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Industrial Engineering & Management

'Improving the business processes at Laparkan Suriname'

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Management Summary

This report is the result of a two-month research at the company Laparkan in Suriname. I did this research as a finishing report of my Bachelor industrial engineering and management at the University of Twente. The research is a practically-oriented study towards the company processes and procedures at Laparkan Suriname.

Motive and Research objective

Laparkan is a freight group with a network that spans over the Caribbean, Latin-America and North-America. In the last years Laparkan has grown to more than twenty employees and expanded their activities. Because of this growth in staff and activities and a new information system Laparkan didn't keep a structured track of the administration. They had problems concerning the registration of cargo, payments of invoices and the outlining of tasks and responsibilities. The problems mainly concern two processes, the warehouse and sales process, so this is the focus of the research.

The research objective is to eliminate the bottlenecks in the warehouse and sales process and set up an organized administration structure. Also the responsibilities and tasks of employees at Laparkan are examined and defined. The eventual deliverable of the research is a manual with standard operation procedures to be used by the employees and a short task description. The main research question therefore is:
What is for Laparkan Suriname the best design of the administrative processes and the implementation of the associated procedures?

Research Strategy

Because Laparkan does not handle the physical transportation of the goods, except to and from the head office in Miami, the supporting processes are actually the core processes for Laparkan. These processes fall within the administrative organization, which is integrated within every organization. The administrative organization includes all activities which are related to the collecting, fixing and processing of data, supplying specific information to the management, functioning and controlling of the organization and accountability.

By studying theories concerning the administrative organization, interviewing employees and observing the processes a description of the current processes and organizational structure is made. Then an analysis of the current situation was made with help of the KAD model. The KAD model has three components: product, process and structure. Several bottlenecks have been found in each component.

Recommendations

Laparkan needs to set up and measure the critical success factors of the company. Second they need to make responsibilities clear to every employee, this can be done through task descriptions and the new procedure description. Also it is recommended to have structured information transfers, the new procedures will help to in cooperate this. The main recommendation of this research is to implement the suggested procedures, which are set up with help from the KAD model and also include the preceding recommendations. Last measures for internal control have to be set up to have a sufficient control over the processes.

Implementation

To implement these recommendations in the organization a culture research about Laparkan has been done. Laparkan appeared to have a pyramid culture. In a pyramid culture it is expected that the management gives the right direction to the company. To prevent resistance in to the changes, the employees must receive enough education and communication about the changes. The manager should communicate not only verbally but also in formal ways, by means of written documents and instructions. So a procedure description is a right way to communicate the presented changes.

Facilitation and support from the managers is also important to prevent possible resistance. The general manager as well as the department managers should support their staff by taking the lead in the implementation and give clear directions to their subordinates.

	Suggested changes	Term
Norms for service (product)	Set up operational norms	Short
	Measure product norms	Long
Make responsibilities of different functions clear	One employee responsible for inventory	Short
	Control Technical Function Separation	Short
Set up missing procedures	Set up a procedure for debtors	Short
	Link between inventory and account receivables	Short
	Set up a inventory list for Dutch cargo	Short
	Change cargo checking procedure	Short
	Singing a proof of delivery procedure	Short
	Set up a short shipments list	Short
Structured information transfers	Set up procedures for the processes	Short
	More cooperation with Global Expedition	Long
	Have up- to-date customer database	Long
Improve knowledge of information system and computer skills	Write a manual for Cargo Manager	Long
	Set up computer workshop	Long
Monitor and improve work attitude employees	Set up a task list per day	Short
	Let employees take regular work breaks	Short

Table 1: recommendations for Laparkan

List of abbreviations

CSF   -   Critical Success Factor

FCL   -   Full Container Load

KAD   -   Quality of Administrative Service

LCL   -   Less than a Container Load

LPK   -   Laparkan

PMB   -   Private Mail Box

POD   -   Proof of Delivery

SOP   -   Standard Operation Procedure

WCA   -   World Cargo Alliance

Terms explained

Airway Bill and Bill of Lading
The airway bill gives information about the freight for a certain customer. Each cargo has its own airway bill, the original and a few copies are sent with the cargo by plane. The bill of lading or in short BL is the same, but then for ocean freight. Each bill has a number, so you can track the cargo in the system. If the freight has arrived, the consignee gets a copy of the airway bill as a proof of delivery. There are different kinds of BL's. The Master BL is issued by the carrier and the House BL is issued by the freight forwarder.

Prepaid and Collect Payment
A customer can choose if he wants to pay prepaid or collect. If he wants to pay prepaid, the shipper is responsible for the freight payment. If he wants to pay collect, the consignee is responsible for the freight payment. On the airway bill or bill of lading it is stated prepaid or collect. When it is incoming cargo and the bill says prepaid, it means that the bill has already been paid to the shipper. When it is export cargo and prepaid, it means that Laparkan is responsible for the payment of the customer.

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Preface

In front of you lies my bachelor report, the result of an assignment that I have done at Laparkan in Paramaribo, Suriname as a closure of the bachelor Industrial Engineering & Management at the University of Twente.

In March 2010 I began to look for a bachelor assignment abroad. In first instance I wanted to go to England, to improve my English. But then, via another student of the University of Twente, Laparkan, a company in Suriname, got in view. The company and the assignment sounded very interesting that's why I chose for Suriname and Laparkan.

I had a warm welcome and I had a good time at the company and in Suriname. I want to thank all my colleagues at Laparkan for their cooperation and time. They helped me to understand the different processes and ways of working. Special thanks to Mr Egon Audhoe, who had trust in me and gave me substantial feedback on the report. Of course I want to thank my two supervisors of the university Dr. Peter Schuur and Ir. Sandor Löwik. They helped me to find the right direction in literature and always gave really helpful feedback.

Last, but not least, I want to thank my parents for always supporting me and Tony for checking my grammar.

Lianne Schmidt
November 2010

Chapter 1: Introducing the company and problem definition

This report is the result of a two-month research at the company Laparkan in Suriname. I did this research as a finishing of my Bachelor industrial engineering and management at the University of Twente. The research includes several aspects which have been studied at the Bachelor level like for example analyzing and devising processes within a company.

In this chapter more information about the activities of Laparkan are explained. In subsection 1.2 the problems occurring at Laparkan are outlined. Then we explain what the objective of this research is and the thereby belonging research questions. Last the research strategy is described.

1.1 Introduction to Laparkan Suriname

Laparkan is a freight group with a network that spans over the Caribbean, Latin-America and North-America. It was founded in 1982 by three friends. They saw a need of West Indians to have a reliable channel to send supplies, gifts and various personal items back home to their families. Today, Laparkan is solely owned by one of the founders Mr. Glen Khan and its corporate headquarters is located in Miami. Laparkan Suriname is part of the mother company Laparkan in Miami. Laparkan Suriname was founded in 1999, back then it was a small business with only two employees. Since 2006 the company is legally registered in Suriname and has his own office. (Laparkan, 2010) From now on the name Laparkan is used for Laparkan Suriname. If we talk about the headquarter in Miami, this is explicitly mentioned.

The import and export take place by means of cargo aircrafts and ships. The most important export and import routes for Laparkan are to the United States and Europe (the Netherlands). Most of the export concerns 'fish on ice'. Import mostly concerns modern goods (electronics, clothes) and maintainable food from Europe and the United States. Freight to the United States is handled by Laparkan Miami. In the Netherlands their partner for air and ocean freight is Cavalier. They will forward the freight to Laparkan Suriname or to the receiver in the Netherlands.

Laparkan is a member of the World Cargo Alliance. The WCA is a group of independent international freight forwarders. Laparkan can use this network if a customer wants to send a package or cargo to a certain country where they have no office. In the database of the WCA, you can search for an agent in a specific country. The agent will then handle the package for Laparkan. This also works the other way around. Laparkan is also an agent for Evergreen in Suriname. Evergreen is a shipping company and Laparkan handles all their freight in Suriname.

Laparkan does not have its own storage space, so it hires space from two competitors: Global Expedition and Baank Shipping. The transport from the (air)port to one of the warehouse is done by the concerning partner a.k.a. Global Expedition or Baank Shipping.

Ocean

Laparkan is a sea- and air cargo service company. At sea Laparkan belongs to the 'non-vessel operating common carrier' (NVOCC). Instead of having their own ships, they operate as transportation and logistics intermediaries. They book space on ships and sell it in smaller quantities and consolidate freight for transport in standard containers. Laparkan works with 'Full container load' (FCL) or 'less than container load' (LCL).

Every week a ship leaves from Miami or Rotterdam to Paramaribo and takes about ten days to get there. But first Laparkan has to collect enough freight to fill up one container, or share it with another agent. Import is usually no problem, there is enough freight. However the export from Suriname is very low and it can take a long time before a container is filled. When a customer wants to export a package it will usually take eight to ten weeks to fill up the container and find a ship.

Air
Laparkan Miami leases a transport plane from ABX air. Every Tuesday and Friday a flight leaves from Miami to Paramaribo. The airplane returns on the same day with export cargo to Miami. Every Wednesday and Sunday a flight arrives from the Netherlands. Baank Shipping handles everything at the airport and will ship the cargo to their storage shed. Export to the Netherlands is handled by Global Expedition.

Cargo
The cargo can roughly be divided into two kinds: commercial and private mail box. Private mail box (PMB) is freight that is ordered over the internet and shipped to Suriname. The consumer has to become a private mailbox member first. Consumers can order an item online at a chosen internet shop and have it shipped to Laparkan Miami or Cavalier. They will forward the package to Suriname. If the private mailbox member does not have a creditcard, Laparkan can place the order for them. Most people who use the service do not have a creditcard. Commercial freight is just regular import or export cargo. It mostly concerns business to business transport, but also regular consumers can use this service, especially when it concerns bigger items.

1.2 Problem definition
Laparkan has grown from only a few to more than twenty employees. Also they expanded their activities; an example is the private mailbox service and the operations at the airport. At Laparkan they have outlined the following departments: Financial, Operations, Customer Service, Private Mailbox, Sales & Marketing, Documentation and Clearance. There is a lot of interaction between all these departments. Some employees are operative on several departments and sometimes it is confusing to point out certain responsibilities. Recently the Customer Service department has composed a list with tasks for the people who have anything to do with this department. The list is relatively short though and most people have task descriptions like: back-up for employee 'x'.

In February 2010 the Laparkan Group started using a management information system called Cargo Manager. It is a simple version of a management system, because it only has a few functions and is actually more a financial management system. The system is mainly used for making invoices, cash receipts, airway bills and keeping up the general ledger and profit&loss account. You can also track-and-trace cargo, but only if it is from Laparkan Miami.

Because of the growth in staff and activities and the new information system Laparkan didn't keep a structured track of the administration. This has led to several problems:
- There are a lot of unpaid invoices. Laparkan is sending the debt collector to these customers to collect the money.
- Sometimes it is not clear if an invoice has been paid or not. Relatively employees spend a lot of time trying to examine if an invoice has been paid.
- In the storage shed there is still cargo from two years ago. Laparkan recently found out it was still there.

It can be concluded that Laparkan has problems concerning registration of cargo and payments of invoices. These problems are linked with the problems concerning the outlining of tasks and responsibilities. For example there is not one employee responsible for the registration of cargo, but around four employees.

The general manager of Laparkan wants to map the different processes concerning these problems and to set up procedures employees have to follow. From these procedures the responsibilities and tasks of employees have to become clear. They will provide a standard way of working thereby will provide a better customer service. The procedures will be in a manual for new as well as current employees.

1.3 Research objective

Laparkan is a service organization with a flow of third party goods (Ven, 2001). Their primary process is to take care for a correct 'flow' of goods to and from Paramaribo. All the other processes are mainly supporting. Because Laparkan does not do the physical transportation of the goods, except to and from Miami, the supporting processes are actually the core processes for Laparkan. So the data processes are the primary processes.

Thereby in this research it is important to get a good look on the operations concerning the administration of invoices and cargo. The administration of invoices happens at the finance department; however the responsibility of administration of cargo lies with different departments depending on the type of cargo. The organizational structure will be studied in order to have a clear view of the responsibilities and tasks of the employees.

Information is collected by interviews with the employees from the different departments and the management, but also by observation and company documents. By means of this information processes will be mapped and analyzed on gaps and bottlenecks. The eventual aim is to eliminate these bottlenecks and set up an organized administration structure. Also the responsibilities and tasks of employees at Laparkan are examined and defined. The practical outcome will be a manual with standard operation procedures to be used by the employees and a task description.

1.4 Research questions

Based on the identified problems, the following main research question is formulated.

What is for Laparkan Suriname the best design of the administrative processes and the implementation of the associated procedures?

To answer this question, sub questions are formulated. First it must become clear what the criteria for a transparent and structured administration are. Also the responsibilities according to literature will be discussed.

1. *What are the conditions for an organized administration?*

An organized administration means that data is processed in an efficient and visible manner with as few faults as possible, stored in a way that it is easily traceable and controllable for the financial controller and forms a basis for the decisions of the management. This means the guidelines for internal control have to be met.

Then it is important to know what the current situation is. The different tasks of the departments will be described in order to get a clear view of the organizational structure. The processes in which the described problems occur will be discussed and if possible mapped. Then the organizational structure and the processes will be analyzed by means of the theory discussed in chapter two.

2. *What is the current organizational structure of Laparkan?*
3. *In which processes do the described problems occur and what do these processes look like?*

Then there will be taken a look at how to reorganize the important processes.

4. *How can the processes be restructured, so the administrative organization will become more organized?*

Finally the presented changes have to be implemented in the organization. How can this be done with as little resistance as possible from the employees.

5. *How can the employees be committed to follow the newly presented procedures?*

1.5 Research Strategy

In this research data was collected in several ways. Below, for each part of the research is indicated how data was collected, which sub questions belong to each part and how these sub questions were answered.

Theory exploration
First it is important to set up a theoretical framework. Chapter two will be dedicated to drawing up of this framework. The sub questions that belong to this part are:
1. *What are the conditions for an organized administration?*

It is important to know how an organized administration is maintained. We have looked for guidelines to keep a clear overview in an efficient manner. To find the correct literature, a search was conducted on certain key terms like: order handling, payment, (principles of) administration, debtor administration, administrative organization, internal control, administrative model. First the university libraries of the University of Twente and the Anton Kom University (Suriname) are used as a source. Also different internet databases like Sciencedirect, Scopus and Google books are used.
Also books that were used in the bachelor will be taken into account. In the books and articles there was particularly looked for models which help to arrange a good administration process. There has been searched for specific literature on NVOCC/freight forwarders, but without success.

Exploration of the current situation
After the theoretical exploration, it is important to examine the current situation. This will be done with the following two questions:
2. *What is the current organizational structure of Laparkan?*
3. *Which processes encounter the most problems and what do these processes look like?*
The processes in which the problems occur must be examined, but first the organizational structure is described. The different tasks of each department are briefly discussed, this is necessary for a good understanding of the processes.
To describe the processes, interviews with employees are taken. There are different kinds of interviews. In this research non-structured interviews are taken with the employees. An unstructured interview begins with a broad open question. The general aim is: collecting a valid, relevant, entire and clear picture of the opinions or experiences of the concerning a certain subject (Baarda, 2004). Advantages of this method are: a good reliability and the interviewer is very flexible in asking questions. The disadvantages of this method are: outcomes are difficult to compare and it takes a lot of time for each interview. Laparkan does not have many employees; therefore it will not confiscate too much time. This kind of interviewing will help to get the most complete information about the processes. Employees from all departments were interviewed, the employees at the finance and operations department more thorough than others, because that is where the most problems occurred. The interviews were mainly combined with an observation of the work activities of the employees. This was done multiple times to get a clear and correct view of the activities in the different processes. Also the management system Cargo Manager and his different functions were explained by different employees, to get a complete image of the processes.

To complete and verify the information collected in the interviews, also company documents are collected. A few examples of documents that are collected during this research are: monthly management reports, documents used at the airport (loadlist, airway bill, manifest), financial documents (invoice, cash receipt, credit/debit note, debtor list), bill of lading, price list, inventory list, call lists, customer database, discrepancy reports and standard operation procedures.

Analysis of the current situation
By means of the description of the current situation in chapter 3, the current situation is analyzed for disconnections. This happens mainly by means of the analysis of the process maps. Each process step will be checked up the different types of disconnections. This is done by the technique of business process improvement. Also the main bottlenecks occurring throughout the whole organization will be set out; these bottlenecks are found through observation. Finally we look at to what extend the measures for internal control are available.

Redesign

In this part the current situation will be compared with the theory. In chapter 5 an answer will be given to the following question:

4. *How can the processes be restructured, so the administrative organization will become more organized?*

The new processes are mapped with an accompanying description, together this will be the basis for the manual. Next to this supplementary suggestions are made with concern to the internal control of the administrative organization.

