

# LEGO

'Organisational Critique'



## 2004 & Beyond

<b>Contents</b>	<b>Page</b>
1.1 Background .....	3
2.1 LEGO Group Strategy 2004 .....	4
2.2 LEGO Group Strategy 2005 .....	5
3.1 Organisational Structure 2004.....	6
3.2 Organisational Structure 2005.....	7
4.1 Human Resources 2004.....	8
4.2 Human Resources 2005.....	8
5.1 Culture 2004 .....	9
5.2 Culture 2005 .....	9
6.1 IT 2004.....	10
6.2 IT 2005.....	10
7.1 Learning Organisation 2004 .....	10
7.2 Learning Organisation 2005 .....	11
8.1 Quality 2004.....	11
8.2 Quality 2005.....	11
9.1 Summary.....	11
10 References.....	12
11 Appendices .....	12

## 1.1 Background

LEGO was founded in 1932 by Ole Kirk Christiansen from a carpenter's workshop. The name LEGO was derived from the Danish words "leg godt" or "play well" which became the company name and its ideal ([www.lego.com](http://www.lego.com), 2010). The first LEGO toys were traditionally wooden; however, wood did not have the physical properties to realise Ole's stratagem for LEGO. Nevertheless, Ole was a true moderniser and soon began to experiment with plastics ([www.lego.com](http://www.lego.com), 2010).

Penetrating a traditional toy market in 1949 with toys made from a revolutionary new material proved challenging for LEGO; toys were returned due to poor sales. In the absence of documented facts, the analysis of Levin (1978) was used to determine that fear of change was probably the main barrier to entry (*Porter, 1998: appendix A*), as a general public brought up with toys that had been lovingly crafted by skilled carpenters were reluctant to associate the innocence of play with mass production ([www.helium.com](http://www.helium.com), 2010).



Since foundation LEGO has survived many trying times including a world war and global recessions; LEGO'S survival is testimony to the strength of the LEGO brand and its customer's loyalty. However, during this period LEGO'S dominance had not been threatened by revolution in the toy industry on the scale of the one sparked by technological developments in the video gaming sector which left the Play Station and Xbox heading kids' wish lists at Christmas and not LEGO (*Nipper, 2010*).

Protected by patent and clever product ranges that tied kids into buying other LEGO products to complete the set meant that the LEGO group was unable to do any wrong until the announcement of the shock 2004 financial results which documented the worst losses ever (*Henley, 2009*).

From 2005 however, the LEGO management team began to turn around the group's fortunes; now LEGO is back to a position of strength; growth in all product ranges increased net profit for 2009 by 63%; market share was up by 4.8% and further growth in the face of global recession is expected for 2010 (*Jørgen Vig Knudstorp, 2010*).

To uncover the secrets of LEGO'S success and facilitate further discussion, a structured approach to analysing LEGO has been adopted by focusing on the group's key strategic areas through the period of turn around.

## 2.1 LEGO Group Strategy 2004

Employing Porter's 5 forces (1978: *appendix A*) to analyse the industry environment in the lead up to 2004, determined that LEGO was vulnerable to a variety of threats: an increase of substitute products due to the gradual loss of patent through the 1970's and 80's ([www.fundinguniverse.com](http://www.fundinguniverse.com), 2010); the rise of video gaming at home created a new rivalry ([www.nytimes.com](http://www.nytimes.com), 2009); supplier power took on a new emphasis in the face of cheaper produced copies; barriers to entry as LEGO had to overcome set up costs and gain experience if the group diversified into video gaming and the power of buyers, as market share was being lost to technological alternatives as buyer's tastes changed.

Using The Greiner Curve (1972: *appendix B*) for reference: prior to 2004 the evolutionary growth of LEGO was well advanced; most stages of growth open to LEGO had already been explored; only extra organisational solutions like outsourcing and the redress of previous options such as business re-organisation were left on as viable options.

Greiner's theory on growth (1972) suggests that LEGO'S stability over the years could be related to a slow growth factor, illustrated by LEGO'S flatter growth curve and longer periods between organisational crises, leading to a sense of market security.

