

# Management Reorganisation During Growth

As a business grows, the management must be changed to adapt better to the forthcoming demand that the company will face.

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## O2o completes its restructuring

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✉ CHRIS STARKIE, EDP BUSINESS EDITOR

Norwich-based office supplies company Office2office says it is in a strong position after completing a major restructuring of the business.

The company, which employs 800 staff at its Norwich headquarters and offices across the UK, announced a shake-up of its operations after deciding not to retender for a major supply contract with the Ministry of Defence.

It took the decision because it believed the new four-year contract would not be profitable enough.

The restructuring of the company, which cost £2.7m, included reorganising its warehousing and distribution as well as slimming down sales and support operations.

Office2office has also succeeded in winning new work, including an expansion of its contract with the NHS, and an extension to its supply contract with HM Customs and Revenue. It has also been growing its private-sector business.

Despite the loss of the MoD work, Office2office reported a 1.2pc rise in turnover to £167.9m for 2007, up from £165.9m for 2006.

But the reorganisation hit profits, with the pre-tax figure coming in at £9m compared with £10.3m a year earlier. Underlying profits rose, to £11.6m from £11.5m. Shareholders will be getting a final dividend of 6.8p a share, up from 6.4p.

Other changes during the past year included the recruitment of new chief executive Simon Moate, following the departure of previous boss Ray Peck.

Chairman David Callear said: "I am pleased to report that Office2office has delivered strong results in 2007 against a backdrop of significant change during the year.

"Following a review of our sales and operations, a new management structure was implemented including the appointment of a new chief executive, logistic efficiencies were realised and a major cost reduction exercise was completed."

The company is looking at takeover opportunities and ways to increase the services it offers its customers.

Mr Moate said: "Office2office is a solid business with real prospects for longer term growth, both organically and by acquisition.

"The strategic review has delivered clarity of vision and purpose and we expect future acquisitions to deliver growth. We believe in getting the basics right."

This case study shows us that after a huge amount of profit in the previous year, as well as changing contracts, O2O felt that they needed to reorganise their Norwich headquarters. The result of this was a much more efficient HQ. However this came at a cost as the amount of spending and loss of managing time meant that profits fell a small amount.

Facebook has recently hired a former manager of Google as their new chief executive. By doing this they will ensure that Facebook are able to maintain a constant high rate of growth which will bring with it high advertising revenue. Without a new manager they may not be able to sustain the high level of growth and as a result of this revenue may drop.

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## Facebook appoints ex-Google COO

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Facebook has appointed former Google vice president of sales and operations Sheryl Sandberg as its new chief operating officer following the departure of Owen Van Natta, chief revenue officer, last month.

Sandberg's appointment comes as Facebook faces its first downturn for 17 months, after reporting a drop of five per cent from 8.9 million visitors in December 2007, to 8.5 million in January 2008.

In her new role Sandberg has a wide remit, responsible for sales, marketing, business development, human resources, public policy, privacy and communications and will report to Mark Zuckerberg, chief executive of Facebook.

Prior to joining Facebook, Sandberg spent six years at Google as VP of global online sales and operations where she built and managed the search engine's online sales channels.

Sandberg worked as chief of staff to the US treasury secretary under President Bill Clinton before joining Google.

Zuckerberg said: "Sandberg is a great manager who will help scale Facebook's operations globally. She has relevant experience and a track record of scaling

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