Conclusions and recommendations for implementation

In the last part of this research recommendations for the implementation are formulated to solve the most important bottlenecks in practice. The recommendations are designed based on the theory (criteria), interviews and observation. Then the last question comes forward:

5. *How can employees be committed to the presented changes?*

In the past it appears there have been set up more procedures, but employees never looked at them. To prevent this from happening to the presented procedures from this research, we look at the implementation strategy, which is different for every organization. A literature research has been done in the same databases as mentioned with question one, but this time with the following key terms: change management, organization culture, implementation strategy, resistance to change. In chapter six the choice for the used theory is explained. The organization culture has an impact on the way of dealing with change. The organization culture will be examined by means of observation and a questionnaire. The questionnaire is taken by all employees of Laparkan, to get the perception of all the employees on the organization culture.

Limitations of this research

Laparkan Miami has made the decision to implement the information system Cargo Manager. Because this investment is very recent, there is no possibility to change the system. In this research we will not look at other options for this system.

Because Laparkan does not have its own warehouse, some activities in the warehouse process are done by an external party. Laparkan is looking at the option of an own warehouse, but this is a difficult matter. The customs must make staff available for this warehouse, which costs a lot of money and connections.

Chapter 2: Theoretical framework

In this chapter the theoretical framework is provided, used in order to answer the research question '*What are the conditions for an organized administration?*'. First we take a look at the administrative organization. The processes that are described in chapter 3, in particular the ones with a more financial nature, fall within the administrative organization. A big part of the administrative organization is the internal control. So second we will discuss the preventive measures that have to be taken in order to execute a proper internal control. In the last part of this chapter we will discuss a framework with design conditions for an organized administration.

2.1 Administrative Organization

An organization can be defined as an identifiable group of people working towards the attainment of common goals (Jans e.a., 2001). While aiming these goals the organization uses the resources that are available. The goals are defined by the management. The management is responsible for organizing, directing and controlling of the organization. To perform these tasks well, they need information about the internal processes. This information is supplied by an information system and the functioning of the system is arranged by the part of the organization which is called the administrative organization. Central in the administrative organization is the achieving and main-taining of information supply by means of structured data-processing processes. The data-processing processes must produce 'products' (information) that fulfill the needs for information in and round the organization.

The administrative organization includes all activities which are related to:

- Collecting, fixing and processing of data
- Supplying specific information for managing the organization
- Functioning and controlling of the organization
- Accountability

Advantages of a functional administrative organization

Of course there are advantages derived from a functional administrative organization. Usually it costs much effort to get an administrative organization functional, but it brings the following advantages: (Jans, 2001-2)

- Pressure of workload reduction; by standardizing the requirements of a procedure, giving good information to its users, the use of standard forms and engagements of control require-ments many matters can be done by routine. The chance of errors decreases and much time is saved.
- Responsibilities; with help of a functional administrative organization one can get insight in the responsibilities of departments or employees. Moreover there is created an insight in the separation of functions.

2.1.1 Internal Control

As mentioned earlier in this chapter, to manage an organization the internal processes have to be controlled. Because people make mistakes, the management has no certainty of the functioning of the organization. To obtain certainty, control is exercised by the management or by the controller on behalf of the management. This type of control is known as the internal control and is intertwine in the administrative organization. It is important that the control methods and techniques carry a preventive character as much as possible and they are used in procedures and information systems. The objectives of the internal control of a company are assessing and applying: (Jans e.a., 2001-2)

- The correct use of granted powers
- The effectiveness, efficiency and reliability of the processes
- The presence and guarding of values that make it possible to fulfill a function

In first place the internal control works repressive. Afterwards is observed if there were any defaults, which must then be corrected for the next period. Therefore many preventive measures are taken, which form the test criteria for the inspector who is charged with the function of internal control. Although these test criteria are in fact preventive measures aimed at the prevention of for example errors and abuse of data, the internal inspector uses it as test criteria.

With the internal control the granted powers, the effectiveness and efficiency of the processes and the guarding of the values are checked with the test criteria. Jans e.a. describe test criteria for the granted powers, effectiveness and efficiency of processes and the guarding of values.

The test criteria for *granted powers* must be secured in:
- A task description. A general description of granted powers
- A power of authorization instruction. A closer specification of powers, for example a minimum rate for the sales department.
- The engagement of signatures. With this tool employees can identify co-workers and their authorization.
- Creation and delegation recordings. In situations not (entirely) automated, this tool can be used to record who contracted a third party. Filling in the record and signing the record must be done by different employees, for a right control technical function separation.

The test criteria for the *effectiveness and efficiency* of processes are generally related to several aspects of the execution. *What* should be done, by *whom*, *how* the operation must be carried out and *when* the operations must be performed, is regulated with these test criteria. Commonly the criteria are set out in:
- Task description with regard to *who* and *what*.
- Work tasks for the specification of *what* and *when*.
- Quality instructions. Deeper development of *what*, expressed in quality demands of (specific) products.
- Procedures and work instructions. Procedures give a description of systematically arranged activities and operations and the possible use of resources. Work instructions give supplementary information about the procedures.
- Working conditions regulations. Every country has its own laws on the working conditions of employees in organizations.
- Environment regulations. Within the framework of environment legislation organizations should set up procedures for the reduction of environmental risks.

The *guarding of the values* is related to both the presence and the suitability of the intended functions. With these values the next organizational measures come at hand:
- The selecting of (gate) keepers or special inspectors
- To make sure the office has good lockable windows, closets, safe and such
- The use of security camera's
- The use of ID or company card

These are all options to keep a company and its possessions, like confidential data, safe. We won't do an evaluation of these measures for Laparkan, because the company has these measures covered.
Also this research is about an organized administration and these values are more about keeping the company safe.

Sub conclusion
The administrative organization is an integrated part of the whole organization. Centrally in the administrative organization is the achieving and maintaining of information supply by means of structured data-processing processes. To obtain more certainty concerning the information that is

used for processes, the organization applies internal control. With the internal control the delegated powers, the effectiveness and efficiency of the processes and the guarding of the values are checked with various test criteria.

Now it is made clear what the administrative organization exactly is and which rules apply for the control on the processes. The eventual aim of this research is to set up an organized administrative structure, as mentioned in chapter 1. So the next step in our research is to find a fitting model for the reflection and redesign of the administrative organization.

2.2 Design & analysis of the Administrative Organization

There is not much research that focuses especially on the administrative organization, although the literature from the Netherlands is kind of an exception. The literature and research about the administrative organization often revolves around quality. So a quality model can be used to reflect and redesign the administrative organization. A few well known quality models are reviewed: Six Sigma, Balanced Scorecard and ISO 9001. Also two models that are often used in Dutch literature about the administrative organization are reviewed: the INK-management model and the KAD-model. The advantages and disadvantages of each model are briefly discussed.

According to the Six Sigma model, quality is not the goal, but the means to reach the real goal of improving the company result. The Six Sigma model is focused on the customer. It aims to improve the work processes (primary processes) and to reduce the variation in the output of these processes. In applying this quality management model a regular feedback takes place, which results in continuous improvement. Six Sigma is a difficult model to implement in an organization. Employees from the concerning organization need to be trained or there must be called upon an external expert (Daft, 2008). The Balanced Scorecard is mainly focused on the direction of the output of a process and is thereby somewhat limited. Also it cannot be used as a single model, but only as an addition to another quality model (Daft, 2008). The ISO-9001 only gives guiding principles for conducting a quality management system to which the organization must gives its own interpretations. No real solutions are offered. However, an organization has the possibility to make the quality management system applicable in a flexible way.

The INK-management model aims at the direction of the process input and output. It offers a qualitative assessment on nine different areas of the current situation of the company. A disadvantage is that the model only offers a diagnosis of a company that already has this model incorporated into their organization.

The KAD-model is the only model we found in literature that is especially designed for administrative processes. It does offer guidelines for the redesign to some extent, but is still very flexible. A disadvantage of this model is that it is only known in the Netherlands.

To chose the right quality model we have done a little multi criteria analysis. Five criteria have been set up to define which model would fit for the evaluation and redesign of the procesess at Laparkan. From the analysis (see appendix B) we can see that the ISO model has the highest score. However, the KAD model only scores lower on the last criterium and even higher on the 'solution' criterium. Although we have not given weights to the criteria, it seems more important to the author that the models offers some solutions than that it is a familiar model. Also the KAD-model has a special focus on administrative processes and although it is not an internationally known model, the model is known in Suriname.

The KAD-model (quality of administrative service)

The KAD-model helps to redesign the arrangement of the administrative service. The model is commonly known and used in the accounting business in the Netherlands. It is designed to use in

organizations where the administrative service is the primary process, but also in organizations where the administration is there to support the primary process the model can be used (KAD, 2010). The KAD-model uses the system approach. For organizations this means that the properties of the organization are strongly dependent of the connection between the chosen organization elements. Both the elements and the relations are thereby subject of analysis. The system approach forces to make the function of the system clear, reasoning from the environment. Within the organization there are many complex relations between the elements of the organization. To the elements and relations numerous aspects can be distinguished. The system approach offers a few 'empty' concepts which can be used in different disciplines. The KAD-model exist out of three, to each other related and complementing components, which have been derived from the angles and considerations of the system approach. Together these components determine the efficiency and effectiveness of a process (Hartog, 1992).

- Product; aimed at product specifications
- Process; aimed at the control and arrangement of a process
- Structure; aimed at the task, information and staff structure of the process.

First the way how each different component contributes to the quality of the administrative organization will be described. At the end of each component the steps that need to be taken for a redesign of the administrative organization are outlined.
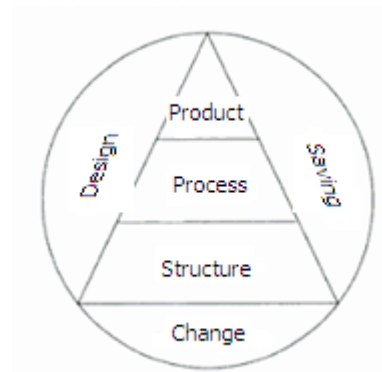
Figure 2.1: The KAD model

2.2.1. Product component

The starting point at improving of the quality of the administrative organization and thereby the service is the quality of the product. An information product is defined as a result of a data process, aimed at fulfilling the information needs of its users. The quality of the information product is defined as the degree to which the product fulfills the information needs of the users.

When translating the user needs to the product norms, the organization needs to define the critical success factors (CFS) of the product. The CSF's are those requirements and wishes that are of vital importance for the success of the organization. For the managing and control of the processes the critical success factors must be translated in standards and operational norms. The realization of product standards depends on the design of the organization and its processes. This forms the subject of the process and structure module of the KAD-model.

Steps for redesign of administrative organization in product component:
1. Selecting the product(s) that require closer analysis
2. Determine information needs from users and/or customers
3. Analysis and establish operational product norms

2.2.2 Process component

The process module is arranging the administrative and company processes, so that the organization can meet the requirements and needs of the consumers. The quality of the process is about the control of the process. This means that the system must be arranged that also under changing circumstances and in spite of disruptions, the product is realized. In the long run this means that the organization can adapt itself to changes in the surroundings.

The KAD model thereby uses two terms: reliability and topicality (or 'on time'). The reliability of a process is secured by the various test criteria of the internal control. Topicality is aimed at an as short as possible delivery time or throughput time. The two terms lead to measures which complete each other but which are also partly contradictory. The organization has to asses which measure is more important.

- For the throughput time it is sometimes necessary to commit other employees to a job, from the viewpoint of function separation this can be very inconvenient.
- The time that is necessary for the needed control goes at the costs of the throughput time
- Function separation and the creating of transfers in information expands the throughput time, but are sometimes necessary. But too many transfer points lead to a loss or incorrect information.

Steps for redesign of administrative organization in process component:
Drawing up the processes can be done on four different levels.

1. The first level gives an overview of the different processes within the organization. At this level the relation with the product module is guarded by choosing the product related processes.

2. The second level is the general process description. After the processes have been defined in the first level, the different process steps can be defined. The goal of a process description is to give an insight in the way in which a process is carried out. Different methods can be used like a textual description, IPO-scheme (input, process, output) or a process diagram.

3. The third level is a detailed process description. The recognized process steps are developed in detail. Activities are distinguished, but also forms, files or other resources that are used with these activities are indicated. Such a detailed process description is mostly done in the form of a procedure description.

4. The fourth level is the work instruction level. In the work instructions there is exactly stated how the activities should be executed by the employees.

2.2.3 Structure component

This part of the KAD-model aims at the structure and design of the organization in such a way that the realization of the goals can be achieved in an efficient and effective manner. There are three aspects of the structure of an organization: organization (or task) structure, the staff structure and the information structure. First the design rules per structure are laid down and then the total redesign of the structure component is laid down into different steps.

Organization structure
Within the KAD-model there are two organization structures recognized, the functional (F-structure) and the product structure (P-structure). In short the product structure is characterized by a partitioning of activities by means of the goal of the activities, product or service. All activities that are aimed at one specific product(group) must be add together. In a functional structure the activities are divided on basis of the phase a product or service is in. Hereby the corresponding activities are put together, irrespective of the product for which those activities are performed. In appendix R you will find an extended overview of the characteristics of the two structures. In general a product-aimed structure will offer bigger advantages in the area of control and for the individual

tasks of the employees (Hartog e.a., 1992). In the KAD-model there are a few design rules with regard to an effective and efficient product-aimed structure.

Design rules with regard to the structure of transformation from function to product structure
1. Arranging the activities by order of the most important product.
2. Integrate or make sure of a minimum of dependences with preceding and succeeding processes.
3. Product positioning in a low aggregation level with per department no more than 10 workplaces.
4. Take care of a flexible allocation of tasks (in groups).

Design rules with regard to the structure of the regulation and directing activities
1. Closed control cycles for an integration of regulation and operations. The dividing of these two activities of a control cycle leads to 'no observation of relevant activities', 'poor information processing', limited information processing capacity, complexity and the ignoring of information.
2. Delegating or directing processes
The responsibilities of the way in which the objectives are achieved must be as low as possible in the organization, this means as closely as possible to the execution of the process.
3. Take care of a flexible allocation by the working group, by letting them determine the division of labour. This offers possibility for variation in tasks and regulation capacity.
4. Stimulating of a supporting department manager.

Design rules with regard to the structure of supporting processes
1. Take care of an adequate, directing staff support
2. Take care of a maximum integration and a maximum influence on processes.

Both designer rules aim at the support of the product-responsible management with a staff that is aimed at the specific needs. This means in the case of decentralization that the responsibilities in the department must be in line with the whole organization. For the task design of individual employees the design rules mean that there is strived for complete and skilled tasks. By means of meaningful product-aimed tasks, integration of regulation activities and a possibility of own decision space will offer a job to the employee in which one can function as good as possible as well as an optimization of the decision-making processes by speed and quality.

Information structure
The structure of the information supply can be divided in the following features:
- Contents and the structure of the data that must be supplied at the different organizational levels.
- The conditions under which the data is available and the requirements which can be consequently made to the system.
- The data-processes and systems from which the data become available.

Design of the information system
This subject will not be discussed in this research, because Laparkan uses the information system Cargo Manager. This system has just been implemented throughout the whole organization and within the near future there will be no talk of changing the system.

Using the information system ("the organization around it")
- Data must be recorded at the source. The employee, who records the data, is responsible for the engagement and contents of the data.
- Users have only access to the data and applications that are relevant for their function.
- The transfer and transport of data within the organization only takes place if further execution of the process, control or to give account to the higher organizational level.

Staff structure

This part of the structure component discusses the staff occupancy of the several positions within the organization. To these positions different roles, responsibilities and powers are bound. Most of the time this can be derived from the organizational chart. In an organization control technical function separation especially in the financial department is very important, because of the risk of fraud and mistakes. Control technical function separation means creating contrary interest between officials in an organization, which will offer a certain guarantee of the control of risk. There are five functions that can be separated: having, keeping, recording, controlling and executing.

- *'Having':* authorization of contracting third parties.
- *'Keeping':* taking care of the keeping of goods and financial resources.
- *'Executing'*: receiving or giving out money, securities, goods or data in order of someone else. Within the executing function there is also the step of processing of the money etc.
- *'Recording'*: fixing financial facts
- *'Controlling'*: monitoring the correctness and completeness of supplied tasks including analysis afterwards.

The following rules apply for a good separation of these functions:

- Separate 'having' and 'keeping' function, unless restricted till a small amount of money
- The 'having', 'keeping' and 'executing' functions must be strictly separated from the 'recording' and 'controlling' functions.
- No employee must have the possibility to influence two successive links

However in smaller organizations this cannot always be realized, because there are simply too few employees. In such case, extra control is required.