Competitive advantage in the construction toy market had been maintained through a product differentiation strategy focused upon quality. LEGO had also innovated and remained strong against the threat of Nintendo and Sega electronic games throughout the 1990's. The successful lego.com was launched in 1996. LEGO had new licensing agreements and 2002 saw LEGO make further changes to LEGO Group direct retail by launching 43 LEGO Brand stores; however, the group began to report losses and wide spread layoffs ([www.entertainment.howstuffworks.com](http://www.entertainment.howstuffworks.com), 2010).

The external environment is intrinsically linked to organisational structures and behaviours (*Buchanan and Huczynski, 2004*). Strategic direction is supported by effective process delivery; however, LEGO found this difficult to achieve due to spiralling manufacturing costs ([www.lego.com](http://www.lego.com), 2010) and outdated supply chains ([www.scdigest.com](http://www.scdigest.com), 2010). LEGO had become complacent (*Delingpole, 2009*).

Three quarters of the Lego Group's sales every year at this time were from new and mostly non electronic products. Change was needed, but faced resistance (*Lewin, 1958*) from internal forces ([www.scdigest.com](http://www.scdigest.com), 2010). Knudstorp, CEO of LEGO said, "I believe that the focus on electronic competition was really a blame game" (*chutzpah.typepad.com*, 2010).

LEGO suffered from a lack of strategic change in the face of progressive environmental change; this led to strategic drift; transformational change then had to occur to recover performance (*Quarmby, 2010*).

## 2.2 LEGO Group Strategy 2005

Transformational leadership was required to stop the growth decline and force change (*Schermerhorn, 2002*). LEGO appointed a new CEO with a Ph.D. in business economics, specialising in strategic business development - Jorgen Vig Knudstorp ([www.connecta.typepad.com](http://www.connecta.typepad.com), 2010).

A range of strategic directional policies were open to LEGO (*Ansoff, 1957: appendix C*). The aim was to consolidate and improve efficiency in the short term, and then provide secure long term growth. The directional policy matrix (*Quarmby, 2010*) indicates that due to brand loyalty and attractiveness in the business sector LEGO was best hanging onto to market share; this is what LEGO did. LEGO initiated a review of the core brand construction toys, heavily focusing on manufacturing, supply chains and clever licensing agreements ([www.telegraph.co.uk](http://www.telegraph.co.uk), 2010).

LEGO chose a variety of development methods (*Quarmby, 2010*): diversification with investment in new areas such as video gaming to regain custom lost to that market sector; divestiture by selling off LEGO Land to Merlin Entertainments in 1995 ([www.howstuffworks.com](http://www.howstuffworks.com), 2010); downsizing played a role, as staff lay off's in Denmark, Switzerland and the USA were made in addition to natural wastage and backward vertical integration with the LEGO purchase of Czech and Mexican production facilities ([www.highbeam.com](http://www.highbeam.com), 2010).

Lego employed recognized change management techniques through the implementation of new ideas and behaviors within the organization. LEGO brought the whole value chain (*Porter, 1985*) under scrutiny by employing Business Process Reengineering (BPR) and Total Quality Management techniques (TQM) as part of the wider strategy ([www.scdigest.com](http://www.scdigest.com), 2010).

Key Performance Indicators (KPI) were introduced, enabling better strategic control; product development time was slashed by 50% from 'years' to 12 months, making LEGO more responsive to market trends and the temporary outsourcing of production and fulfilment was implemented until stability was regained and LEGO were again capable of managing global manufacturing in house ([www.chutzpah.typepad.com](http://www.chutzpah.typepad.com), 2010).

LEGO has traditionally realised the organisational strategy of delivering quality products according to the organisational values; yet, not always through best practice; a strategy that proved not practically efficiency or wise. The fact that Lego sought to implement holistic change to combat threat is testimony to the fact that Lego had been getting it wrong prior to 2005.

The strategic path adopted by LEGO since 2005 has increased group profitability and maintained survival in trying times for the organisation; all in the face of global recession; however, the excellent financial results are the real measure and ultimate justification of strategy.

### 3.1 Organisational Structure 2004

The LEGO group meets the definition of a truly global organisation (*Quarmby, 2010*). LEGO first exported in the 1950's; by the 1960's LEGO traded goods in a range of economies across continents and had extensive manufacturing plants and support functions overseas. The LEGO brand is recognised worldwide ([www.lego.com](http://www.lego.com), 2010).

