

Case Study Scenario

Exotic Cars Inc. (ECI) is a company specializing in sales and maintenance of the exotic cars. The cars that ECI sells come from multiple sources

- Shipped directly from factories
- Purchased from private collectors
- Traded-in by customers of ECI

ECI also provides a regular maintenance service of the exotic cars, such as engine tune-up, tire rotation, oil change, etc. You do not have to buy a car from ECI to use its maintenance service; consequently, some owners of the exotic cars purchased elsewhere also use ECI maintenance service.

ECI appreciates the continued business of its patrons. Consequently, the company wants to maintain as much information about each valued customer as possible. As a result, ECI diligently records how much money each customer spends on buying cars (more than half have purchased two cars and about third bought three or more), on maintenance service (how much customer spends overall, and per car), and whether or not a customer ever traded a car in.

Similarly, ECI maintains detailed data on all the dealers, companies, manufacturers, and other sources that provide the company with needed services, parts, or cars. ECI is not a “backward” organization, but things have been done there pretty much the same way since ECI was founded in 1966. The owners of ECI feel like it is about time not just to move forward, but “leapfrog” the competition.

You, along with the members of your team, have been hired by ECI to find a way of dramatically increasing the level of performance of ECI.

Organizational structure of ECI

There are three operational locations of ECI

- Washington, DC,
- Richmond, VA,
- Virginia Beach, VA.

The corporate headquarters are located in Charlottesville, VA. Every location has a general manager who is responsible for authorizing/rejecting requests area managers may have. Normally, area managers only handle the issue relevant to their area. For example, sales/trade-in area has its own manager, body shop/repair shop has its own, and service area has its own area manager. Every area manager is authorized to make financial decisions up to \$10,000.00. If the amount exceeds the limit of an area manager, then the general manager of that location must authorize it—the general manager has discretion of making financial decisions of up to \$100,000.00.

If the amount exceeds this number, a request is send to the headquarters, where it is approved or rejected by the VP of the area (e.g., service, sales, and repair). The VP of the area is authorized to make financial decisions of up to \$250,000.00. If the request exceeds this amount, it must be addressed by the CEO of ECI.