Steps for redesign of administrative organization in structure component:

1. The first level describes the main structure of the organization, so the different departments and the vertical and horizontal relationships between them. An organizational chart can be used to get a clearer view.
2. The second level describes the tasks by department. By the development of the organizational structure the tasks by department are pointed out. The tasks can also be translated into (sub) products which a certain department has to provide.
3. At the third level the structure is laid down at the level of an employee. Per employee a description of the tasks are given and the qualifications he or she needs to satisfy.

Sub conclusion

With the KAD-model we have described a framework for a redesign of the administrative organization. In the product component the main point is to define the critical success factors from the user needs. In the process component the different levels of a process must be described in order to get a clear view of the control on the process. In the structure component the organizational structure on different levels is the main issue. To redesign an administrative organization there are certain steps laid down for every component of the KAD model. These steps will be used in chapter 5, when we will redesign the administrative organization of Laparkan.

Component	Central topic	Elements	View on quality
Product	Tuning organization to environment	User needs CSF Product standards	Quality is producing by the wishes of the customers
Process	Operation and control of organization	Process standards Control system	Quality is sufficient control on process

Structure	Structure and design of organization	Organization Structure Information structure Staff structure	Quality is an effective and efficient organization structure

Table 2.1: Overview of the KAD-model

Conclusion

In this chapter we found an answer to our first research question: '*What are the conditions for an organized administration?'.* An organized administration means that data is processed in an efficient and visible manner with as few faults as possible, stored in a way that it is easily traceable and controllable for the financial controller and forms a basis for the decisions of the management. Centrally in the administrative organization is the achieving and maintaining of information supply by means of structured data-processing processes.

For evaluating and redesigning of the administrative organization of Laparkan we use the KAD-model. The KAD-model has three components, product, process and structure. Each component has standard design rules, but the specific fulfillment is different for each company. The product component concerns the critical success factors of the product of a company, these must be operational and measurable. Within the process component we use the test criteria (or preventive measures) of internal control. The structure component is divided into three different parts: organizational, information and staff structure. They all have their own design rules. All these conditions in each component we will use to analyze the current situation and redesign the administrative organization of Laparkan.

Chapter 3: Current Situation

As described in the problem definition, Laparkan has problems with the registration of cargo and invoices. These two activities are part of the warehouse process respectively the sales process. The two processes will be described and mapped in a flowchart. Before evaluating, first the organizational structure will be reviewed. Because the processes involve different departments of the organization, it is important to get a clear view of how these departments are organized. And what are the different functions and responsibilities within these departments. Seeing this within the KAD-model framework we discuss the product, then the process and structure component in this chapter. For Laparkan it is important to first understand the organization structure before the process description can be fully understandable. So we discuss the structure component within the process component. In this chapter we will give an answer to the following research questions: *'What is the current organizational structure of Laparkan?'* and *'In which processes do the described problems occur and what do these processes look like'.*

3.1 Product

As mentioned in chapter 1, Laparkan is a service organization with a flow of goods of a third party. So they do not have a physical product, but a service-product: 'transportation of goods'. They divide their cargo (or service) in the following groups:
- Commercial
  - Air
  - Ocean
- Private Mailbox
- Dutch Cargo

The private mailbox and Dutch cargo can be transported by ocean or air, but they define this as the same service. The head office in Miami has set up a few norms concerning the service.
- Maximum error rate of 2%
- Customer must be notified within 1 working day
- Treat goods as if they are your own
- Deliver as quick as possible after arrival cargo

The error rate concerns all kinds of errors liked damaged cargo and wrong delivered cargo. Laparkan Suriname sends the data to the head office, which records everything.

3.2 Process analysis

To have an adequate information service by means of the data processes, you need an insight in the structure of and connection between the current company processes. This insight is obtained by process analysis. A process analysis exists of the following phases: (Hartog, 1992)
1. Line up the different processes
2. Describing the relation between a process and organizational structure
3. Mapping the relation between a process and activities

3.2.1 Lining up the different processes

The problems Laparkan has concern two key processes, the warehouse and the sales process. With both processes almost every employee is involved. The different sub processes are summed up in table 3.1. These sub processes are defined by means of observation of the different activities at Laparkan and interviews with employees.

Process	Sub process	Description
Warehouse	Receiving	The receiving of goods at the airport/warehouse
	Storage	Storing the goods in the warehouse

	Issuing	The issuing of goods to the customer at the office or warehouse
	Delivery	Delivering goods at customers' home
	Administration	The administration of goods in the warehouse
Sales	Order acquisition	Customer visits and initiating sales support activities
	Order receiving	Securing received customer orders
	Order processing	Making up invoices
	Payment of Order	Payment of the invoice
	Registration of Payments	

Table 3.1 Overview of the sales and warehouse process

3.2.2 Describing the relation between a process and the organizational structure

To describe the relation between the defined (sub) processes and the organizational structure, we must first outline the organizational structure of Laparkan. The organization has grown the couple of years, not only in the amount of cargo they transport, but also in employees. At this moment they have 20 employees. An organizational chart has been set up, with help from the employees and manager (see appendix C). Some employees are mentioned twice, as can be seen on the chart. These employees are operative on both departments, on flight days they work for operations and on non flight days for customer service. Next the different functions of each department will be explained.

Sales & Marketing
There are two people responsible for the sales, this concerns only commercial cargo. The private mail box service does their own sales, but of course sometimes they work together. The head of the Sales department is also the head of the Customer Service department.

Operations
The operations department is concerned with the air cargo from and to Laparkan Miami. Every Tuesday and Friday a flight arrives and leaves to Miami. On these days the whole department, except the operation supervisor, is present at the airport. They ensure a correct handling of the export and import cargo as well as the payments. The day before they call all regular customers, mainly fish exporters, and ask if they have export cargo and how much. The department exists out of five employees in total. The two assistants are only concerned with this department on flight days, the other days they work for the customer service department. At the airport these employees will physically handle all the cargo with the fork lift carriers. The manager of the department and the assistant manager handle all the paperwork and payment handling. Also the courier from the customer department helps on flight days at the airport. The operation supervisor will make the arrival notices at the Laparkan office, from the arrival notice the finance department can make up an invoice.

Private Mail Box
This department holds three people, the manager, executive and supervisor. The manager and the executive handle all the activities concerning the private mail box service. This means they handle the registration of PMB clients, do the orders by credit card, but also sales and marketing. The executive is mainly charged with the sales and marketing. The PMB manager handles most of the applications and orders. The supervisor is supposed to deliver the PMB mail to the customers. Sending post with the PMB service is free, so customers make eager use of it. At this moment the supervisor mainly keeps up the inventory in the Laparkan office and warehouse and emails customers their cargo has arrived.

Customer Service (under the Sales & Marketing Manager)

This department exists since May 2010. The main task is to notify the customers their cargo has arrived. At this moment they are currently busy with setting up a customer database. The in-house sales officer is charged with the operations and customer service of all the Dutch cargo. On non-flight days two employees from the operations department help at the customer service department. In shifts they will deliver the cargo and mail at peoples' home. They are also responsible for making up the inventory list from ocean and air cargo.

Documentation
The documentation department exists of one employee. She is responsible for all the ocean cargo, except Dutch ocean cargo. Because Laparkan does not physically handle this cargo, the employee only has to do the paperwork.

Financial administration
The financial department at Laparkan exists out of five employees. At this moment there is one temporary employee. Her main job is to file invoices and other documents that concern payments. The administrative assistant is concerned with all the payments from customers, making invoices in Excel and handles declarations from other employees. The accounting assistant is currently charged with cleaning up the list of debtors, because he is responsible for the accounts receivable. He also checks the cash register at the end of the day. When the administrative assistant is absent, the accounting assistant will take over the cash deck. The accounting manager is responsible for the accounts payable, at Laparkan this means mainly checking and paying invoices from creditors. Beside these activities she does everything concerning human resource management
The financial controller main tasks are checking if all the invoices are made correctly, helping with the debtor list, making monthly report for Miami and keeping up the general ledger. Actually he is also the head of the department.

Customs broker
Recently Laparkan hired an employee who is familiar in the field of cargo clearance at the customs. This is an extra service Laparkan offers to its customers, which has not much interaction with the other departments. Therefore the Clearance department will not be taken into account in the report.

Guard
As mentioned the guard is hired from an external security company. He sometimes helps out with writing proof of delivery notes to customers and gets a little extra payment from Laparkan for this work. The guard is not on the organizational chart.

General Manager
The general manager is occupied with decisions on strategic level. At this moment he is busy trying to find a new location with warehouse for Laparkan. He tries to look for new opportunities like maybe a new flight from Suriname to Panama. The general manager does not involve himself in the daily monitoring of staff. The head of the Sales department is supposed to manage the daily operations at the office. Once a week there is a meeting with the whole staff, in which they discuss the problems and progress of their activities.

Half of the staff only works at Laparkan for a year or less. Due to the fact that Laparkan took over the physical handling of cargo at the airport, especially the number of staff members at the operations department has grown. Every week tasks changed among different employees, above is just a global description of the tasks. For example the driver at the PMB department had to give up of his office tasks and go out to do delivery. Also the accounting manager was assigned with the responsibility of the accounts receivable.

Now we have outlined the organizational structure of Laparkan, we can define which employee executes each sub process.

Process	Activity	Description	Cargo	Department	Employee(s)
Warehouse	Receiving	The receiving of goods at the airport/warehouse	Air Cargo	Operations / Customer service	All employees operation department, customer/security officer
			Ocean & Dutch Cargo	Customer Service	Inhouse Sales officer
	Storage	Storing the goods in the warehouse / office	PMB Cargo	PMB	Private Mail Box supervisor
			Dutch released Cargo	Customer Service	Inhouse Sales officer
			Air, Ocean, Dutch	Global Expedition / Baank Shipping	-
	Issuing	The issuing of goods to the customer at the office or warehouse	Office	PMB	Private Mail Box supervisor
			Warehouse	-	Guard / Global Expedition
	Delivery	Delivering goods at customers' home	All if requested	PMB/Customer Service	Courier, PMB supervisor, Assistants Operations
	Administration	The administration of goods in the warehouse	PMB Cargo	PMB	Private Mail Box supervisor
			Dutch Cargo	Customer Service	Inhouse Sales officer
			Air / Ocean Cargo	Customer Service	Operation Assistant
Sales	Order acquisition	Customer visits and initiating sales support activities	All	Sales	Sales manager, Sales representative
			PMB	PMB	PMB executive
	Order receiving	Securing received customer orders			
	Order processing	Making up invoices	All	Finance	Administrative Assistent
	Payment of Order	Payment of the invoice	All	Finance	Administrative Assistent
			Air Cargo at airport	Operations	Operation Manager
	Registration of Payments		All	Finance	Accounting Assistent

Table 3.2: Overview of sub processes and executing employee

3.2.3 Mapping the relation between a process and activities
There are many techniques to map a process. A flowchart is a graphical representation of the sequence of operations in an information system or program. Flowchart uses boxes of different shapes to denote different types of instructions. The actual instructions are written within these boxes using clear and concise statements. These boxes are connected by solid lines having arrow marks to indicate the flow of operation, that is, the exact sequence in which the instructions are to be executed. Since a flowchart shows the flow of operations in pictorial form, any error in the logic of the procedure can be detected easily. Also they are easily understandable for employees.

Flowchart symbols
Only a few symbols are needed to indicate the necessary operations in a flowchart. An overview of these symbols can be found in appendix D. Swim lanes are used to see easily which department executes which part of the process.

3.2.3.1 The warehouse process

Laparkan has several places where cargo is stored. At the Laparkan office is cargo from Private Mail Box and sometimes Dutch cargo. In the warehouse of Global Expedition is the air and ocean cargo. Sometimes if customs does not give the private mail box cargo free pass, it has to be stored in the warehouse of Global. This problem does not arise with Dutch cargo, because Laparkan pays the total import duties for all customers once per month to the customs. The flowchart accompanying the description of the process can be found in appendix E.

Cargo	Stored
Commercial Air	Global Expedition
Dutch Cargo	Baank Shipping
Dutch Cargo (released)	Throughout Laparkan Office
Private Mailbox – Air/Ocean	Global Expedition
Private Mailbox – Dutch (Air/Ocean)	Baank Shipping
Private Mailbox – Released	Separate room in Laparkan Office

Table 3.3: Overview of places where cargo is stored

Receiving
Global Expedition or Baank Shipping receives all the cargo in their warehouse with a manifest they receive from the shipping company or from Laparkan. The operations department receives the air cargo from Miami at the airport, they make a load list with cargo that goes to the warehouse. They check all the cargo, also PMB, with the manifest and make up a discrepancy report. On this report are all the short shipments, not manifested cargo, name changes or extra shipments. Global Expedition picks up the cargo and transports it to their warehouse.

When a shipment (air or ocean) has arrived in one of the warehouses, the inhouse sales officer checks it with the manifest for any discrepancies. The discrepancies from air cargo are compared with the discrepancy report at the airport by the operation supervisor.
Private mail box cargo is checked by an employee from the PMB department. He first checks the cargo in the office, then in the warehouse. If the PMB has already been checked at the airport, he compares the discrepancies.

Storage
The storage in the warehouse is completely done by Global Expedition/Baank Shipping. At Global Expedition, Laparkan has an own separated part in the warehouse. At Baank Shipping the cargo is stored random in the warehouse. The PMB cargo in the office is randomly stored in the back of the office. Dutch cargo that is released from the Baank Shipping warehouse, but is not yet delivered to customers, is situated throughout the office.

Issuing
When a customer picks up the cargo at the Global warehouse, first they have to sign a Proof of Delivery at the Laparkan office. Then they go to the warehouse of Global and sign another Proof of Delivery there. The Proof of Deliveries from sea freight are already pre-written by the employee from the Documentation department. The Proof of Deliveries for air cargo are written by the employees from Global. The Proof of Deliveries for PMB cargo are written by the driver of the PMB department. The customer only gets a copy from the proof of delivery from PMB cargo. Sometimes the moment a

customer has to sign a proof of delivery changes, because Laparkan is struggling what is the best moment.

The in-house sales officer picks up the Dutch cargo at the Baank Shipping warehouse. Customs note the import duties and Laparkan pays this once a month to the state. The in-house sales officer notes the import duties per cargo and adds this to the freight costs.

Delivery
People with a Private Mail Box account can ship free magazines and other mail from the U.S. This mail is sorted and the driver sets up a list with name, address and sign for delivery. Before this was done by hand, but they are trying to switch to an Excel sheet. The only obstacle is now that the driver can't work with a computer very well.

Dutch cargo is also delivered at home, this service is free within Paramaribo. The in-house sales officer sets up a list with names, address and costs. He points two employees who are going to deliver the cargo. The customer must sign the delivery list, if they have received the cargo. Other cargo is mostly picked up by the customers, on payment of a little amount the cargo can be delivered.

Administration
After every flight day the load list from the operations department is copied to the inventory list. When ocean cargo arrives, the call list from the documentation department is copied to the inventory list. Every Thursday an employee from the Customer Department goes to the warehouse of Global and updates this inventory list. Then he calls the customers from who the cargo is there almost eight days and records this on the inventory list. After ten days the customer has to pay storage costs. The customers are always called the day after their cargo has arrived by the customer service.

The PMB inventory is kept up to date by an employee from the PMB department. When private mail box cargo arrives, he checks it with the Private Mail Box manifest. He also checks in the warehouse of Global Expedition to check the PMB cargo there. Finally he checks his list with the discrepancy report from the Operations department.

The inventory of Dutch cargo is not registered. Most of the Dutch cargo is directly released from the warehouse of Baank Shipping and then delivered at the customers' home.

3.2.3.2 The Sales process
The Sales for the Private Mail Box is done separately from the rest of the sales. But as mentioned in the description of the organizational structure they work together sometimes. Next to the regular sales employees, from the rest of the employees it is expected to help with the sales. The flowcharts accompanying the description of the different steps in the process can be found in appendix F till L.

Order acquisition
This is the primary task of the Sales department. The sales representatives try to build a relationship with the customer and regular go out for a drink or eat with them. They make price agreements with the customers, the guidelines for the rates are given by Laparkan Miami. The private mail box representative does the sales for this department. The rates for the PMB are set by Miami, so there is no bargaining here.

Order receiving
There are four departments which can receive orders from customers: PMB, Sales, Customer Service and Operations. The inhouse sales officer at the customer service department receives orders for export to the Netherlands. The PMB department receives orders via the mail or at the office. The Operations department receives mainly orders from regular clients, who are mainly fishermen.

Order processing
Laparkan has two different ways of making an invoice. The invoices concerning cargo from and to Miami (commercial), can be made in Cargo Manager. If it concerns Dutch cargo or cargo from other agents (WCA/ASW/Evergreen) the invoice is made in Excel. First the process concerning cargo from and to Miami will be described.