The LEGO organisational structure has always had Christiansen family influence; key board positions have been traditionally reserved for family members providing a consistency in values, ethics and management; perhaps to the detriment of innovation in both management techniques and product development. New blood brings new ideas and perspectives.

Drucker (1977) defined organizational structure as a means to attaining the objectives and goals of the organization. Prior to 2005 LEGO had a functional structure at executive level; these functions drove similar functions situated within divisions relating to different markets and aspects of production based upon work specialisation as resources were deployed to achieve strategic goals ([www.lego.com](http://www.lego.com), 2010).

The divisional structure included: LEGO Land, LEGO Brand retail, LEGO Brand shops, production facilities and some design divisions that were strategically based to support individual markets ([www.thefreelibrary.com](http://www.thefreelibrary.com), 2010).

LEGO had design offices in the UK, France, Belgium, USA and Japan; all of which allowed LEGO to overcome barriers to entry, get closer to markets, increase knowledge and be more responsive to consumer tastes. This structure was advantageous as LEGO grew new divisions: LEGO Land; LEGO Technic; LEGO movies and electronic games were all added to the group without major restructuring taking place.

Buchanan and Huczinski (2004) defined that organisational change should be supported with change in internal processes, structures and behaviours; the key to this strategy is embracing change swiftly. However, the growth of big box retailers, LEGO Brand stores and e-commerce in 1996 failed to be met by structural change. LEGO had a supply chain that had become inefficient and outdated.

The LEGO supply chain was designed to serve small retailers and not big box stores or direct operations ([www.scdigest.com](http://www.scdigest.com), 2010). LEGO had grown too big, which spread the support organization too thin, reducing strategic control and LEGO'S ability to be responsive to consumer buying trends (*Gould and Campbell, 1987*).

A structure that had grown to support the high street had become over burdening. Product quality had often been cited as a reason to resist structural change with the rationale that restructure of the supply chain could impinge on quality ([www.chutzpah.typepad.com](http://www.chutzpah.typepad.com), 2010). Profitable lines were

suffering, as much needed investment in the restructuring of supply lines continued to be lost by failing products. LEGO became compelled to act.



### 3.2 Organisational Structure 2005

Authority at LEGO is still primarily centralised; overall strategic direction is driven from the Denmark head office by a functionally structured executive tier with a broad span of control. Below this level the organisation is divisional; day to day decisions are delegated to: production facilities; retail outlets and outsourced packaging and fulfilment; while corporate policy is decided by Denmark.

Levitt, (1978) argues that structural and technological change is easier to implement than product and cultural change; this theory makes clear how widespread change was brought about quickly at LEGO.

LEGO needed a strong situational leader to implement transformational change and regain competitive advantage (Schermehorn, 2004); this theory was embodied in the war room approach taken to restructuring by the new LEGO CEO ([www.scdigest.com](http://www.scdigest.com), 2010).

Starting with process redesign of the supply chain, new production facilities were purchased in the Czech Republic and Mexico, while sourcing and procurement both came under close scrutiny ([www.scdigest.com](http://www.scdigest.com), 2010). Outsourced production, packaging, order fulfilment and logistics deals soon followed as LEGO brought outside expertise into the supply chain ([www.uk.reuters.com](http://www.uk.reuters.com): [www.scdigest.com](http://www.scdigest.com), 2010).

Restructuring to concentrate on core business products gave LEGO the confidence to drop troublesome lines like LEGO Land Parks; action that LEGO had previously shied away from. LEGO also defined a new approach to supporting LEGO Direct and LEGO Brand stores ([www.scdigest.com](http://www.scdigest.com), 2010).

This flatter structure enabled LEGO to move from a product to market focus as control was regained centrally, lines of communication were shortened and



product development times reduced; Lego is now better prepared to respond to changing consumer buying habits.

Business process reengineering enabled LEGO to analyse weaknesses in the value chain and underpin the new strategy. The sweeping changes termed 'A Shared Vision' encapsulated mission, work processes, information, decision making and structure. BPR assisted LEGO in the realisation of strategic goals.

#### **4.1 Human Resources 2004**

Humans are an organisation's most important asset (*Leah, 2010*). The relationship between LEGO and employee is reciprocal: the organisation needs employee commitment for competitive advantage (*Buchanan and Huczynski, 2004*) and the employee needs organisational commitment in the form of salary and Job security (*Maslow, 1954; appendix D*).

