

8-Hats is currently organised in a functional structure. Each function represent one activity and each job is passed from one function to another.

Sales mgr currently has its bonus linked to revenue resulting in getting jobs that are lowly priced and minimal profitability. Previously, the mgr is rewarded for turnover achieved, but under matrix structure the sales mgr is now responsible to ensure the project profitability as well thus this will overcome the issue of lowly priced jobs that doesnt generate much profit.

Recently an event was ion jeopardy bcos of cash flow implications due to finance dept unaware of the cash flow implications of the event. With a matrix sturcuture, this issue can be overcome bcos the finance dept will be part of the team for the event thus they will be aware of the cash flow needed for a particular event and able to prepare ahead the resources needed.

The departments in 8-Hats are working independently which leads to the operational departments often unable to deliver the features and functionality defined by the events department as they are not aware of what is being promised with the customers by events department. Hence, by establishing matrix structure, the departments can work together and sharing information towards meeting the customers expectation.

The sales department complained about the margins expected by travel department indicates that travel department might not consider about the cost accept of the project which might result in lower sales. With matrix structure, sales department can share the revenue and cost budget so that travel department can further adjusted the margin to an acceptable range