Cargo	Invoice
Commercial (Air/Ocean)	Cargo Manager
Dutch Cargo	Excel
Private Mailbox (Credit Card order)	Excel

Table 3.4: Overview of invoices used with different cargo

Miami Cargo (Appendix F)
The following process steps are the same for ocean cargo, but this only arrives once a week. The documentation manager will then upload the pre-alerts from Cargo Manager. The word 'bill' is used for airway bill and bill of lading.
In the morning the people responsible will upload the manifest with all the cargo in Cargo Manager. For commercial air cargo, an employee from Customer Service is responsible, for private mailbox this is someone from the PMB department.
The concerning employees search by bill number for the pre-alerts. A pre-alert is an invoice which is not yet definite; they are made by Miami in Cargo Manager. The employees charge the invoice with the local costs of Laparkan Suriname and then actualize the invoice in CM.
Only when a pre-alert is actualized it becomes an invoice and visible for the financial department. The financial department will then check the invoice with the costs on the bill. If it is correct, the invoice will be saved on the computer and printed. All the invoices are stapled to bills. These bills are printed from Cargo Manager.

Private Mail Box (Appendix H)
As described in chapter one, the customer can use the credit card of Laparkan or his own credit card to pay the product ordered online. If the customer pays with his own credit card, Laparkan will only charge the freight costs and local costs. The freight costs will be determined at the airport in Miami/Schiphol, because it depends on the chargeable weight of the product. An estimate of the costs can be given by means of the information about the size and weight of the product on the website. If the customer uses the Laparkan credit card, he sends an order to the PMB department. This department will then place the order for the customer.
The PMB department will forward the invoice from the internet company to the financial department. The administrative assistant will make up an invoice in Excel, including only the product costs. The customer has to pay directly.

Dutch Cargo (Appendix L)
The inhouse sales representative is responsible for the handling of all the Dutch cargo. He receives the bills per post from Cavalier. He makes an overview of the names and costs and gives this to the administrative assistant. She makes up the invoices in Excel. Export to the Netherlands happens seldom, but also in that case the administrative assistant makes up an invoice in Excel.

Export invoices (Appendix G)
The operation manager assistant makes up the export airway bill. To make up the airway bill, he needs information about the exporter, the receiving party, the kind of freight and the freight costs. The exporter fills in a send instruction with all the information about exporter and receiving party. The freight is then weighed in order to determine the freight costs.
The finance department gets the export airway bills from the operations department in hardcopy and by email. The administrative assistant makes up an invoice in Excel, which is checked by the

accounting manager. Next the finance controller makes up an invoice in Cargo Manager, where after the accounting assistant checks it and posts it on the general ledger. In case of collect payment, the freight is paid in Miami and the finance controller keeps up a sheet with the collect payments which they must receive from Laparkan Miami. The process for ocean cargo to Laparkan Miami is the same, but there is not much export cargo.

Payment of Order

There are different places a customer can make a payment and in different ways. A customer can pay when he picks up his cargo at the airport Zanderij, he/she can pay just at the regular cash deck at the Laparkan office, the payment can be done if the cargo is delivered or by bank. Delivery is only possible for Dutch cargo. Laparkan accepts transactions in three different currencies: U.S. dollar, Euro and Surinam dollar (SRD).

The airport Zanderij (Appendix I & J)

Most of the bigger cargo is picked up at the airport. The head of the operations department gets the exchange money from the finance department, the day before. The head is responsible for all the payments, if there is money short, this will be compensated with the salary.

The customer gets a payment voucher with a signature of the head, a Laparkan stamp and a 'paid' stamp. The original voucher is stapled to a copy of the airway bill and given to the customer. The customer also gets a delivery note. This delivery note has to be given to customs, which decides if and how much import duties have to be paid. When the cargo is released by customs, the customer goes back to the cash deck and gets a proof of delivery (POD). The POD is signed by the head of operations and the customer. The delivery note is stapled to the original POD and given to the financial department the following day. The customer gets a copy of the POD.

This is a global description of the process. Sometimes the customer first gets the delivery note and goes directly to customs, without payment.

Laparkan Office (Appendix K)

When a customer arrives at the office the concerning invoice is searched in the dossier. The invoice number is searched in Cargo Manager. Then the cash receipt is printed twice. The cash receipt and also the invoice get a 'paid' stamp, a signature and date. Then the invoice is copied and the copy is stapled to the cash receipt, this is filed on date. The original invoice and cash receipt go to the customer.

Dutch cargo (Appendix L)

Because all Dutch cargo, with a few exceptions, is delivered at home, the payment happens there. The drivers receive the money and the customer signs a delivery lists and gets the invoice. When the drivers come back, the in-house sales officer checks the money and delivery list. Then he hands it over to the administrative assistant. She will make a cash receipt in Cargo Manager and file the invoice and cash receipt.

Registration of Payments

The registration of payments is done in Cargo Manager. When a cash receipt is printed, this is automatically recognized as a payment in the system. At the end of every day all payments are posted to the general ledger by the accounting manager. The cash and checks account is made up by the administrative assistant and the accounting manager or the accounting assistant will check it. The finance controller does a monthly control.

Sub conclusion

In this chapter the sales process and the warehouse process are described and mapped. An overview of the responsibilities of employees is given concerning the different activities within the two processes.

3.3 Data needed for activities

In chapter two we introduced the KAD-model. This model is a framework for what an administration should look like. Also the measures for an internal control are outlined in chapter two. In the next chapter we will compare the current situation with the KAD-model and internal control measures.
First we take a look at the data and documents that are required for the activities within the warehouse and sales process. Currently all information (documents) are send to a random group of people in the organization. Employees get an information overflow or the other way around, they do not get any.

From the process analysis in chapter three we analyze which information is needed for a certain activity. When the processes are redesigned, it is important to know the information flow is still optimal. Certain activities cannot be executed without certain data. An overview of the information/data that is necessary for the execution for an activity has been made (see appendix S and T).This information will help with defining the input in the data processes with the redesign phase in the chapter 5. In table 3.5 a small part of the table in the appendix is given as example.
The first column indicates which part of the process it concerns. Then the 'from' column tells us which party (department, customer) has the information needed. In the third column is the party that needs the information to process it or store it. The input is the information that is needed to get the output information. Sometimes there is no output in a particular sub process and the information is only stored, because it is obligatory by law or for security of for example delivery of a package.
I = input
O = output
X = stored

Warehouse	From	To	manifest	bill of lading/ airway bill	discrepancy report	inventory list	Customer data	Freight costs	Invoice	cash receipt	Proof of delivery	cash/check/credit	Loadlist	Signature customer
Receiving	Cavalier/Baank	Customer Service	I	I	O									
Issuing	Baank	Customer Service		I							O			
Delivery	Customer Service	Customer					I		I		O	O		
Delivery mail	Customer Service	Customer					I							O
Administration	Customer Service				I	O					I			

Table 3.5: Data needed within the warehouse process for Dutch cargo

Conclusion

In this chapter we described the current situation by means of the KAD model. In the product component we described the different services Laparkan offers and the norms that have been set up by the management. First we described the organizational structure, for a better understanding of the organization. The warehouse process and the sales process are the two processes in which the most problems occur. With the description of the processes and defined data needed for each process, we can now begin with the analysis in chapter 4.

Chapter 4: Analysis of the current situation

In this chapter the bottlenecks occurring in the current situation will be discussed. This will be done within the framework of the KAD model. First the product component will be discussed. Then the specific bottlenecks occurring in the warehouse and sales process will be examined. The control of the processes will be checked with help from the test criteria of internal control. In the structure component we will compare the current structure with the measures from the KAD-model. Finally a few general bottlenecks occurring throughout Laparkan will be outlined.

4.1 Product

The KAD model indicates that the organization has to set up operational norms for each service product. As seen in chapter three there are few norms set up by the head office. These norms are not operational neither clearly defined. For example it is not clearly defined what falls within the error rate. It is also not clear how it is exactly measured, if an error occurs this is reported to Laparkan Miami per email, but not consistently. This is also the case for the notification time; if a customer is not notified within one working day this is not reported.

4.2 Process

In chapter three the process are mapped and described in the current situation. To improve the sales and the warehouse process, the disconnects must be identified. A disconnect is anything that prevents the process from achieving desired results and in particular information transfer between organizations or people. Each process step was examined on the following categories of disconnects that indicate a need to improve the process (Harrington, 1991).

- Bottlenecks. These points in the process where it slows down may be caused by redundant or unnecessary steps, rework, lack of capacity, or other factors.
- Weak links. These are steps where problems occur because of inadequate training of process workers, equipment that needs to be repaired or replaced, or insufficient technical documentation
- Poorly defined steps. Steps which are not well-defined may be interpreted and performed in a different way by each person involved, leading to process variation.
- Costs added only steps. Such steps add no value to the output of the process and should be earmarked for elimination.
- Opportunities for automation. Some steps that are now done by hand or through paperwork could be done by computer or filed in a database.

First the flowcharts are examined on the different disconnects, which have been found in different ways. To map the flowcharts we observed the processes, by means of these observations we found the first disconnects. After the documentation was finished, the employees were asked to check if the modeled process was the same as the real process. This is an important step, because continuing with an incorrect flowchart could lead to wrong or unseen disconnects. In the conversations with the employees, they pointed out some bottlenecks in the processes themselves.

In the process component from the KAD model there are two terms that are important: reliability and topicality (or 'on time'). The reliability of a process is secured by the various test criteria of the internal control. Topicality is aimed at an as short as possible delivery time or throughput time. So the first step was to review each process on bottlenecks: points where the process slows down. The next step was to review each process on the other disconnects mentioned above. The flowcharts were examined step by step. The different disconnects are marked in the concerning flowcharts in the appendix.

Then we analyzed the table in chapter 3 with required data for each process. Last we compared the internal control measures with the current situation.

4.2.1 The warehouse process

- *Not clearly defined what to do when discrepancy lists do not match (poorly defined step)*
  As we can see in the flowchart about the warehouse process (appendix E) there is an activity that says 'make noise'. This is not a clearly defined activity. When the concerning employee was asked what this meant exactly, he said he usually tries to find a manager who would try to fix it.

- *No inventory list for Dutch cargo (weak link)*
  As we can see from table 3.5 in subsection 3.4 for the activity 'administration' for Dutch cargo we need an inventory list. The employee responsible for Dutch cargo, does not feel any necessity for an inventory list, because the cargo is most of the time directly delivered at home. The discrepancy reports he sets up are just some notes on the manifest. Then he calls the contact person from Cavalier to pass on the discrepancy.

- *Same inventory is checked multiple times, by different employees and Global. (bottleneck)*
  As you can see indicated on the flowchart 'warehouse' in appendix E, the inventory is checked multiple times. Air cargo from Miami is checked at the airport by Global and Laparkan, then in the warehouse again by Global and Laparkan, so four times in total. Then all cargo is checked once a week by another employee, with exception of Dutch cargo which is only checked at arrival.

- *PMB cargo in warehouse is checked separately (bottleneck – unnecessary rework)*
  In figure 4.1 (part of flowchart 'Warehouse, appendix E) we can see that the PMB and commercial cargo are checked by two different employees. An employee from the PMB department goes separately to the warehouse from Global Expedition to check the PMB cargo, meanwhile the in-house sales manager also checks the air cargo.

- *Multiple employees involved at checking inventory (KAD model guideline)*
  The discrepancy report at the Global warehouse is made by the in-house sales manager, but these are not communicated with the operations assistant, who checks the inventory every Thursday. The other operation assistant updates the inventory list by means of the call lists, the customer service department sets up. The PMB inventory is kept up by an employee from the PMB department. In total there are four people concerned with the inventory. If you want to have a sufficient control, it must be clear what the responsibilities of each employee are.

- *Different ways of letting a customer sign a proof of delivery (poorly defined step)*
  Every department at Laparkan has more or less his own way of letting a client sign a proof of delivery. They change this part of the process a lot, so it could not be exactly mapped in a flowchart. Team members do not agree on what is the best way and moment to let a customer to sign a proof of delivery.
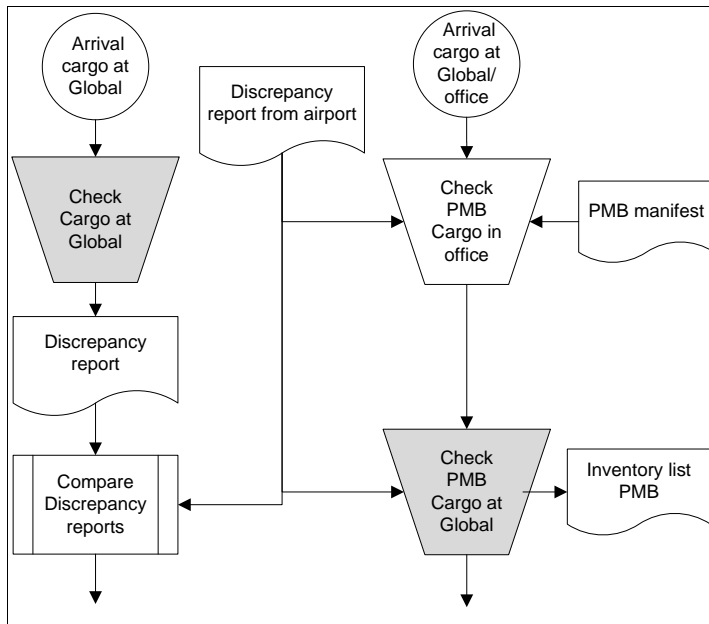
Figure 4.1: Warehouse process: Double check of cargo (for whole flowchart see appendix E)

4.2.2 The sales process

- *Invoice is made twice with export (bottleneck – rework)*
  First the invoice is made up in Excel by the administrative assistant, then the finance controller makes up the invoice in Cargo Manager. After this a control by another employee from the finance department takes places. In flowchart of the sales process of the 'export invoice' we can see these activities.

- *Not a clear accounts receivables procedure (poorly defined step)*
  It is not really outlined what to do with the debtors. Just recently the finance department started listen the invoice that are open for more than 14 days. This must be done every week, but that is not the case. It happened only one time and all the names of the customers were directly send to the debt collector. Also debtors can be listed from Cargo Manager, this option is only used for control.

- *Missing information on the invoice (weak link)*
  The deadline of payment is set on two weeks. When an invoice is made up in Excel this information is on the form, but if it is from Cargo Manager it says nothing. Customers can be unaware of the fact they have to pay within 14 days.

- *Chaotic transfer in information (KAD model guideline)*
  According to the KAD model too many transfers in information can lead to loss or incorrect information. The transfer in information between Global Expedition and Laparkan does not go very flowing, both parties complain about each other. One of the biggest transfers in information is when the operations manager gives the payments from the airport to the finance department. It has been observed that often this transfer goes very chaotic: employees are busy with other things, the transfer is broken off and continues later that day, or the operations manager just drops the documents without explanation.

- *Customer database for commercial cargo is not finished (opportunities for automation)*
  As we can see from 3.5 (appendix R) the customer data needs to be registered. The customer service department is currently working on a customer database in Excel. In the future a more sophisticated database will become available in Cargo Manager. Now customer service has sometimes problems with unknown phone numbers or the finance department with billing addresses.

4.2.3 Internal control

In chapter 2 there are several test criteria defined to obtain control of the processes. Now we examine to what extent these test criteria are available at Laparkan and define the gaps.

Task description

There are no task descriptions for any of the employees. Every employee has a few basic tasks they have to execute, but if their tasks are done they sit around and do nothing. This applies manly for the employees lower in the organizational chart. The department managers take a lot of tasks for themselves, but don't delegate the tasks to their lower. Especially the employees that work at two departments, are not really monitored. They do their few basic tasks and occasionally follow up an order from another employee from the operations or customer service department.

Power of authorization

The power of authorization lies high in the organizational structure; only the heads of the departments have any authorization to sign documents or make decisions. Most decisions are actually made in consultation with the general manager.

At the finance department the power of authorization is clear. Only the head of the department or the accounting manager can sign for important documents and make the decisions. Also they check all the costs on the invoices. The cashier and accounting assistant can sign for payments. Laparkan Miami sets the credit limit for certain customers, requested by Laparkan Suriname.

Engagement of signatures

Almost every official document has to be signed by the employee with the authorization. Because Laparkan is just a small company, employees recognize each others' signature. Next to a signature, they also use stamps. Employees, who use stamps, have their own unique stamp.

Delegating records

If a third party is contracted, like an advertising agency, the general manager will always sign the contract. There will be no misunderstandings about the signing of a contract and it is unnecessary to keep up a delegating record.

Work tasks

There are no work tasks outlined for the *what* and *when*. Because Laparkan is a service organization, they offer a service product. So the *what* is the kind of service, at Laparkan divided into the transport of different kinds of cargo (see product chapter 3). The *when* mostly depends on the arrival of the cargo. Some tasks, like sending the export airway bills to Miami, have to be done before the airplane leaves Paramaribo. Other tasks have to be done within a certain time limit after the arrival of the cargo, like notifying the customers within one working day. But for most tasks they have the guideline 'as soon as possible'.