LEGO have a strong record of employee welfare that stems from the organisations culture and values (*Henley, 2009*). The head office workforce includes many families. Human interaction spans social and work boundaries and is influenced by both. The family influence is manifested in employee terms that were replicated worldwide in 'The LEGO Way' ([www.lego.com](http://www.lego.com), 2010); an eleven point plan that defined respectable standards of employee welfare, job security and development as crucial to LEGO values.

In addition to the fundamental HR management responsibilities like reward, development and administration, the LEGO Human Resources department (HR) are adept at managing change. Seasonal fluctuations in sales are reflected in the workforce, as annual lay offs have to be managed to meet supply and demand. Using good planning, LEGO HR limits seasonal impact by shifting staff between departments and providing educational courses (*Heldgaard, 2010*).

HR capability was exemplified during the pressured environment leading up to 2004. The sound relationship between LEGO and employee was tested to the extreme as the continually involved HR department dealt with the consequences of the failing LEGO organisational strategy.

Lack of severance pay for employees with less than 5 years service did cause some employees to consider whether they received equity (*Adam, 1963*); however, the fact that little bitterness was felt throughout the organisation is testimony to the effectiveness of LEGO HR (*Henley, 2009*)

#### **4.2 Human Resources 2005**

Human resources are now seen to be as fundamental to organisational success as any other resource. HR is the glue that binds organisation, strategy and employee as change takes place.



LEGO HR had to play a greater role than ever before to support strategic objectives as the TQM strategy was rolled out in 2005. LEGO HR had key involvement in: the movement of production; redundancies; training; performance management and the delivery of new skills; all of which were key to supporting the restructure ([www.successfactors.com](http://www.successfactors.com), 2010)

As the LEGO group selected success factors to drive global employee performance management called, key performance indicators (KPI), HR linked them to performance related pay; automating strategic HR and accelerating business performance ([www.successfactors.com](http://www.successfactors.com), 2010).

The LEGO HR played a key role in building the new culture required to support the TQM strategy; this illustrates how vital the area is to success.

## **5.1 Culture 2004**

“You can’t help but feel a master intelligence is at work here; the place is so manifestly wholesome”. This was how Henley (2009) interpreted LEGO’S influence upon Billund, Denmark; home town of the LEGO head office.

Schein (2004) dictated that observable culture stems from fundamental values manifest in: stories, heroes and ceremonies. The hero at LEGO is undoubtedly Ole Kirk Christiansen. Ole’s ideals of delivering quality products while maintaining strong family values were cast in an eleven point plan which ingrains Ole’s philosophy in LEGO culture ([www.lego.com](http://www.lego.com), 2010).

Family ties in ownership and workforce brought formal and informal relationships together at LEGO. The family orientated culture is so strong that during redundancies LEGO had to make special plans to avoid multiple lay offs in the same family ([www.eurofound.europa.eu](http://www.eurofound.europa.eu), 2010). This strength of feeling towards tradition and conformity to culture has also been cited by some as stifling creativity at LEGO (*Lauresen, 2010*).

## **5.2 Culture 2005**

Lego have aimed to complement the culture of product quality and personal integrity with a more intense focus on task culture. Total quality management concepts have combined product quality and ethical values more effectively with process integrity. This has enabled Lego to incorporate the latest lean solutions into the well established style of management ([www.uk.reuters.com](http://www.uk.reuters.com), 2010).

The new approach is far more wide ranging than the previous narrower focus on product quality and is evolving to an organisation wide focus on low defect rates.

Organisation cultures are deep rooted; it can be difficult to change existing beliefs (*Quarmby, 2010*). It is often more effective to force cultural change through recruitment than indoctrinating current staff with new ideas (*Quarmby,*

2010). This theory is unlikely to have passed LEGO by as the new CEO sought to support the TQM strategy with closures of whole sites.

## 6.1 IT 2004

LEGO has used technology in products and manufacture for many years; LEGO video games and robotics products are both heavily reliant on IT.

Lego.com was launched in 1996 as LEGO continued to embrace IT as a medium to sell products and strengthen the relationship with customers.

LEGO'S exploitation of information technology (IT) as a strategy is more recent. The broad influence of IT across the organisation compelled LEGO to adopt a matrix structure (*Quarmby, 2009*) in the IT division. This enabled IT to cross divisional barriers as the development, support and communications aspects of information technology were integrated with strategy ([www.webproof.com](http://www.webproof.com), 2010).

