that there no longer is one site but there is two which contain different things. They can do this by advertising or sponsoring films or giving samples of their new product regarding the move these all are basic problems they will have to sort out firstly.

The benefits would be that the production site is now closer to the middle of the country so everyone has access to it also it will get them more new customers because everyone will be able to see their goods and try them. There will be better standard of living because the houses up north are much cheaper than London also there is areas of high unemployment that is good because you need a lot of production workers also you will be helping people to make livings and there will be no un employment than and you will be reducing it which is good and you will than gain back more customers and workers.

The difference in the communication now is that you will need more communication because there are two sites, which need to be in touch with each other so the business will run perfectly. You would need more communication systems such as computers, e-mail, fax, and mobiles so you can talk to them if they are going around advertising so you can be in touch and tell them what is needed of them.

The company will have to check availability at the new site because the local community might oppose because of the disturbance which might occur also there are lots of built up areas in Birmingham people will want to keep the countryside or greenery around. The community might oppose through pressure groups, which could make them change their plan, or they will have to convince them. There could be other reasons, which could cause problems such as noise pollution.

To solve this solution the company should do offers to the local community, like more guaranteed jobs to them. Then community would let them proceed.

Social benefits for the community can be newer job creations for them so they will have a variety, which means they will not protest to anything and the social benefits could also be helping business which will increase their publicity.

Social costs will be the environmental effect such as the increase of traffic, which could cause their deliveries delayed because of traffic which then the buyers will not be happy about and properly not purchase from them again, and also cause greenhouse effect.

The reason why a firm expands is so they can get more it can benefit from economies of scale, which are methods of reducing average costs and making their products cheaper.

A firm can increase its efficiency in the following ways:

- **Reduction in costs** Fixed costs are often reduced when more goods are produced because the rent of the factory and cost of buying machinery is spread over more output.
- **Workforce** Sometimes, when two or more firms expand by merging together, departments can be combined with the result that fewer managers and supervisors are required. There may also be a reduction in the number of workers needed elsewhere in the firm, perhaps when new methods are introduced.
- **Technological economies** As firms grow, they can often make use of expensive advanced machinery such as robots or computerised techniques because they will be more efficient.
- **Trading economies** Larger firms can order supplies of raw materials and components in bulk and suppliers are usually willing to sell at a lower price when greater quantities are required. The firm can lower prices to customers without losing profit.

All the economies of scale mentioned above are known as internal because they result from efficiencies gained from the growth of the individual firm.

A factoring arrangement may be very helpful to this business, which might face a shortage of cash while awaiting payment from the buyers of their goods or services. The function of a credit factoring organisation (*cfo*) is to act as an intermediary between the business and its customers to ensure rapid payment of invoices.

Before the business delivers the goods, the *cfo* advises on the credit-worthiness of the customer, and this helps to stop bad debts. It also saves the business the time and trouble of collecting payments.

Recommendation

I am recommending as priorities the installation as Tele-conferencing facilities and a contract with a reliable call centre to guarantee that customer's calls find the correct extension after the change.

I also recommend a dedicated computer link that must be secure.

Increased publicity and trade mark/brand awareness should be sought by sponsoring local events such as fundraisers.

As far as possible deals should be made with key personnel offering them a package regarding house purchase and travel. However the numbers needed are limited and Tele-working can be probably be introduced to others.

Production workers should be offered redundancy terms and immediate steps should be taken to recruit staff at the new site. It might be worthwhile to use an agency.

I would say to Cadburys World that they should definitely put in these recommendations because it will improve the communication because it is important to any company.

The improvements they should make is have a call centre and dedicated computer links which should be secure which would help customers if they phoned what to do or who to call if they have any enquires.

**Evaluation of Communication Between
Office Club and Cadburys Ltd.**

In my Evaluation I am going to analyse the different methods of communication between Office Club and Cadburys.

In Office Club the methods are similar to Cadburys but as some changes, Cadburys has more.

Office club is a small company therefore the communication would be fast and more efficient also they are in one building. This company has sales staffs, which go out and are in high competition with Office World, which is not far away. They use a lot of communication with their customers such as telephoning, brochures, posters, newsletters, and mobiles, which are also used with other businesses

The communication between the employees is similar but also use memos and fax to communicate.

In Cadburys Ltd. the company uses more ways of communication than Office Club. Cadburys uses mobile telephones, telephones, memos, computers, e-mail and pagers. When the employees need to get in contact with each other, they would use the mobile telephone to communicate, if they have the mobile turned off, they could leave a message to the answer phone or get hold of them another way, for example e-mail, most employees have e-mail and use it a lot so it could be a good and cheap way to get hold of someone. Also everyone has pagers so anyone in the company can get hold of them. If the company puts a supplier in it will put it in over the phone and in writing for the records.

The communication between the employees can also be done by Tele- conferencing.

Over all Cadburys Ltd is a bigger company therefore it will have more communication methods because the need is greater.

So therefore Office Club is smaller and will not need as much need for communication, making less problems for them.