Quality instructions

There are a number of instructions in respect to the quality of the service which Laparkan provides:
- Maximum error rate of 2%
- Notify customers within one day after arrival cargo
- Treat goods as if they are your own
- Deliver as quick as possible after arrival cargo

As you can see there not really measurable and are more like guidelines.

Procedures and work instructions

As already described in the problem definition there are no procedures set up for any of the processes. In this research the procedures concerning the warehouse and sales processes will be defined.

Working conditions regulations
Most employees of Laparkan work all day at the office, so no special working conditions regulations apply for them. In the hangar at the airport employees have to wear safety shoes and a safety vest . The hangar that Laparkan uses is outside the secured area. A few employees have a pass so they can enter the airport. These conditions are all set by the airport and not by Laparkan.

4.3 Structure

4.3.1 Organizational structure

Laparkan has more characteristics of a product structure than a functional structure. The private mail box is set up as a product structure, but the other departments do not entirely have a product structure. Most of the employees occupy themselves with only one product, but some activities, like sales, are done for all products by the same employee. The company is too small to realize a full product structure. Not all the activities for one product can be handled by one department, like for example the marketing. Also the products are very similar, so that activities like marketing can easily be joined. However a more product structure can be realized.

4.3.2 Information structure

In this research we will not discuss the design of the information system Cargo Manager. What we do discuss is the organization around the information system. The following rules from the KAD-model will be compared with the current situation from chapter 3.

- *Data must be recorded at the source. The employee, who records the data, is responsible for the engagement and contents of the data.*
  The employees enter the data in Cargo Manager themselves, so data is indeed recorded at the source. However Cargo Manager cannot outline which employee as entered data into the system or edited the data. But because only some employees have access to certain crucial functions in Cargo Manager, it is clear who is responsible for which data.
- *Users have only access to the data and applications that are relevant for their function.*
  Cargo Manager can only be entered through a personalized account. Each employee can only see and/or edit the functions that are necessary for his job. However some (new) employees do not have an account and work with the account of their supervisor.
- *The transfer and transport of data within the organization only takes place if further execution of the process, control or to give account to the higher organizational level.*
  Within Cargo Manager information is only transferred if it is necessary for control or further processing. Example: if the customer service puts information about an arrival of cargo in the system, the finance department can see this and process this into an invoice. After the customer service put the arrival of cargo in Cargo Manager, they cannot edit the data anymore.

4.3.3 Staff structure

In this section we will discuss the control technical function separation of Laparkan with help of the organizational chart (appendix A). At the finance department they want to preserve a function separation, but it is not quit solid. For example the accounting assistant can post export invoices on the general ledger, but he can't book received cash on the general ledger, because he also checks these invoices. So the finance department sets up different function separations in different activities. In some activities they add extra steps to preserve the separation, for example in the process 'export invoice' they make up an invoice two times. One in Excel and one in Cargo Manager. See figure 4.2, for the full flowchart see appendix G.
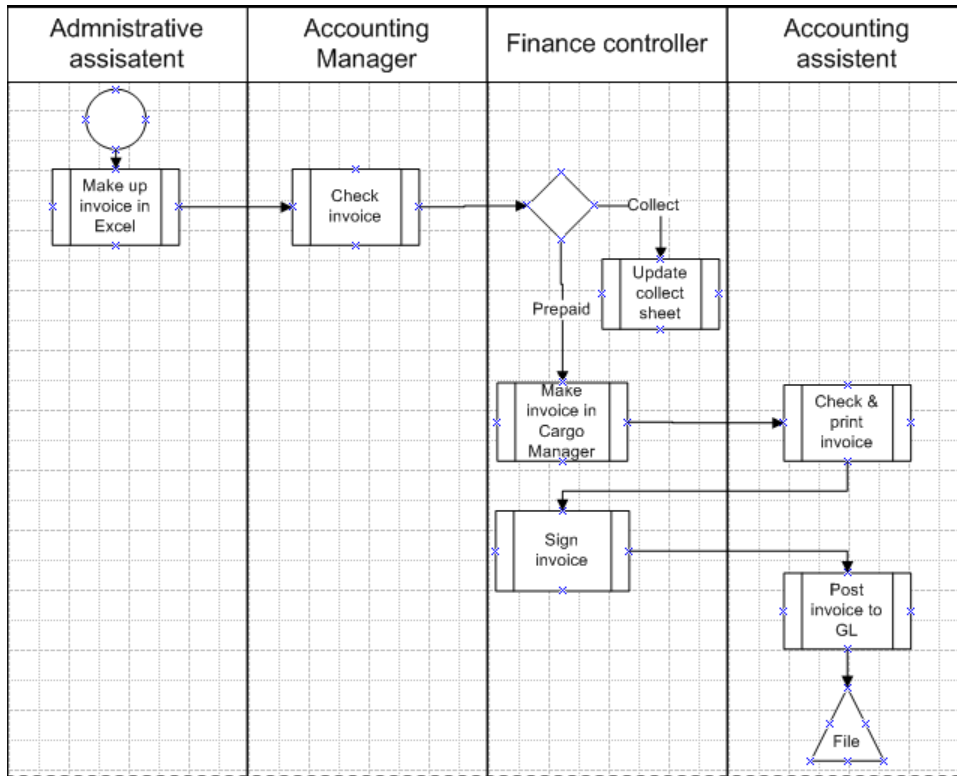
Figure 4.2: Making an invoice for export cargo

4.4 General bottlenecks

Next to the bottlenecks analyzed in the two processes, there are also some general bottlenecks that apply throughout the organization. These bottlenecks are discovered with the observation of employees.

- *Knowledge of Cargo Manager*
  Employees have little knowledge of the information system Cargo Manager. This is especially crucial for the finance department, because important financial information can be derived from the system. Employees do not trust the system at all and says it loses information or makes mistakes. A few weeks before implementation employees got an instruction to the system, there is one manual available, but this only consists of pictures of the system.

- *Computer skills*
  The basic computer skills are very low. Therefore some processes, like doing an order for a PMB customer, go very slow. Also typing an email or information in Excel are delaying the overall process. Because of this reason, much information is written down by hand instead of processed in the computer. Everything is still printed, because they want to have everything hard copy.

- *Employees are neglecting tasks*
  Some employees knew to describe the process exactly, but when they executed it, they just did it their own way. For some reason they know what to do, but just execute the tasks different, not at all or too late.

- *Employees have just a few tasks*
  Some employees have little to do on non-flight days. Therefore they stretch their tasks, as it appears they are very busy. When closely observed they only complete one task the whole day.

- *Some employees do not take breaks*
  In contrast to employees that have a few tasks, there are also employees who sometimes do not have time to take a break. It is also observed that taking a break is not a common thing at

Laparkan Suriname. People eat their lunch behind their desk, while (sometimes pretending) working.

Conclusion

In this chapter we found the first part of the answer on the research question: '*How can the processes be restructured, so the administrative organization will become more organized?*'. Because before the processes can be restructured, we have to identify the bottlenecks within the different processes. This is done within the framework of the KAD-model. The internal control of the processes is also measured by means of the test criteria. Most test criteria are not or only partly available. This means that there are hardly any preventive measures; as a result there is a greater risk of errors, imperfections and abuse. With the KAD-model we did not only identify the disconnects in the warehouse and sales process, but also in the operational norms of the service products and in the structure of the organization.

From this chapter we can conclude that there are six main problem areas that have an influence on the structure of the administration. First of all the norms of the service (product) are not operational nor well defined, so there is not a clear standard for which an employee should strive. Second there are missing or incomplete procedures in multiple processes. Responsibilities of different functions are not clear which leads to double work. Knowledge of the management system and computers are low, which leads to rework and missing chances of automation. Also the work attitude of several employees is a bottleneck, because they are neglecting tasks or stretching their tasks. Last is the chaotic transfer in information between different steps in the processes. Every problem mentioned in chapter four falls more or less within one of these categories.

Main problem areas
Norms for service (product) are not operational
Responsibilities of different functions are not clear
Missing or incomplete procedures
Knowledge of information system and computer skills low
Work attitude of employees
Chaotic transfer in information

Table 4.1: Overview of the most important bottlenecks

Chapter 5: Redesign

Now we have identified the bottlenecks, we can answer the question: '*How can the processes be restructured, so the administrative organization will become more organized?*' In chapter 4 we have defined six main problem areas, these will be the guideline for this chapter together with the outline of the KAD model. The first problem area lies in the product structure and is concerned with the operationality of the critical success factors.

5.1 Product

In chapter two the KAD-model gives us the following steps for redesigning the product component:
1. Selecting the product(s) that require closer analysis
2. Determine information needs from users and/or customers
3. Analysis and establish operational product norms

Step one and two of the redesign steps have already been completed. The service products that we will analyze are all the cargo services of Laparkan, except the clearance of goods. The information needs have been determined in chapter three by means of a table. In chapter four it became clear that the norms of the services of Laparkan are not operational nor clearly defined. The first step now is to identify the critical success factors of the services of Laparkan. With most companies these can be derived from the mission and goals, see appendix A. In consultation with the general manager we have come to the following critical success factors for the whole organization are:

- Flexibility. The anticipation on the wishes and needs of customers as well as on different situations and problems.
- Efficiency. Delivering cargo as fast as possible by executing the processes in the most efficient manner.
- Price. Offering a competitive price in relation to local competitors.
- Reliability. Deliver the cargo without any damage

Now we can set up the operational norms the service of Laparkan has to satisfy given from the critical success factors. Now we can set up the operational norms for the warehouse and the sales process. These norms are derived from the current norms (chapter three) and in consultation with the general manager.

For the flexibility it is hard in this case to determine a measure per process, because in Laparkan it means to which degree an employee anticipates on the wishes of a customer. A guideline hereby can be that employees must do anything within their possibility to satisfy the customer. The flexibility for the whole organization can thereby be measured by the customer satisfaction or by the complaints of the customers. The first option can be done by a survey under the customers, the second by recording all the complaints that come in. The second option can be monitored year round, instead of just a snap shot of the situation.

Warehouse process		
CSF	Measure	Norm
Reliability	Damage of cargo	< 4 % of all cargo
	Faults in delivery	< 4 % of all deliveries
Price	Delivery costs	Costs per delivery not above budget
Efficiency	Notify time	1 working day
	Delivery time	Max 2 working days
	Stripping time	Same day of arrival cargo in warehouse
	Inventory turnover	14 days

Sales process		
CFS	Measure	Norm
Reliability	Faults in airway bill	< 4% of total airway bills
	Faults in invoices	< 4% of total invoices
Price	Increase in revenues	15% each year
Efficiency	Receive payment	14 days

Table 5.1 Overview key performance indicators

The measures under the CFS reliability are derived from the former norm 'errors'. They are now split out, but the norm of 4% is kept, because this is a guideline of the head office. The notify time has stayed the same, because in practice this seems to be a very achievable norm and customers seem to be very satisfied with it. The inventory turnover is based on the fact that a bill has to be paid within 14 days. Most people pay their bills when picking up their cargo, so that means that the cargo will be gone within 14 days. The increase in revenues is based on a demand from the head office in Miami.

Measuring the product norms
To actually see if the process lives up to the established norms, these must be measured. Measuring the norms can be done in various ways. We propose that the measuring of the norms will be intertwined in the procedures. This way it will hardly cost any extra time. In this case also a separate chapter about the norms has been written, to make it clear that these are important steps. Also to keep a clear view at the procedures, these have been separated. Beneath is a short summary of the measuring of the norms and who is responsible.

The damage of the cargo must be reported directly when the cargo comes in. Pictures of damaged cargo are already taken, but now an employee, operations assistant, will be responsible to record all the damaged cargo in an excel sheet. He will also be responsible to record all the wrong deliveries and the total of deliveries. If he is not the one delivering, he must put one of employees who is delivering in charge of recording.
The warehouse manager is in charge of measuring the stripping time and inventory turnover. One employee from the customer service department is responsible for recording the notify time. The delivery time is recorded by the in-house sales manager. He is responsible for the Dutch cargo, and this is actually almost the only cargo that is being delivered. The exact procedure of recording is laid down in the procedure of warehousing chapter seven.
The faults in airway bills and invoices can be kept up in an Excel sheet by the accounting assistant, because he controls the invoice with the airway bills. He is also responsible for the accounts receivables, so the average time it takes to receive a payment he will also record. The finance controller makes the monthly report, so he must also be responsible for measuring the increased sales.
Once a month, all the employees responsible must give the recording excel sheets to the general manager. So he can take action, if he sees certain norms are not kept up.

What to measure?	Who is responsible?
Record damaged cargo	Operation assistant
Faults in delivery	Operation assistant / driver
Stripping time	Warehouse manager
Notify time	Customer Service
Inventory turnover	Warehouse manager
Delivery time	In-house Sales manager
Faults in airway bills and invoices	Accounting Assistant
Receiving of payment	Accounting Assistant
Increased Revenues	Finance Controller

Delivery Costs	Finance Controller

Table 5.2 Overview of responsibilities concerning measuring product norms

5.2 Process

In chapter two the KAD-model gives us the following levels for redesigning a process:

1. Overview of the different processes within the organization
2. General process description (textual or process diagram)
3. Detailed process description (procedure description)
4. Work instructions

The first step we can skip, since we focus on the warehouse and sales process in our research. In the product component the standards for the sales and warehouse process are set up. In chapter 4 we analyzed the bottlenecks in the two processes. And in chapter 3 we have determined the input and output of each process activity in a table form (table 3.2 and appendix S and T). By means of this information, the critical success factors and the design rules from the KAD-model the process steps have been redesigned. The new processes are set up in a procedure with accompanying flowchart. The procedures are in Dutch, because this is the native language of the employees. From the procedures the work instructions can be set up by the department managers.

Now we will outline the significant changes made in the processes by means of the five problem areas in the processes, which we found in chapter 4:

- Responsibilities of different functions are not clear
- Missing or incomplete procedures
- Knowledge of information system and computer skills
- Work attitude of employees
- Chaotic transfer in information

5.2.1 Responsibilities of different functions are not clear

It is important that responsibilities are clear, so that every employee know what is expected from him or her. By writing the procedures, the responsibilities will be laid down. Thereby we have two concrete solutions that will improve the processes by pointing out the responsibilities.

One employee responsible for inventory

The problem in the warehouse process was that there was no employee really responsible for keeping up the inventory. The responsibility can be laid down at one employee, several employees (task force) or a whole department. For keeping a clear overview it is best to appoint one employee that is responsible.

So for Laparkan we suggest that from now on one employee will be responsible for the inventory. He will have help from other employees, but he will have the final responsibility. This employee we will call from now on the warehouse manager. His job is to keep up an up-to-date inventory in the Global warehouse and in the Laparkan office. If there is cargo at the warehouse from Baank Shipping, this whole shipping is moved to the truck for delivery or to the Laparkan office. So Baank Shipping is not included in the inventory list. The warehouse manager must be appointed by the general manager, but for suggestions I would give an operation assistant or an employee from the Customer ServiceDepartment.

Setting a clear function separation

More about this under 'staff structure'.

5.2.2 Missing or incomplete procedures

In chapter four we found out from mapping the processes that there were incomplete or missing steps in the processes. In the procedures we have written for Laparkan, we have filled in these missing and incomplete parts and where necessary adjusted the processes. We have adjusted the

processes first, with removing the rework and unnecessary steps and then looked if there were still missing parts. The main points that were adjusted are the following:

Procedure for debtors
In chapter four was mentioned that one of the major problems in the sales process is that there is no clear procedure for the accounts receivables. An obvious solution is now to set up a procedure for the debtors. In this procedure the exact steps that must be followed if a customer does not pay within the first payment period. Also the registration of invoices is outlined in this procedure.
 In the beginning a debtor sheet in excel must be kept up, until the accounts receivables have been entirely brought into order. With the sheet a clear overview is given about all the debtors. When employees can work better with Cargo Manager, they can just check the debtors in this information system.

Link between inventory and accounts receivables
One of the problems Laparkan encountered was that they had a long list of debtors; many of them had picked up their cargo long ago. To prevent this from happening, a connection between the inventory and debtors can be made. In the new situation Laparkan will list the inventory and the debtors, so a comparison can easily take place.
The administrative assistant at the cash deck will check off from the inventory list, which packages are paid and therefore picked up from the warehouse or office. When the inventory is checked in the warehouse and office, this must match with the list at the cash deck. In case a package has been handed over on credit basis, this must be noted on the inventory list and on the debtor list. This way the finance department will have a better view of the invoices that are unpaid, but from which the packages are already picked up.

