



## **Confidential Memo**

TO: Roberto Beradi, CEO  
FROM: Mandy Kelly  
SUBJECT: Advice and Counsel on EU Design  
DATE: 15 October, 2023

### **Introduction**

This memorandum will serve to identify and illustrate several systems currently at work within EU Design, highlighting relationships among variables and evaluating their impact on the company's growth. To clearly illustrate these variables and their interrelationships, I will utilize causal loop diagrams (CLDs). CLDs provide a visual representation of cause-and effect relationships between variables which are currently at work in EU Design.

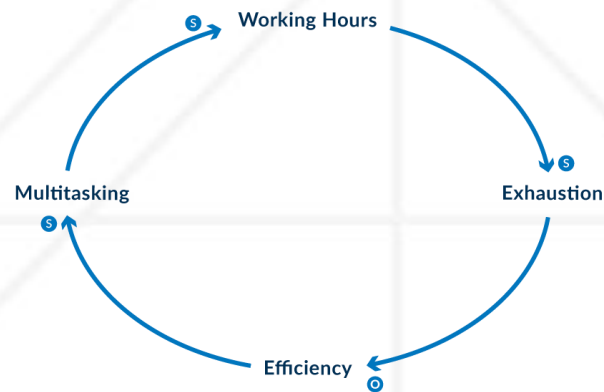
In the Analysis section, you'll find detailed explanations of each CLD, distinguishing between which loops are balancing or reinforcing. Based on this analysis, and in conjunction with results from your recent employee survey, I have developed a comprehensive set of recommendations for EU Design's next steps. The Recommendations section of this memo identifies your key leverage point and includes strategies to alter current system dynamics and create positive change.

Lastly, you'll find a concise summary of the salient points in this memo, steering EU Designs through this exciting growth period toward a successful future.

### **Analysis**

EU Design has reached a pivotal stage in the company's growth, necessitating a fundamental shift in management style and organizational structure. The following diagrams demonstrate relationships between key variables impacting EU Design's current organizational architecture.

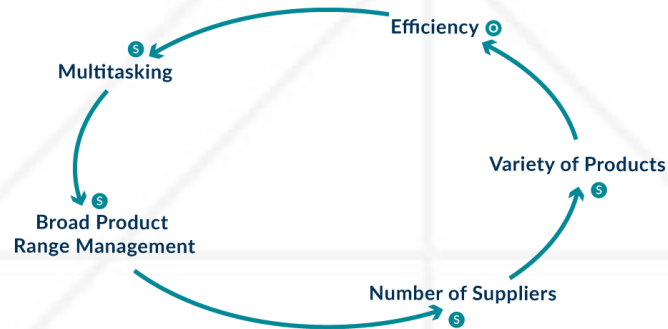
## Blue Loop – Employee Workload



This loop analyzes the impact of multitasking on employee efficiency. Employees are experiencing the need to continually multitask. As a result, they work longer hours, which raises exhaustion levels and decreases efficiency. Conversely, reduced multitasking leads to shorter work hours, less exhaustion, and higher efficiency.

This balancing loop seeks stability among these variables, aiming for optimal efficiency in employee workload. However, excessive multitasking diminishes efficiency and heightens the risk of errors, hindering overall growth. This type of loop is not sustainable long-term and decreases overall employee engagement and workforce health.

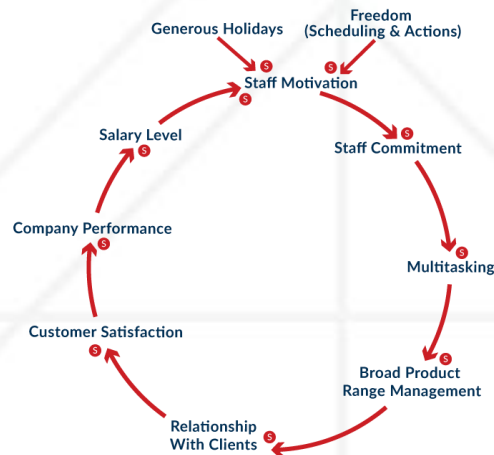
## Green Loop – Organizational Efficiency



This loop demonstrates how managing a wide variety of suppliers and products creates inefficiencies in the organization. The wide variety in products and suppliers which employees are required to handle leads to decreased efficiency and a greater need for multitasking, negatively affecting overall productivity.

Similar to the blue loop, this is a balancing system, which is aiming for stability. Increased multitasking lowers efficiency, which increases the risk of errors and can negatively impact EU's growth potential.