Office Club is in one building where the communication can be done internally which also will be quicker where as Cadburys Ltd. is split in two sites it will have to be done externally.

There is a table on the next page showing the various differences between the two companies.

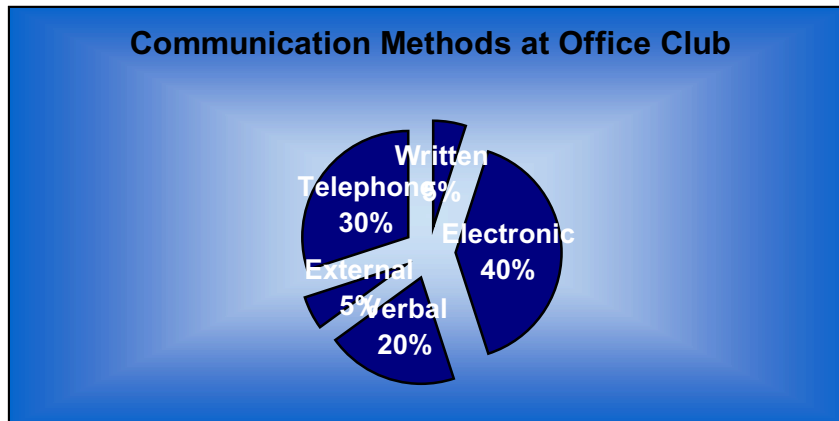
Here is a table showing the various differences between the two companies.

I got this Information by analysing the two companies

Office Club	Cadburys Ltd
Small	Large
Sales staff	More than one site
No tele-conferencing	Sales staff + Marketing
Highly competerised	Tele-conferencing
Telephone Looking for Business	More established
Pro-active	Trade Unions
No Trade Unions	Mobile phones
Sales staff – mobile phones	

As you can see that the bigger the company the more communication is needed because its big and it also has to be more established which might not be as competerised as Office club. You also need tele- conferencing because it's so big you will need to see everyone from where you are. Whereas if you're a small company you will not need as much communication methods because you see everyone face 2 face. Office club is a company who looks for business whereas Cadburys Ltd advertises them and people should come to them.

Here are the Communication methods at Office club and Cadburys Ltd:



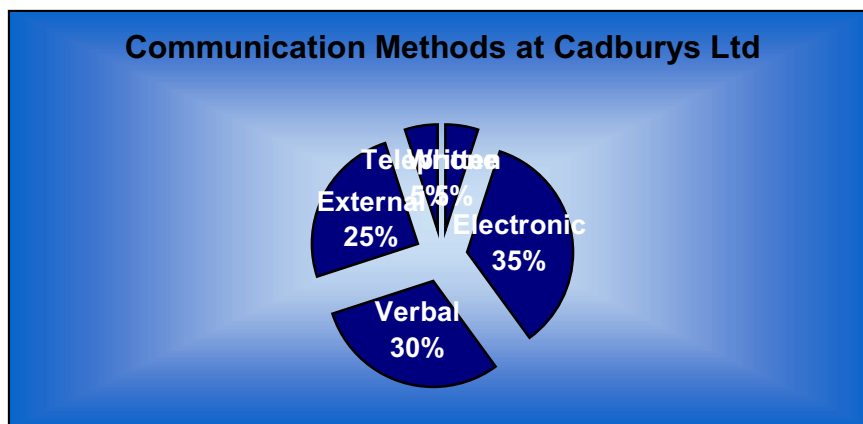
As you can see that Office club use a lot of electronic methods this is because it is a company, which publishes brochures, leaflets, catalogues etc.

There is not a lot of external and written methods because it is a small company which is in one building therefore it does not need a lot of these methods.

Verbal communication is used to tell them at meetings face-to-face what is required of them. This happens most frequently because they have new deals and new companies, which they have to publish for.

They use quite a lot of telephone because they look for business and for new customers.

I think by looking at this you can tell that it is a company that has got something to do with computers and it is a publishing one because it uses a lot of telephone and electronic methods.



As you can see this pie chart is completely different to Office Clubs one because it uses more external, verbal and electronic which they need more than telephone and written because they are not like a purchasing company which need telephone a lot also they do not go looking for business like Office club does.

This pie chart is not so obese because you cant really tell it is a factory selling products.

Bibliography**People:**

- I have got most of my information from my friends.
- Teacher

Electronic:

I used computers and on computers I used different software's such as; Microsoft Paint, Access and PhotoShop.

- www.bbc.co.uk/bitesize

Textbooks used:

Title:	Author:	Publisher:
• Collins GNVQ Business for Intermediate	Nuttal, Pitt,	Knight, Meerabux, Birch
• Business Studies	Ian Chambers,	Linda Hall, Susan, Squires
• GCSE Business Studies	Richard Parsons	CGP

Appendices

1. Booklet (containing background Information)
2. Acknowledgement

Acknowledgement

I would like to thank my friends who helped me work right through this coursework.
I would also like to thank my business studies teacher (miss valentine) for helping me with my business studies coursework.