Inventory list Dutch cargo
In the current situation Dutch cargo goes directly into delivery, so it is not necessary to keep up an inventory list. But some cargo comes back from delivery or customers will pick up the cargo at the office. In the current situation this cargo is not listed.
The recommendation for the new situation is to also list this cargo on the inventory list. The warehouse manager is responsible for this, but must get a notice from the in-house sales manager (or new name: Dutch cargo manager) that cargo is placed in the office. Also it is better not to keep the cargo random in the office. In the back there is enough space to place a few bigger packages. This also improves the space in the office and gives it a tidier look.

Less cargo checks
Before air cargo was checked at the airport by Laparkan and Global, and then after shipping to the warehouse again by both parties. The suggestion is to limit the number of checks, because these are unnecessary. Because the air cargo has to be checked at the airport (customs instructions), the extra checks in the warehouse can be canceled. Also the truck transporting the cargo from the airport to the warehouse is sealed by customs. So if any cargo was removed from the truck, this is directly noticed.

Signing a proof of delivery (POD)
Currently every department at Laparkan has more or less his own way of letting a client sign a proof of delivery. The KAD model says that information has to be recorded at the source. So in this case that means that the customer has to sign the proof of delivery with the person who hands the package over. In the new situation it is proposed to follow this guideline. This means that if the cargo is in the Laparkan office the POD must be signed there. If the cargo is in the Global warehouse, an employee of Global is responsible for letting the customer sign a POD.

Shortshipments list

Currently the short shipments are reported in an email to all the employees of Laparkan. The shortshipments must be listed, to keep a good track of them. Because Laparkan works a lot with Excel, we suggest to use this program for setting up the list.

An operation assistant will be responsible to keep up this list. With this list Laparkan will keep a structured track of short shipments. This way no packages will stay behind too long, because you can directly see which packages stayed behind and must still arrive. Also this is useful for the head office in Miami, because this way Laparkan Suriname can show them how many mistakes they make.

5.2.3 Chaotic transfer in information

The chaotic transfer in information lies within all processes. With help of the procedures we hope to make warehouse and the sales process more structured. Next to this there have been made two changes in the procedures worth mentioning. First is the fact that Laparkan works closely together with Global Expedition, so they also have to interchange information. Second is about the customer database, which is used by many employees in Laparkan. The customer database does not directly lead to a structured transfer in information, but it will help to get a better overview of the customer information.

More cooperation with Global Expedition

Laparkan does not have its own warehouse for big cargo, so they rent a part of the warehouse of Global Expedition. Because Global is responsible for the cargo in the entire warehouse, they also check the cargo when it arrives, so they know exactly what is in their warehouse. Also they are responsible for the handing over the cargo to the customers. So Global keeps a track of what goes in and out of the part of the warehouse of Laparkan. But there is a lack of trust between Laparkan towards Global and therefore Laparkan does a lot of double work. In the new situation there must be more cooperation with Global and Laparkan must build trust in Global. An example of the new cooperation with Global is: the proof of deliveries must now all be signed at Global and Laparkan collects these proof of deliveries every day.

The cooperation can be achieved in different manners and also on different levels. Because Global is a competitor, we do not choose for a too integrated cooperation, like a partnership. The proposition of the cooperation is that there will be more communication between the employees of Global and Laparkan about the procedures that must be followed. This can be done through formal meetings or informal contact. In this case both are recommended. Through the formal meetings the employees of Global will get the information about the new procedures. Through the informal contact between the employees from both companies is ensured that the procedures will also be followed in practice.

Up-to-date customer database

There has been made a small beginning with the set up of a customer database in Excel, so that later on the data can be put into Cargo Manager. First it must become clear, which data can be put into Cargo Manager. Then this information of every client can be collected in the Excel database. Make sure that the following information is known from every customer: company, contact person, address, phone number, phone number contact person, email address, kind of company. The customer service department manager must set a deadline and keep regular track of the progress. He can also consult which information about customers is handy for the sales&marketing and the finance department. So this information will also be included in the customer database.

It is also important to keep the customer database up to date. An employee from the customer service, can be set in charge of this task. Other employees can give changes in data or new customer data through to the responsible employee, which will thereupon process the data in Cargo Manager.

5.2.4 Internal control

Now we have made the changes, it is still important that Laparkan has some kind of certainty concerning the processes. To obtain a better control on the processes, we give the following recommendations.

Task descriptions & Work tasks

In this report a proposition of a few basic task descriptions for each function are set up. Then the task descriptions can be defined more clearly by the employees themselves. Every employee needs to make a list of activities they execute. Each manager of the department will, in consultation with subordinates, redistribute the tasks between the employees. If the manager finds additional tasks, by means of the procedures that are set up from this report, these tasks must also be included. In this process the managers from the departments will have regular informal meetings to coordinate and match the different tasks descriptions of employees.

Especially for the finance department this is an important part of the redesign, because they need to have a clear view on the control technical function separation.

Power of authorization & engagement of signatures

The power of authorization is clear to the employees from Laparkan. However, it is convenient to lay this down in a document. Especially for the finance department, because that is where the most important documents are signed. At the airport and at the office, there needs to be a policy who can let a customer sign a proof of delivery. This can be settled during the meeting about the tasks descriptions.

To make an engagement of signatures is a simple thing, only the document has to be kept in a safe place. If it gets into the wrong hands, these signatures could be easily copied. The general manager must keep the document in the safe in his room.

Quality instructions

The quality instructions are laid out in the critical success factors.

5.3 Structure

Organization structure

Laparkan has both characteristics from a functional and product structure. The private mail box and clearance is set up as a product structure, but the rest of the organization is a mix of functional and product structure. In chapter two it is indicated that for most companies it is more advantageous to have a product structure. Actually the responsibilities for the different products are already divided between the employees, but they fall under different departments. In the new organization structure the main change is that the operations of the Dutch cargo are now a separate department and not a part of the customer service department any more. In this way the product structure is more complete. The manager of this department will be called Dutch cargo manager (instead of in-house sales manager). The overview of the new organizational structure can be found in appendix P. (redesign organization 2)

Information structure

The design of the information system will not be revised, because Laparkan Suriname is not able to change this system. The organization around the information system is fixed in the procedures, because the information system is a big part of most processes. The system is already locked per function. Employees need a password to enter the system and each employee can only work with the functions concerning his tasks.

Staff structure

The function separation within the finance department must be as follow:

- Finance controller: control general ledger
- Accounting manager: posten to general ledger
- Accounting assistant: control invoice
- Administrative assistant: payments and declarations

The finance department does not make up the invoices. This must be done by the concerning cargo department. In the procedures is outlined which function has to perform which task, where the control technical function separation has been taken into account. Because Laparkan is just a small company, sometimes when an employee is sick for example, the function separation cannot be correctly executed. That is not a serious problem, as long as a good control takes places afterwards.

5.4 General suggestions

In this part the problems that do not fall within one of the components of the KAD model are addressed.

5.4.1 Knowledge of information system and computer skills

A problem observed at Laparkan is that there was little knowledge of the information system Cargo Manager. A problem is that there is no manual available and employees got only a little training in the use of the system. Because the computer skills of many employees are relatively low, this training was too little for them to understand the working of the system.

Improving skills with Cargo Manager and computer.
Cargo manager is not a complicated management system, but there is no good and clear manual available within Laparkan. A student or a suitable employee, like Donovan Kluis, can write a manual with a step-by-step description. And can found out some handy functions of the system that aren't used at this moment.

Improving the computer skills of the employees is just a question of much exercise. A short presentation/workshop could be given to employees by Donovan Kluis. Subjects that must be discussed are: working with Excel, emailing and printing. For example: many Excel sheets are printed, written and filed in a file, while data could better be processed directly in Excel and filed on the computer. This will speed up the work.

5.4.2 Work attitude of employees

A problem that we have observed during the mapping of the processes is that a couple of employees were neglecting tasks or just executing one task during the whole day. There can be many reasons why employees are neglecting tasks or just sit around and do nothing. At Laparkan employees are certainly prepared to work hard. The problem is that some employees have little discipline and therefore forget tasks or postpone tasks. Therefore it is important that managers give direction to the employees and monitor their work.

Set up a task list per day.
Employees must have a work list with tasks they have to execute for that day or week. The manager of the employee must set up this work list and check every day if all the tasks are finished. The managers of each department must take more of a leadership position within the department. They must take responsibility for the actions of their inferiors and therefore monitor them closely. In this way the manager can get a look at the way of working of an employee and correct them.

The general manager in his way must monitor the managers of the departments. Once a week they must report to the general manager which problems have occurred and how these problems have been solved.

Taking regular work breaks.

From many researches it comes forward that employees who take a (lunch)break have a higher productive capacity and concentration. They make fewer mistakes than colleagues who do not take breaks. (TNO, n.d.) Employees must have at least one break for each full-time working day. Because most employees have to be reached all times, it is advisable to let employees take two short breaks of 15 minutes. For emergencies they can take their cell phone with them. The employee must select himself a good time to take a break, but the manager of the concerning department must supervise this. Supervising means in this case check if the employee does not stay away too long, but also make sure the employees does take breaks. It is advisable for employees to not stay on the workspace, but go outside for a little walk. (Bervaes, 2003)

Conclusion

The changes described in this chapter will make the administrative organization of Laparkan more organized. The changes will solve the six main problem areas found in chapter 4. An overview of the changes is given in table 5.3. After each change it is indicated if the change can be done on the long term or short term, where short term is within one month. To obtain control over the processes some changes in the internal control measures are recommended. Task descriptions and work tasks must be set up by the department managers. The power of authorization and the engagement of signatures can be laid down in a document. Next we look at how these changes can be implemented in the current organization.

	Suggested changes	Term
Norms for service (product)	Set up operational norms	Short
	Measure product norms	Long
Make responsibilities of different functions clear	One employee responsible for inventory	Short
	Control Technical Function Separation	Short
Set up missing procedures	Set up a procedure for debtors	Short
	Link between inventory and account receivables	Short
	Set up a inventory list for Dutch cargo	Short
	Change cargo checking procedure	Short
	Singing a proof of delivery procedure	Short
	Set up a short shipments list	Short
Structured information transfers	Set up procedures for the processes	Short
	More cooperation with Global Expedition	Long
	Have up- to-date customer database	Long
Improve knowledge of information system and computer skills	Write a manual for Cargo Manager	Long
	Set up computer workshop	Long
Monitor and improve work attitude employees	Set up a task list per day	Short
	Let employees take regular work breaks	Short

Table 5.3 Overview of suggested changes

Chapter 6: Implementation Strategy

During this research, many little suggestions and improvements were made in meetings by employees and the general manager. Most of the time it were just small things, but many of these suggestions were done once and then employees fell back in their old behaviour. Also in a previous research of a student, standard operation procedures have been set up for the Dutch cargo, but these aren't really used. Not even when new employees have to learn the job.

To prevent this from happening to the recommendations of this research, we will look way of the least resistance to implement the changes. This chapter will answer the question: '*How can the employees be committed to the presented procedures?*'

6.1 Resistance to change

Employee resistance to change is a complex issue organizations face. The resistance of employees is a critically important contributor to the failure or success of initiated changes within organizations. In order to facilitate a smooth transition from old to new, organizations must be competent in effective change management. The process of change management consists of getting those involved to accept the introduced changes as well as manage any resistance to them. In order to determine the best way to get people involved in the change process, certain resistance characteristics need to be identified for each individual so that the resistance to change can be effectively reduced. Probably there are an endless number of reasons why people won't accept changes. J.P. Kotter is a well-known and respected individual in the change management. He defines four main reasons for the resisting of change (Kotter, 2008).

- *Parochial self-interest.*
One major reason people resist organizational change is that they think they will lose something of value as result. Because people will focus on their own best interest and not on those of the total organization, resistance often results in 'politics' or 'political behavior'. Political behavior sometimes emerges before and during organizational change efforts.

- *Misunderstanding and lack of trust*
Employees resist change when they do not understand its implications and perceive that it might cost them much more than they will gain. Such situations often occur when trust is lacking between the person initiating the change, often the management, and the employees. Few organizations can be characterized as having a high level of trust between employees and managers; consequently, it is easy for misunderstandings to develop.

- *Different assessments.*
People also resist change because they assess the situation differently from their managers and see more costs than benefits resulting from the change. Sometimes not only for themselves but for their company as well.

- *Low tolerance for change*
Another common reason for resistance is because employees fear they will not be able to develop the new skills and behavior that will be required of them. Every human being is limited in his or her ability to change, some more than others. Organizational change can require employees to change too much, too quickly. Also because of this limited tolerance for change that people will sometimes resist a change even when they realize it is a good change.

6.2 Dealing with resistance

There are several ways of dealing with this resistance. Many managers underestimate not only the variety of ways people can react to organizational change, but also the ways they can positively influence specific individuals and groups during a change. According to Kotter there are six approaches to deal with resistance to change (Kotter, 2008).

- *Education and communication.* One of the most common ways to overcome resistance to change is to educate people about it beforehand. Communication of ideas helps employees

to see the need for and the logic of a change. The education process can involve on-on-one discussions, presentations to groups or memos and reports

- *Participation and involvement*. If the initiators involve the potential resisters in some aspect of the design and implementation of the change, they can often anticipate on the resistance. With a participative change effort, the initiators listen to the people the change involves and use their advice.
- *Facilitation and support*. Another way that managers can deal with potential resistance to change is by being supportive. This process might include providing training in new skills or just listening and providing emotional support.
- *Negotiation and agreement*. You can offer incentives to active or potential resisters, to make them motivated. The management could give a union a higher wage rate in return for a work rule change; it could increase an individual's pension benefits in return for an early retirement. Negotiation is particularly appropriate when it is clear that someone is going to lose out as a result of the change. Though negotiation is mostly an expensive solution.
- *Manipulation and co-optation*. Manipulation, in this context, normally involves the very selective use of information and the conscious structuring of events. A common form of manipulation is co-opting. This usually involves giving an employee the desirable role in the design or implementation of the change. In a group this means giving one of its leaders a key role in the design or implementation of change. However, this is not a form of participation, because the initiators of change do not want the advice of the concerning employee.
- *Explicit and implicit coercion*. Sometimes mangers force the employees to accept the change by implicitly or explicitly threatening them. This can be done by losing jobs, promotion possibilities or by actually firing/transferring the employee. As with manipulation, using coercion is risky, because people resent forced change. In situations where fast change is essential and the change will be unpopular in any case, this may be the only option.

These methods should not be used solely, but in combination with each other to achieve the best results. (Appendix M)

6.3 The impact of organizational culture on change management

National culture is important in the workplace, because of the common beliefs, ideas and attitudes that develop among groups. When an individual with a strong ethnic culture enters the workplace, his or her past experiences impacts his or her perception of the environment (Hofstede). Hofstede defines five national cultural dimensions, which offer guidelines for localizing a culturally acceptable approach to corporate activities.

Individualism/collectivism (IDV)

Individualism is the extent to which people see themselves as autonomous and focus on their own interests and needs rather than those of others. In a broader sense, individuals are expected to take care of themselves. Collectivism is the opposite. It is the extent to which people see themselves as a group. Individuals look after one another and organizations protect their members. Western nations such as Australia, Canada, the United Kingdom, and the United States are high on individualism, while Asian (China and Japan) and Latin Countries (Colombia and Venezuela) tend to be high on collectivism.

Masculinity/Femininity (MAS)

Masculinity reflects the extent to which organizations focus on achievement and job performance as opposed to the health and wellbeing of employees. Examples of masculinity are a preference for achievement, heroism, assertiveness, work centrality and material success. Femininity shows the other way around. Where masculinity shows the preference for achievement and success, femininity reflects the values of relationships, cooperation, group decision-making and quality of life.

Scandinavian countries were low on this value, which is reflected in their strong emphasis on health and well being at work, while countries high on this value include Japan and Austria.

Power distance (PDI)
Power distance is the tolerance people have for power and status differences among levels of an organization. In other words, in countries with a high power distance people accept inequality in power among institutions, organizations and people these countries tend to produce managers who demand obedience from subordinates. Latin countries, such as the Philippines and Mexico, tend to be high in this category, while Austria and Israel ranked the lowest.

Uncertainty avoidance (UAI)
Uncertainty avoidance reflects the level of comfort in situations that are structured and show a very low ambiguity. In organizations people can maintain predictability by adhering to formal procedures and rules. Low uncertainty avoidance means that people tolerate unstructured situations and approve the unpredictable. Countries ranking highest on this dimension were Greece and Portugal, while the lowest were Singapore and Denmark. The United States was in the lower third on uncertainty avoidance.

Long-Term Orientation (LTO) versus short-term orientation. (STO)
Perseverance is highly valued within Long Term Orientation countries. According to Hofstede's other characteristics are the ordering of relationships by status and observing this order and having the sense of shame. With Short Term Orientation the values of respect for tradition and fulfilling social obligations show a high importance. Opposed to long-term orientation, short term is characterized by personal steadiness and stability. Protecting 'face' is clearly noticeable.