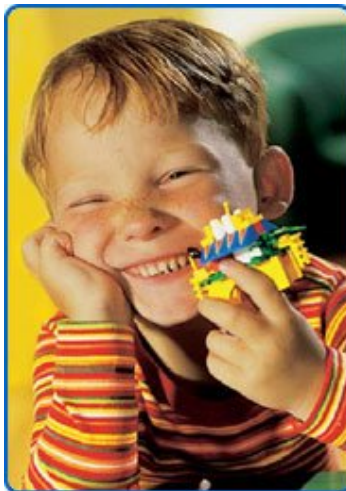
## 6.2 IT 2005

I.T. was critical to controlling the new strategy. Computer Aided Design (CAD) and 3D modelling were integrated with production software to seamlessly automate the process of manufacture. This approach provided additional benefits as management information provided better decision support (*Quarmby, 2009*).

## 7.1 Learning Organisation 2004

Learning at LEGO has principally been concentrated on improving production and customer experience. Personal development at work was primarily geared to vocational academic learning in off peak times (*Heldgaard, 2010*).

No organisation wide methodology was in place to drive and control continuous development.



## **7.2 Learning Organisation 2005**

There are growing signs that LEGO is developing as a learning organisation. The strategy implemented by the new CEO was underpinned with recognised continuous improvement techniques.

TQM has equipped LEGO with the tools analyse and improve process continually. The framework adopted is being embedded throughout the organisation and has been characterised in a shared vision.

### **8.1 Quality 2004**

As a fundamental value of the founder quality has always been central to LEGO; however, the principles of quality evolved to be enshrined in LEGO culture before modern day theories (*Juran, 1999*) became normal practice.

Quality was mostly focused upon customer satisfaction and product assurance, as the two were combined with some customer involvement in design to deliver the strategy. Even though the focus on quality was narrow, the commitment in some areas was so intense it became a barrier to change.

### **8.2 Quality 2005**

From 2005 quality theory was advanced. LEGO progressed from the more traditional approach to quality. The new CEO broadened the LEGO perspective on quality by introducing TQM. Quality is now strategic and not just a measure of tolerances and kids smiles.

Gould & Campbell (*1987*) state that strategies are controlled through detailed planning. LEGO apply this theory to the quality strategy with business operating plans based upon TQM.

Organisation wide processes have been reengineered to reduce defects and focus on customer's needs. KPI'S have been implemented to maintain capability and measure performance; these have been tied to performance related pay to ensure compliance.

### **9.1 Summary**

LEGO is again capturing buyer's attention with innovative and desirable products; LEGO business strategy stands in alliance with world leaders in organisational quality - LEGO is surely on safe ground.

## 10 References

1. lego.com, Company Profile, (2010) quoted by Quarmby, 2010. BIO 0038, Management, University of Huddersfield Business School, Huddersfield.
2. helium.com. 2010. Why wooden toys are better than plastic [on line] Available at: < <http://www.helium.com/items/71749-why-wooden-toys-are-better-than-plastic-toys-for-children> [accessed 12/1/2010]
3. Levin, Richard. C. (1978) Technical Change, Barriers to Entry and Market Structure. *Economica*, New Series, Vol. 45, No. 180 pp. 347-361, London: Blackwell Publishing on behalf of The School of Economics and Political Science
4. Porter, John (1998) 5 Forces quoted by Quarmby, 2009. External Analysis, BIO 0038, Management, University of Huddersfield Business School, Huddersfield.
5. Henley, John (2009) Toy Story. London: Guardian Newspapers
6. Nipper Mads. Quoted by Henley, John (2009) Toy Story. London: Guardian Newspapers
7. Knudstorp, Jørgen. Vig. (2010) LEGO sales top \$2 billion. [on line] Available at: < <http://www.playthings.com/article/CA6721708.html?desc=topstory> [accessed 12/2/2010]
8. fundinguniverse.com (2010) LEGO company history [on line] Available at: < <http://www.fundinguniverse.com/company-histories/Lego-AS-Company-History.html> [accessed 14/1/2010]
9. The Greiner Curve (1972) quoted by Quarmby, 2010. Growth Strategy BIO 0038 Management, University of Huddersfield Business School, Huddersfield.
10. howstuffworks.com (2010) LEGO group today. [on line] Available at: < <http://entertainment.howstuffworks.com/lego10.htm> [accessed 16/2/2010]
11. Buchanan and Huczynski (2004) quoted by Quarmby, 2009. External Analysis, BIO 0038, Management, University of Huddersfield Business School, Huddersfield.
12. Delingpole, James (2009) dailymail.co.uk. When Lego lost its head - and how this toy story got its happy ending [on line] Available at: < <http://www.dailymail.co.uk/home/moslive/article-1234465/When-Lego-lost-head--toy-story-got-happy-ending.html#ixzz0iunycNXi> [accessed 12/1/2010]
13. Quarmby, J. 2010. Organisational Change, BIO 0038, Management, University of Huddersfield Business School, Huddersfield.