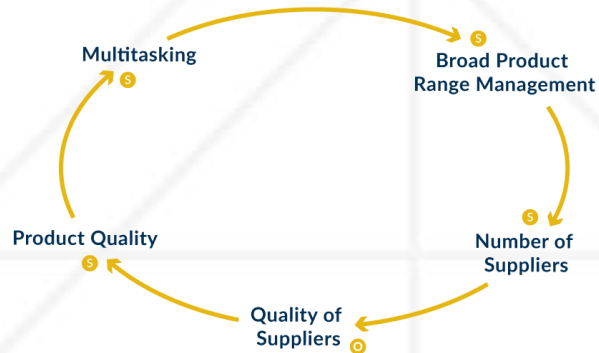
## Red Loop – Employee Motivation and Commitment



EU Design started with a small staff, necessitating multitasking, and managing a variety of products. Staff motivation at EU Design primarily stems from benefits and the company culture, including generous holidays, and autonomy in managing their day-to-day work. Increased motivation leads to higher commitment, which leads more multitasking. As multitasking expands, EU Design can offer a broader product range, enhancing client relationships and satisfaction. Satisfied clients improve the company's performance, enabling higher salaries, further motivating staff.

This is a reinforcing loop, where variables are amplifying in the same direction. It is worthy of note that excessive multitasking has the potential for negative effects in other areas of the system, as we have seen in the previous loops above.

## Yellow Loop – Product Quality



This loop assesses the evolution of EU's product quality over time, illustrating that as the number of suppliers increases, both the product and supplier quality diminish. As the product range broadens, more suppliers are involved, often causing a decline in supplier quality. Consequently, the overall product quality decreases, requiring increased multitasking to address errors. The heightened multitasking demand then leads to a further expansion of the product range.

This is a balancing loop, as the variables aim for stability while striving for a goal. As we have seen in previous loops, increased multitasking will have negative consequences. In this example, the rise in multitasking lowers product quality, resulting in more errors and waste, ultimately limiting EU's growth opportunities.



## **Recommendations**

The greatest leverage point you can utilize to move EU Design to the next level is *multitasking*. This variable is pivotal in all four of the CLDs explored in this memo. Additionally, feedback points from your recent employee survey supports focus in this area, specifically related to the lack of management in the Hong Kong office resulting in long working hours and excessive workloads.

### **Recommendation 1: Formalize Hong Kong operations; establish a dedicated Office Manager**

EU Design will benefit from a more formalized management structure in the Hong Kong office, starting with investing in a new leadership role dedicated to overseeing Hong Kong operations. Establishing this role will relieve the current overload staff are experiencing by allowing them to focus on account management, sales, and supplier relationships - not the management of the office. This will aid in further reducing the occurrence of multitasking. This role will collaborate closely with New York to facilitate seamless communication between the two offices, driving additional collaboration and efficiency.

### **Recommendation 2: Establish a Project Management Office (PMO) Lead**

The PMO Lead will serve two functions in the growing organization, directly impacting efficiency and collaboration between both Hong Kong and New York offices. The PMO Lead will:

- 1) Establish global adoption of collaboration tools such as Asana, Slack, and Smartsheet. This will allow teams from different locations to work together in real-time, share files, track progress, and communicate effectively, reducing the possibility of over-work and instances of multitasking, and
- 2) Implement and manage an internal communications plan including regular video conferences, quarterly virtual town hall meetings, and smaller weekly or twice-monthly group sessions where teams from different offices can interact face-to-face.

The PMO Lead will further reduce the need for multitasking by serving a vital role linking the newly formed Hong Kong leadership role with the established New York office structure. The PMO will work to ensure there is clarity and transparency throughout all levels of the global organization. The PMO Lead will work directly with the office managers in both Hong Kong and New York to report on overall project quality management including risks, issues, and upcoming milestones across the global organization.

By implementing these key support roles in the organization, you will greatly reduce the biggest risk to your organization, while further demonstrating how you've carefully considered

employee survey results. These are critical leverage points which you can build upon to help move EU Design to the next level and ensure long-term success.

## **Conclusion**

This memorandum has delved into the intricate systems within EU Design, employing CLDs and systems thinking to reveal the relationships among variables and their impact on your company's growth potential. Specific recommendations have been outlined to navigate this crucial phase of growth, specifically addressing the challenge of multitasking.

Multitasking appears as a central element in all explored CLDs and is further reinforced by feedback from the employee survey. My recommendation involves appointing two new roles: A dedicated Hong Kong Office Manager to streamline operations. This step will allow staff to focus on essential tasks like managing accounts and relationships. Additionally, by introducing a Project Management Office (PMO) Lead you will enhance efficiency and communication between offices. By adopting universal collaboration processes through the PMO, EU Design will be more organized and efficient, with a significantly reduced risk of multitasking.

I am confident that by implementing these recommendations, EU Design is poised to confidently stride into the next phase of growth, paving the way for sustained success in the long term.