6.4 The six cultural clusters
Taken together, the five Hofstede dimensions have implications for organizational models and what we expect from organizations and their people. From these five dimensions there can be identified six clusters of countries, each cluster representing a certain combination of these five dimensions. The six clusters have an impact on issues such as consumer behavior, negotiation and entrepreneurship. In this research we will use it to describe culture's influence on change management. For each cluster there can be identified a key concept that is essential to understand if one wants to lower the resistance to change (Wursten, n.d.).

Contest cluster
These are the culture sharing the underlying values of low Power Distance, high individualism, high masculinity, low uncertainty avoidance. Referring to the work motivation of people, in these cultures, people can be willing to overcome resistance to change if one is able to create the image of a so called 'burning platform' e.g. 'if we do not jump now, we will burn'. Other motivators are showing the change is good for the next career step or for gaining material reward.

Network Cluster
This cluster is typical for the Scandinavian region and the Netherlands. It shares low scores in PDI and UAI, high scores in IDV just like the contest cluster, but score low on MAS. In these cultures, there is reluctance to believe that managers can define what is good for the organization. The work motivation is connected with a high feeling of autonomy inside their own work field. In general, employees believe that they, more than others, know what is going on and what important steps should be taken to improve the situation. They key is such cultures is therefore defining the shared interest.

Pyramid and Family Clusters
These countries have high PDI scores, but score low on individualism. They are more collectivistic, rather than individualistic, and these cultures consider it as natural that power is not equally distributed in society. So the privilege to define new priorities and directions lies at the top of the organization. The person is supposed to indicate what he or she sees as the common interest for all the insiders in the company. When that person has made a decision, he should be giving clear directions to the layer of management beneath. A good leader should be available to support his employees at all levels and be able to answer all questions. In Pyramid cultures it is common to do this also in formal ways by means of written documents and instructions. In Family cultures the visibility of the commitment of the person at the top is essential. Employees expect the management to be concerned about the common interest and be willing to protect this interest in the change process.

Solar Cluster
In the solar cultures there is a great respect for authority (high PDI) but it coexists with a great value for expressing individual opinions (high IDV). This allows for many heated discussions and power struggles between different 'planets' and their 'satellites', until eventually a 'Sun' (the higher authority) intervenes to decide, pass judgment or settle the issues at stake.
The role of the leader is similar to the Pyramid and Family Cluster. Though the difference is that group or common interest is not a first priority. Instead, the future of the company is more important than the group interest. Countries in the solar cluster are more individualistic and therefore coordination is more difficult than in Pyramid countries. A leader should be visible and well informed about the work but not control too obviously. Then he will de-motivate the employees and he risks them hiding issues from him. In change management it is important to be sure that the top manager is committed. If not, people will not follow the presented changes.

Well oiled machine cluster
Germany and Austria are examples of well-oiled machine cultures. People in these countries believe that experts are the ones to define new directions for the company. Therefore it is very important to build up credibility in order to be recognized as an expert before trying to define a new direction.
The dilemma in the well oiled machine cluster is that people require structure and predictability, but they will not accept an authority imposing such structure upon them. The emphasis is put on systems, structure and objectivity and people are focused on delivering high quality according to specification. Transparency is a key word in this cluster.

In table 6.1 we combined the different clusters to the approaches from Kotter. If there is any resistance to change is a cluster, this is the approach that will best fit the culture. The combining has been done by means of the characteristics of each cluster (Bing, 2004).

Cluster	Approach
Contest cluster	Negotiation & agreement, Explicit and implicit coercion
Network cluster	Education & communication, Participation & involvement
Pyramid cluster	Facilitation & support, Education & communication
Family cluster	Facilitation & support, Education & communication
Solar cluster	Education & communication, Negotiation & agreement
Well-oiled machine cluster	Participation & involvement, Education & communication

Table 6.1: different approach for each cluster

6.4.1 Current situation at Laparkan

The employees at Laparkan are all Surinam and represent nearly all large subcultures. Suriname is a mixed society with many subcultures, the largest are: Hindustani (originating from India), Creoles

(mainly originating from West Africa and Javanese (originating from Java, Indonesia). Within Laparkan the Javanese, Hindustani and a mix of these cultures (with Chinese) dominate.

To determine the organizational culture at Laparkan, the five dimensions of Hofstede will be used. The five dimensions will be tested with a standard questionnaire from ITIM, an international consulting organization in the field of culture and change management that uses tools based on scientific research undertaken by Hofstede. This questionnaire Hofstede also used in his researches. See appendix N for further information. Next to that we will give our own interpretation of the five dimensions at Laparkan. These figures will be compared with the overall figures for Surinam from the research from Hofstede.

Land	PDI	IDV	MASC	UAI	L/S OT
Suriname	85	47	37	92	-
Research Laparkan	51	48	41	63	42

Table 6.2 Scores on Hofstede dimensions

Power Distance
The power distance at Laparkan is very low in comparison with the mean score of Surinam; this is in conformity with our observations. Although it was expected the score would be even lower, because the general manager has an 'open door' policy for example. So daily there are people in the office of the manager, asking for advice or just having a social talk. Also between the heads of the departments and their staff there is a low power distance. All employees have their own desk and computer in the office. They are treated equally in meetings and decisions. Department managers give their own opinion in discussions with the general manager.

Individualism/Collectivism
The department managers at Laparkan have a high autonomy in their work. They can carry out tasks in their own way, as long as the whole operation goes well. Employees have a good relationship with each other, for example a few days a week an employee cooks for the whole staff. This will take up a few hours of his or her work, but this is accepted. Together the high autonomy and the group emphasis points at an average individualism dimension, which also comes out of the questionnaire.

Masculinity
When reading the goals of Laparkan they tend to be an organization very much focused on performance. The manager of Laparkan is indeed focusing on performance, but more on the performance of the whole company. The performance of individual employees is not measured at all. They all get a fixed salary, no matter how they perform. There is no real ambition or any form of competition spotted under employees. This indicates a low masculinity, however masculinity scores average on the questionnaire. Maybe this is because there is some ambition, but people do not really show it.

Uncertainty Avoidance
As mentioned before there are no formal procedures or rules. But employees have developed their own way of working. To prevent any faults, they check much information twice and send emails to the whole organization so everyone has all information. Nonetheless many mistakes are made, because people do not check accurate enough. So there is a tendency towards uncertainty avoidance, but there are no procedures or rules set out.

General in Surinam people have high uncertainty avoidance. In life that means they choose the safest way by choosing a job at the government or not doing any big investments. At Laparkan there do not work a lot of average Suriname people, because most of them have had a higher education.

Long/Short Term orientation

Laparkan scores not very high on long term orientation. This means they are more short term oriented. A few characteristics that are typical for this dimension can be identified with Laparkan: quick results are expected by the manager and overspending of budget.

Conclusion

As we can see Suriname is a family cluster, but Laparkan has more characteristics of a pyramid cluster. In both of this cluster the person at the top is supposed to indicate what he sees as the common interest in the company. So the general manager is expected to have a complete overview of what is happening and from such position can decide what the right decision is. Having made a decision, the manager should be clear in giving unambiguous directions to subordinates. To prevent resistance to the changes, the manager should be communicating about the decisions he has made.

In pyramid cultures, it is also a necessity to do this in a formal way, by means of written documents and instructions. Also the manager should be supportive for the employees and offer them extra training if this is necessary for the presented changes. With this information we can now begin to set up the implementation plan.
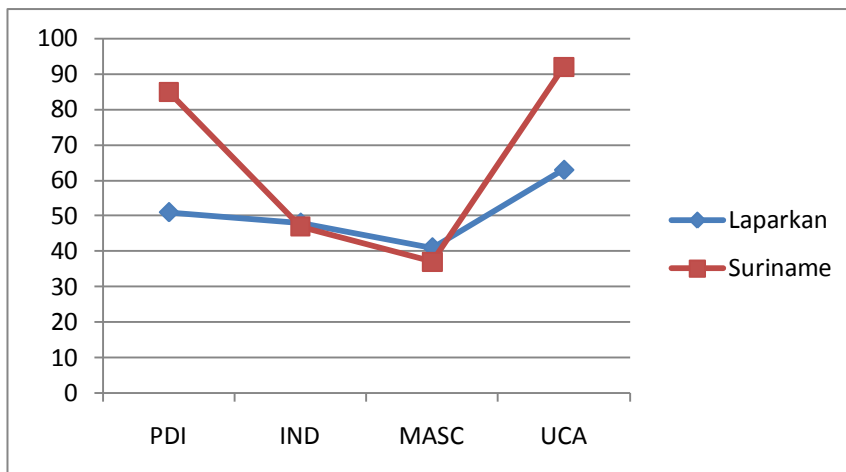
Figure 6.1: Scores on dimensions Hofstede

Chapter 7: Implementation

In chapter 5 we have described the redesign of Laparkan. In this chapter we give an implementation plan to establish the presented changes. With help of the information about the organization culture from chapter six and a model about change management, we have set up the implementation plan.

7.1 Change management

The field of change management is a very extensive one. Change management literature on organizational change is mainly focused on the negative emotions that threaten change efforts. Attempts to explain and understand resistance and negativity in those experiencing change have drawn up many psychological models (Kritsonis, 2005). However, we need a model that helps us with a way to implement our changes. Most of these models are based on the three-phase-model of Lewin. He divided the change process in an organization in the following three phases: unfreezing, moving and freezing (Heathcote, 2007). One of these models is the 8-step model of J.P. Kotter, which focuses especially on the implementation of change. The model has clearly defined steps that can be adapted to a specific organization. Kotter's model is widely used in the world of change management and is cited in many scientific journals. Also many other models are based on the 8-step model. We have adapted this model to fit with the specific implementation at Laparkan. The first four steps focus on de-freezing the organization, the next three steps make the change happen, and the last step re-freezes the organization with a new culture (Kotter, 1996).

1. Create urgency
For change to happen, it helps if the whole company really wants it. Develop a sense of urgency around the need for change. This isn't simply a matter of showing people poor sales statistics or talking about increased competition. Open an honest and convincing dialogue about what's happening in the marketplace and with your competition. To strengthen your arguments ask for support from outsiders like industry people or stakeholders.

2. Creating the guiding coalition
To convince employees change is necessary it takes strong leadership and visible support from key people in the organization. The true leaders in the company need to be identified and be committed to the change. These key leaders must found a coalition and really must work as a team. There are two kind of people who need to be avoided at all costs. The first are people with too big egos, they will not see the qualities of other people and are therefore disastrous for the teamwork. The second are so called snakes, these people will create enough mistrust to kill the teamwork.

3. Create a vision for change
A clear vision can help out employees understand why the management is asking them to do something. It is not easy to create a clear vision, but there are guidelines to set up this vision:
- Imaginable: The vision must clearly show where you are going and what you are trying to accomplish. Desirable: It must excite and be agreed upon by as many people within (and even outside of) the organization as possible.
- Feasible: The vision must be realistic.
- Focused: It must be specific enough that all decisions can be measured and assessed.
- Flexible: Yet the vision must remain flexible. This builds every employees identification with the vision.
- Communicable: The vision must be communicated to someone in five minutes or less and if there is not reaction that signifies both understanding and interest, this guideline has not been met.

4. Communicating the change vision
The message will have a strong competition from other day-to-day communications within the company. So the vision must be communicated in as many ways as possible, be it at formal staff

meetings, newsletters, speeches, or publications. But also talk often about the vision in informal conversations.

5. Empowering others to act on the vision
When the vision has been communicated to the staff, it is important to identify any barriers for change and remove them. These obstacles can be in the employees itself, or in the organizational structure, job .descriptions or the information system. Encourage the risk taking and nontraditional ideas of employees

6 Planning for and creating short-term wins
Nothing motivates more than success. Within a short time frame (this could be a month or a year, depending on the type of change), you must have results that the staff can see. Without this, critics and negative thinkers might hurt the progress. Create short-term targets, with little room for failure. Because if early goals are not succeeded, it will hurt the entire change initiative.

7. Consolidating gains and producing more change
Many change projects fail because victory is declared too early. Quick wins are only the beginning of what needs to be done to achieve long-term change. Analyze after every success what went right and what needs improvement. Keep the change idea fresh by bringing in new change agents and leaders for the change team.

8. Anchoring new approaches in the culture
Finally, to make any change stick, it should become part of the core of your organization. Your corporate culture often determines what gets done, so the values behind your vision must show in day-to-day work.

7.2 Implementation plan for Laparkan
For a good implementation of the proposed changes, the following plan is suggested. The changes suggested in chapter 5 are summarized in table 7.1.

	Suggested changes
Norms for service (product)	Set up operational norms
	Measure product norms
Make responsibilities of different functions clear	One employee responsible for inventory
	Control Technical Function Separation
Set up missing procedures	Set up a procedure for debtors
	Link between inventory and account receivables
	Set up a inventory list for Dutch cargo
	Change cargo checking procedure
	Singing a proof of delivery procedure
	Set up a short shipments list
Structured information transfers	Set up procedures for the processes
	More cooperation with Global Expedition
	Have up- to-date customer database
Improve knowledge of information system and computer skills	Write a manual for Cargo Manager
	Set up computer workshop
Monitor and improve work attitude employees	Set up a task list per day
	Let employees take regular work breaks

Table 7.1 Overview of proposed changes

With the implementation plan we take into account the pyramid culture of Laparkan from chapter 6.

1. Kick-off meeting

To make employees understand that the proposed changes are important, they must have information about the current situation and the changes. This can be done by the general manager, who can give a presentation about the plans. In this presentation the following subjects must come to hand:

- Problems occurring at Laparkan (int. al. as described in the problem definition)
- The objectives of Laparkan (see appendix A)
- The changes as presented in chapter 5
- The way these changes will be implemented (this implementation plan in short)

After this presentation the employees can give their opinion about the changes and the manager must have an open discussion. A short presentation as already taken place in July, where some changes already where presented.

2. Involve influential employees

For Laparkan this are the current department managers of operations and sales & marketing, both employees work at Laparkan for a longer period and have a certain natural authority. The general manager must convince these two employees that the changes are really necessary. He can do this by a one-on-one conversation and discussion. When these two will really support the changes, the other employees will follow much easier.

Laparkan has a pyramid culture and therefore it is naturally to them that power is not equally distributed. It is accepted that the management of the organization defines the new directions for the company. So it is best to create a guiding coalition with the people that are seen as the 'management' and are most looked up to.

3 & 4. Create a vision for change & Communicating the change vision

The vision of Laparkan Suriname can be based on the objectives of the overall company, who wants to be the number one in the NVOCC sector. The competition in Suriname is fierce between the few NVOCC operators, because the market is only small. So for survival Laparkan has to work as optimal as possible. To be optimal the presented changes have to be established in Laparkan. This vision can be directly communicated to the employees. The general manager and the guiding coalition, must talk about this as often as possible. According to the cultural research, Laparkan has a pyramid culture and formal communication is very common and appropriate in these organizations. Formal communication takes place through the formal channels of the organization structure along the lines of authority established by the management. Such communications are generally in writing and may take any of the forms: policy, manuals, official meetings, reports, rule books, procedures et cetera (Byrne, 2006). We recommend communicating the vision by an official briefing, email to all employees and written signs in the workspace. Because Laparkan is only a small company, we think that also some informal communication will help to communicate the vision. The informal communication can be done in the sense of talking about the vision in informal conversations.

Change

a. Have a personal meeting with every department manager.

From the pyramid culture we can see that employees like to be educated about the changes and that they will be communicated clearly. Tell the department manager, what the new procedures concerning his or her department will be. Give them an explanation of the product norms and how to measure them (see procedures). Further explain to them that they are responsible for the right execution of the procedures. Tell them they need to monitor their staff, by setting up task list for employees. The department managers must realize that they are responsible for their staff and they need to manage their staff. In the current organization culture of Laparkan employees listen to the top management, but not always to the person just superior to them in the organization. The top management (in this case the general manager) does not do the daily managing of employees, so the

department managers really need to focus on this. An option is to give them a short course with the few basics of managing. Also let them set up the new excel sheets needed in the new procedures.
Financial controller – debtor sheet
Operations manager – short shipments sheet

b. Practice procedures with sub groups warehousing & sales
From the pyramid culture we can see that employees like to be educated about the changes and that they will be communicated clearly. So have a meeting with employees from different departments that have to work together in the sales and warehouse process. This meeting must be very interactive. Give the employees the procedures descriptions, so they have read them in advance. In the meeting they practice the procedures together, like a kind of play. These groups must be:
Warehouse: Warehouse manager, Dutch cargo manager, Administrative assistant, PMB department, Chauffer, Operations assistant
Sales: Finance department, Operations manager, Dutch cargo manager, Documentation

c. Have a meeting with Global Expedition
One of the recommendations was to have more cooperation with Global Expedition. To make this happen, there must be made appointments concerning the new way of working. Make these appointments with the manager of the Global warehouse. Then ask if you can brief the employees of Global that work in the part of Laparkan. Also make paper announcements of the changes in procedure and put these in the warehouse.

d. Give computer training
 As indicated before some employees have too little basic computer skills. An employee that is very skilled (Assistant Operations Air and Ocean), can give a short course about Microsoft Word, Excel and Adobe. In this course the basics of these programs will be explained and the employees have to execute some short assignments. Not all the employees have to participate. The course instructor can seek out the employees that need instruction by observing their computer skills.

e. Set up a manual for Cargo Manager
The same employee that will give the computer training can also set up a manual for Cargo Manager. The general manager must give the employee a deadline for this task and ask to the progress regular. A student from the university or college (Inholland) can help the employee.

f. Start work on up-to-date customer database
The general manager must set employee of the Customer Service department in charge of completing and updating the Customer Database. A deadline must be set for this task.

g. Set regular work breaks for employees
Tell employees they must have a lunch break every full working day. Also tell employees that having a lunch break is beneficial for them and for their work. Employees will be responsible for taking their own break. This can be told regularly in weekly meetings with all the staff. Also some posters concerning this theme can be put up in the working area, to remind employees daily.