14. lego.com (2010) LEGO 2004 Annual Report.[on line] Available at:<  
<http://entertainment.howstuffworks.com/lego10.htm> [accessed 16/2/2010]
15. Lewin, K. (1943) Force Field Analysis, quoted by Quarmby, 2010. Organisational Change, BIO 0038, Management, University of Huddersfield Business School, Huddersfield.
16. scdigest.com (2010) Lego, the “Toy of the Century,” had to reinvent the Supply Chain to Save the Company. [on line] Available at:<  
[http://www.scdigest.com/assets/on\\_target/07-09-25-7.php?cid=1237](http://www.scdigest.com/assets/on_target/07-09-25-7.php?cid=1237) [accessed 22/2/2010]
17. connecta.typepad.com (2010). Creative Leaders [on line] Available at:<  
<http://connecta.typepad.com/indexviews/creativeleaders.html> [accessed 22/2/2010]
18. telegraph.co.uk (2010) Lego: play it again. [on line] Available at:<  
<http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/6825911/Lego-play-it-again.html> [accessed 12/1/2010]
19. highbeam.com (2010) LEGO moves plastics east, Plastics news [on line] Available at:<  
<http://www.highbeam.com/doc/1G1-137241196.html> [accessed 22/1/2010]
20. Porter, John (1985) Value Chain quoted by Quarmby, 2009. Corporate Strategy. BIO 0038, Management, University of Huddersfield Business School, Huddersfield.
21. Quarmby, J. (2010) Globalisation, BIO 0038 Management. University of Huddersfield. Huddersfield.
22. [chutzpah.typepad.com](http://chutzpah.typepad.com) (2010). Turning to tie in's: LEGO thinks beyond the brick. [on line] Available at:<  
[http://chutzpah.typepad.com/slow\\_movement/2009/09/ny-times-turning-to-tieins-lego-thinks-beyond-the-brick.html](http://chutzpah.typepad.com/slow_movement/2009/09/ny-times-turning-to-tieins-lego-thinks-beyond-the-brick.html) [accessed 22/2/2010]
23. Drucker (1977) quoted by Quarmby, 2009. Organisational Structure, BIO 0038, Management, University of Huddersfield Business School, Huddersfield.
24. Adams (1963) quoted by Quarmby, J. (2009) Motivation BIO 0038 Management. University of Huddersfield. Huddersfield.
25. Ansoff, Igor. (1975) quoted by Quarmby, J. (2010) Strategic Choice BIO 0038 Management. University of Huddersfield. Huddersfield.
26. Schermerhorn, (2004) quoted by Quarmby, J. (2009) Leadership, BIO 0038 Management. University of Huddersfield. Huddersfield.

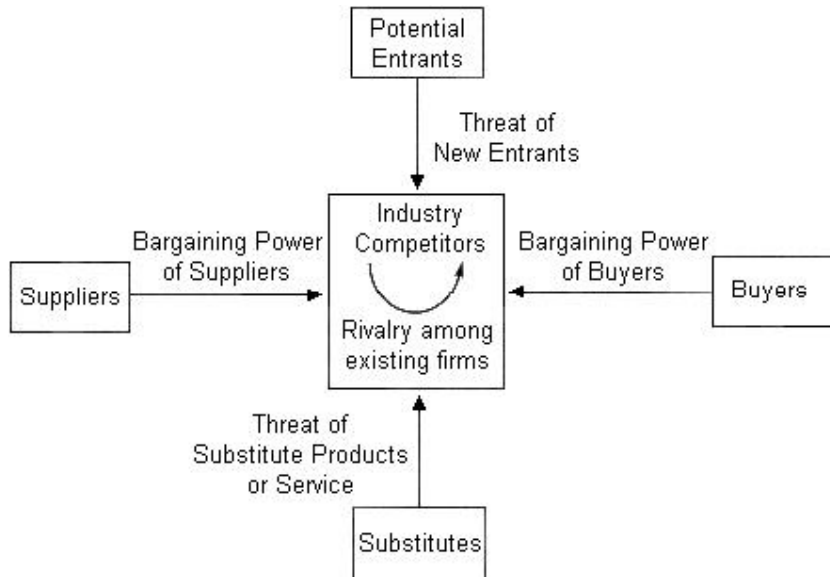
27. Buchanan and Huczinski (2004), Organisational Behaviour, 5th Edition, Pearson Education, Harlow, England.
  
28. thefreelibrary.com (2010) LEGO Group Announces North American Partners for Distribution and Fulfilment. [on line] Available at :<  
<http://www.thefreelibrary.com/LEGO+Group+Announces+North+American+Partners+for+Distribution+and...-a0156122433> [accessed 1/3/2010]
  
29. uk.reuters.com (2010) Denmark's Lego to end Flextronics outsourcing deal [on line] Available at:<  
<http://uk.reuters.com/article/idUKL0137855520080701> [accessed 1/3/2010]
  
30. Maslow (1954) quoted by Quarmby, 2009. Motivation, BIO 0038, Management, University of Huddersfield Business School, Huddersfield.
  
31. lego.com (2010) Company Profile.[on line] Available at:<  
<http://entertainment.howstuffworks.com/lego10.htm> [accessed 16/2/2010]
  
32. Heldgaard, Jesper (2010) Building blocks of learning. [on line] Available at:<  
[http://www.unesco.org/courier/1999\\_01/uk/apprend/txt1.htm](http://www.unesco.org/courier/1999_01/uk/apprend/txt1.htm) [accessed 12/1/2010]
  
33. Leah, Chris. (2010) Business Management for Accounts, Topic 7. BIO 0038 Management. University of Huddersfield. Huddersfield.
  
34. successfactors.com (2010) LEGO Group Selects Success Factors to Drive Global Employee Performance Management, Automate Strategic HR and Accelerate Business Performance [on line] Available at:<  
<http://www.successfactors.com/press-releases/detail/?id=1079827> [accessed 22/2/2010]
  
35. Schein, Edgar. (2004) quoted by Quarmby, J. (2009) Organisational Culture BIO 0038 Management. University of Huddersfield. Huddersfield.
  
36. eurofound.europa.eu (2010) Role of employee representative in restructuring at LEGO [on line] Available at:<  
<http://www.eurofound.europa.eu/eiro/2006/08/articles/dk0608039i.htm> [accessed 6/3/2010]
  
37. Lauresen, Soren. Torp. (2010) quoted by Schwartz, N. Turning to Tie-Ins, Lego Thinks Beyond the Brick. New York: New York Times
  
38. Quarmby, J. (2010) Organisational Structure, BIO 0038 Management. University of Huddersfield. Huddersfield.
  
39. Quarmby, J. (2009) Organisational Culture, BIO 0038 Management. University of Huddersfield. Huddersfield.

40. Gould & Campbell quoted by Quarmby, J. (2009) Organisational Structure, BIO 0038 Management. University of Huddersfield. Huddersfield.
41. Eskildsen, Jan. (2010) LEGO Group saves time and money with a restructure of their production [on line] Available at:< <http://www.webproof.com/Case-Studies/LEGO/> [accessed 6/3/2010]
42. Juran, Joseph. M. (1999) Juran's Quality Handbook. McGraw-Hill publishing: New York San Francisco Washington, D.C.



## 10 Appendices

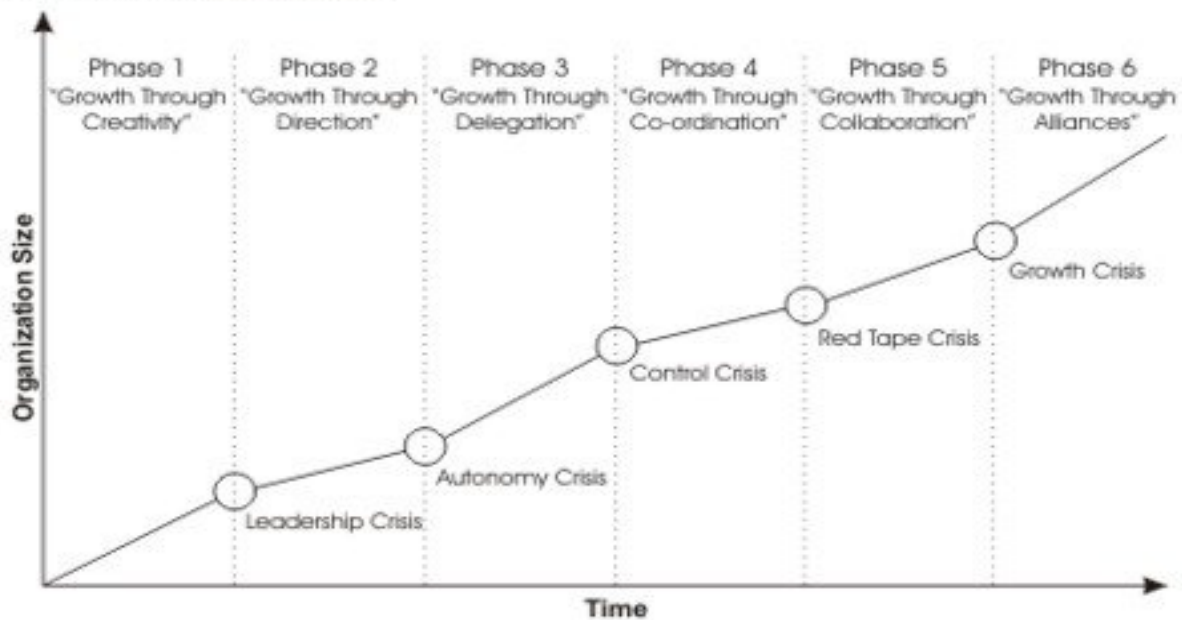
### Appendix A: 5 Forces Analysis (Porter, 1978)



Source: <http://www.brs-inc.com/porter.asp>

### Appendix B: The Greiner Curve (Greiner, 1972)

Figure 1: The "Greiner Curve"



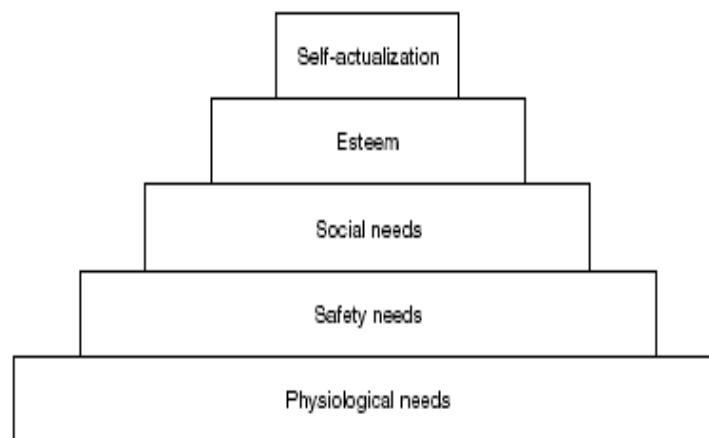
Quarmby, J. 2010. Organisational Growth, BIO 0038, Management, University of Huddersfield Business School, Huddersfield.

**Appendix C: Ansoff's Product - Market Grid (Ansoff, 1957)**

<b>Ansoff's Product-Market Grid</b>		<b>MARKETS</b>	
		<i>existing</i>	<i>new</i>
<b>PRODUCTS</b>	<i>existing</i>	<b>A. Operating plans</b>	<b>B. Market development</b>
	<i>new</i>	<b>C. Product development</b>	<b>D. Total diversification</b>

Quarmby, J. 2010. Strategic Choice, BIO 0038, Management, University of Huddersfield Business School, Huddersfield.

**Appendix D: Maslow's hierarchy of needs (1954)**



**Figure 12.A Maslow's hierarchy of needs**

Maslow (1954) quoted by: Quarmby, J. (2009) Motivation. BIO-0038, Management: University of Huddersfield, Huddersfield.