5. Empowering others to act on the vision
After three weeks have an evaluation with the whole staff. This must be an organized meeting, so let every employee pay attention, so no cell phones or blackberries allowed. This also applies for the general manager. The employees can give their opinion about the changes, positive or negative. One employee will write all this down on a big screen, so everyone can see it. If there are negative opinions let employees explain this and find a solution with the whole team.

6. Measure the cost savings and product norms
This is a very important step, because at Laparkan they are short-term oriented. Though it is difficult to measure any reduction in costs, because there was not any data before. Also to measure the costs saved by eliminating the bottlenecks is very hard and costs a lot of time. To give the employees an idea the changes have improved something, the product norms have to be measured. After two months the general manager must collect all the data about the product norms from the department managers and give a presentation about the current situation. Unfortunately there is no data for comparison, but if targets are kept this is already a good accomplishment.

7&8. Keeping up the changes
Kotter argues that many change projects fail because victory is declared too early. Quick wins are only the beginning of what needs to be done to achieve long-term change. To make change stick, it should become part of the core of your organization. So continuous efforts must be made to ensure the change is seen in every aspect of your organization. It is also important that company leaders continue to support the change. So the general manager of Laparkan should stay focused on the changes.
Bringing in new change leaders is not really an option for Laparkan, because it is only a small company and they do not have the resources to employ many people. But Laparkan can circulate the change coalition. Each half year one member of the current coalition will be replaced by another employee. Preferable this is a department manager, because these employees have the most influence in the organization. With circulation the members of the coalition, Laparkan can keep ideas fresh.
After the changes have been put through, Laparkan should keep regular meetings about the changes. Once a month the employees can give their opinion about the current situation and can suggest for new improvements. Employees can discuss these suggestions and if they are improved by the general manager, they can be implemented. When changes are made procedures should be updated. To maintain and improve the cooperation with Global Expedition, the general manager and the warehouse manager should have quarterly meetings with the Global staff.

Conclusion

1.	Kick off meeting
2.	Involve influential employees
3.	Create and communicate the change vision with the influential employees
4.	Change! a. Have a personal meeting with every department manager b. Practice procedures with concerning employees c. Have meeting with Global Expedition for more cooperation d. Give computer training by skilled employee e. Set up a manual for Cargo Manager f. Start work on up-to-date customer database g. Set regular work breaks for employees
5.	Evaluation with whole staff after three weeks
6.	Measure product norms and communicate any improvements to employees
7.	Keep up the change!

Table 7.2 Overview of change steps

Chapter 8: Conclusion & Recommendations

In the preceding chapters the different components of the central research question have been addressed and elaborated. In this chapter the conclusions as a result of the main and sub research questions from subsection 1.4 are given.

8.1 Conclusions

Our main research question for this research was:
'What is for Laparkan Suriname the best design of the administrative processes and the implementation of the associated procedures?'

The administrative organization includes all activities which are related to the collecting, fixing and processing of data, supplying specific information to the management, functioning and controlling of the organization and accountability. The warehouse and sales process from Laparkan are part of the administrative organization, because Laparkan is a service organization. In chapter 2 we looked for the guidelines for an organized administration. An organized administration means that data is processed in an efficient and visible manner with as few faults as possible, stored in a way that it is easily traceable and controllable for the financial controller and forms a basis for the decisions of the management.

To reflect and redesign these two processes, the KAD-model is used. The model has three components, product, process and structure, which is used to analyze the different aspects of Laparkan. In the process component from the KAD model there are two terms that are important: reliability and topicality (or 'on time'). The reliability of a process is secured by the various test criteria of the internal control. Topicality is aimed at an as short as possible delivery time or throughput time.

After we described the current situation in chapter 3, an analysis of the current situation was made by means of the KAD-model in chapter 4. By observing the processes, mapping flowcharts of these processes and talking to employees, we have found many bottlenecks in the warehouse and sales process. Besides that, we also found some general problems in the company that affected the administrative organization. Overall we could conclude that there were six main problem areas concerning the administrative organization:

- Norms for service (product) are not operational
- Responsibilities of different functions are not clear
- Missing or incomplete procedures
- Knowledge of information system and computer skills
- Work attitude of employees
- Chaotic transfer in information

8.2 Recommendations

In this part the recommendations for improving the administrative organization are given. We follow the outline of the KAD-model.

8.2.1 Product component

The starting point of improving the quality of the administrative organization is the quality of the product, in this case a service. To measure this quality Laparkan must have some critical success factors. In consultation with the general manager we came to a list of critical success factors of Laparkan (see table 5.1). The measuring of the CFS's is outlined in the procedure description.

8.2.2 Process component

Make responsibilities of different functions clear.

With writing the procedures the task of every function within Laparkan is made clear. To have a clear overview of the inventory, what was one of the main problems, we recommend to appoint one employee that is responsible for managing the inventory. The task of this employee is to keep an up-to-date inventory list of all the inventory of Laparkan. Within the finance department there needs to be a clear control technical function separation.

Structured information transfers.
The procedures describe how the processes go and therefore also the information and documents between the different employees. An up-to-date and structured customer database will help with a good transfer of information. Also it is recommended that Laparkan will work closer with Global Expedition on the area of inventory management. To have a clear procedure concerning the picking up of cargo, not only for Laparkan, but also for employees of Global and customers, the procedure must be the same for all the cargo.

Setting up new procedures
One of the first problems that became clear was that there were a lot of debtors. When further research was done, it appeared that there was not a clear procedure set up concerning debtors.
In the new procedure the exact steps that must be followed when a customer has not paid within the first payment period are outlined. Also the exact times in days are given when to execute a certain action. The exact procedure is given in the procedure descriptions. In this procedure also a link is made between the inventory and the debtors.
A new procedure for the checking of the delivered cargo to Laparkan is adjusted. The number of checks is limited and a short shipments list can be set up. When Dutch Cargo arrives, it is recommended to do keep an inventory list, but only from the cargo that is not directly delivered to the customer.
Also a new procedure is set up concerning the signing of proof of deliveries. The KAD model says that information has to be recorded at the source, so this new guideline is followed in the new procedure.

Internal control
When the changes have been made, it is important that Laparkan has some kind of certainty concerning the processes. To obtain control over the processes some changes in the internal control measures are recommended. Task descriptions and work tasks must be set up by the department managers. The power of authorization and the engagement of signatures can be laid down in a document.

8.2.3 Structure component
Laparkan has both characteristics of a functional and a product structure. From literature studies we found that it is more advantageous for a service company as Laparkan, to have a product structure. To move to a product structure, Laparkan has to separate the division of Dutch Cargo. Because Laparkan is just a small company, some activities, like inventory management and financial matters, can be done centrally.

8.2.4 Main suggestions
Improve knowledge of information system and computer skills.
An operation assistant can set up a step-by-step manual for the information system Cargo Manager. Computer workshops can be given to employees to learn to work with the basic programs. Both of these solutions will improve the working speed of the employees.

Improve work attitude of employees.
Department managers should set up a task list per day for each employee. This way they can better monitor the work of the employee. Also the general manager must make sure employees will take regular work breaks, so they will use their working time more effectively.

8.3 Implementation

One important question within this research was how to commit the employees to these suggested changes. In chapter 6 we looked at the organizational culture from Laparkan. Because every country and organization has a different culture, you can to adapt the implementation of the changes to the culture. This way the implementation can go a lot smoother. The five dimensions of Hofstede have been used to define what the organization culture of Laparkan is: individualism, masculinity, power distance, uncertainty avoidance and long term orientation. Laparkan appeared to have a pyramid culture, while Suriname itself has a family culture. The difference is that the power distance at Laparkan is a lot smaller, but still relatively high. In a pyramid culture it is expected that the management gives the right direction to the company. From this we can conclude that the general manager must take the lead in the implementation. Not only the general manager, but also the department managers must give clear directions to their subordinates. With the pyramid culture we also found two important ways of supporting the employees with the change, because change is almost always difficult for them. In a pyramid culture people will react positive on education & communication of the change and also by facilitation and support from the managers. The manager should communicate not only verbally but also in formal ways, by means of written documents and instructions. We can conclude that a procedure description is a right way to communicate the presented changes.

For the actual implementation we have used an adjusted version of the 8-step change model of Kotter and taken into account the organizational culture of Laparkan. From this model we can conclude that there are a few points that are crucial for Laparkan in a successful implementation. First of all there should be a kick-off meeting where the importance of the changes and the kind of changes is made clear to the employees. The general manager should involve two influential employees closely with the implementation. These employees must set an example for the other employees or in other words take the lead in the change. Then employees need to be educated about the changes, so meetings to inform employees about the exact changes must be set up. In this meeting employees can practice the new procedures.

After the changes have been put through it is important that company leaders continue to support the change. Laparkan should keep regular meetings about the changes. Once a month the employees can give their opinion about the current situation and can suggest for new improvements.

The answer to the main research question can now be in short formulated as follow: To make the administrative processes more organized they can be redesigned by means of the guidelines of the KAD model. The processes will be faster and there will be a sufficient internal control on these processes. The implementation of the associated procedures can best be done by taken into account the pyramid culture of Laparkan.

The new processes are set up in a procedure with accompanying flowchart. The procedures are in Dutch, because this is the native language of the employees. The deliverable of this research is a procedure manual.

8.4 Recommendations for further research

The following points are recommended for further research.

- A research can be done how Laparkan can work optimal with its partners. In this research we discovered that the transfer of information between Global Expedition and Laparkan was somewhat chaotic. We recommended how to structure this information, but did not go very deep into that subject.
- A customer satisfaction research could be done, to find out what customers think of the service of Laparkan. This can be a good input to keep changing the organization, something we recommended in chapter 7.

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Appendix

Appendix A: Goals of Laparkan

The Goals

The goal of Laparkan Miami Inc. is:

Acquiring an as big as possible market share in the NVOCC market of ocean and air cargo, so Laparkan will be the leader in this sector, where service and fulfilling the needs of the customer are on first place.

The goal of Laparkan Suriname is:

To develop into an important player on the NVOCC market and acquire the number one position in the air cargo from Miami to Paramaribo by 2015. Hereby plays the diversity of services and the anticipation on the wishes and needs of customers a central role.

In consensus with Miami, Laparkan Suriname has the goal to have a minimum of 15% gross increase a year in cargo. This means

- A minimum of 2500 lbs PMB cargo per flight
- A minimum of 20,000 lbs commercial air cargo from the US per flight
- A minimum of 60,000 lbs commercial air cargo to the US per flight
- An maximum error rate of 2%
- A mean of two 40 feet containers with LCL ocean cargo from Miami a week

Source: www.laparkan.com & general manager of Laparkan Suriname

Appendix B: Multi criteria analysis

Laparkan	Six Sigma	BSC	ISO	INK	KAD
Do itself (++) or external experts needed (--)	-	+	++	-	++
Easy to understand for employees (--) or complex (--)	--	+	++	--	++
Quality Management System offers solutions (++) or not (--)	--	--	-	--	+/-
Flexible (++) or not (--)	+	+/-	+	+	+
Internationally known model (++) or not(--)	++	++	++	-	-

Table: appendix B

To chose the right quality model we have done a little multi criteria analysis. Five criteria have been set up to define which model would fit for the evaluation and redesign of the procesess at Laparkan. Some have come forward from the preference of Laparkan for example they did not want to hire external experts.

From the analysis we can see that the ISO model has the highest score. However, the KAD model only scores lower on the last criterium and even higher on the 'solution' criterium. Although we have not given weights to the criteria, it seems more important to the author that the models offers some solutions than that it is a familiar model.

Sources: (Daft, 2005) and (Adburdias, n.d.)
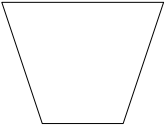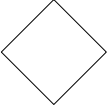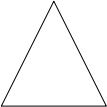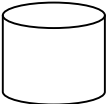
Appendix C: Organizational chart

Laparkan Suriname nv

```
                              Glenn Khan
                              President
                              Miami Office

                              Shri Naraine
                              Vice President
                              Miami office

                              Egon Audhoe
                              General Manager

        Alahn Ronokario                              Bhawan Aroun
        Customs broker                               Finance Controller
```

| Serene Sewnarain | Lloyd Jiawan | | Els Daal | Maya Mohan | Iwan Roeplal |
| Documentation Manager | Sales & Marketing manager | | Operation Manager Air & Ocean | Accounting Manager | Private Mailbox Manager |

| Nathalie Stolk- van Geenen | Edward Ramahi | Howard Jodhabier | Johan Lenting | Robby Sahit | Glennford Altenberg | Joan Moehamad | Addy Moespar |
| Sales & Marketing Representative | Inhouse Sales Officer | customer service/ security | Customer service Operation Supervisor | Assistant Operation Manager Air & Ocean | Accounting Assistant | Administrative assistant | Office assistant / Messenger |

| Jahman Recarlo | Donovan Kluis | Bjorno Karsowidjojo |
| Assistant Officer/ Courier | Assistant Operation Air & Ocean | Customer service Assistant Operation |

| Donovan Kluis | Bjorno Karsowidjojo |
| Assistant Operation Air & Ocean | Customer service Assistant Operation Air & Ocean |

| Martin Westercappel | Vacant |
| Private Mailbox Supervisor | Private Mailbox Executive |

Appendix D: Flowchart symbols

Starting point/ activator

Process

Manual process

Document

Save

Decision

File manually

Start or stop point in process

Database

Appendix E: Warehouse process

Appendix F: Sales Process: Order processing import

Operations/ PMB department at office	Financial Department

```
[B] → ( Cargo Arrival )
         │
         ▼
      File number
      Manifest
[Cargo    [Pre alert]
 Manager]
         │
         ▼
   [Uploaden File]
         │
         ▼
    [Pre alerts]
         │
         ▼
  [Charge Local
   costs on Pre-
      Alert]
         │
         ▼
   [Actualize]
         │
         ▼
  [Arrival notice]
         │
         ▼
  [Save arrival
     notice]
```

Financial Department:

```
[Cargo      [Airway bill]
 Manager] →
                    │
                    ▼
            [Check costs
             on arrival
               notice]
                  Yes
                    │
                    ▼
               < OK? > ──No──> [Change costs]
                    │
                    ▼
  [Invoice] <── [Posten op GL]
       │              │
       ▼              ▼
  [Save         [Print
   Invoice]      invoice]
                    │
                    ▼
               [Check
                costs
                  on
                invoice]
                    │
       ┌────────────┘
       ▼
   < Right? > ──No──> [Make debit or
       │                credit note]
       │                    │
       │                    ▼
       │              [Debit/credit note]
       │                    │
       │                    ▼
      Yes              [Sign          Debit/credit note
       │                invoice    [Signed invoice]
       │                + note]
       ▼
   [Sign      →  [Signed invoice] →  [Staple] → /File 'open
    invoice]                                      invoices"/
```

Appendix G: Sales Process: Order processing export

Operations department at Zanderij	Financial Department
Customer → Send instruction → Enter data in Cargo Manager → Calculate costs in Excel → Enter costs in Cargo Manager → Finalize → Airwaybill → Save airway bill; Finalize → Print → A	A → Make up invoice in Excel ← Airwaybill/ BL; → Check invoice → Excel invoice; Check invoice → (decision) Prepaid / Collect; Prepaid → Make invoice in Cargo Manager → Check invoice → Print invoice → Post invoice to GL; Print invoice → Invoice → Credit customer? → Yes → Send copy to customer; Collect → Update collect sheet; Invoice → File alphabetical

Appendix H: Sales Process: Order processing PMB Creditcard

Private Mail Box department

Customer

Order product
online

Invoice from
online shop → File

Financial Department

Make invoice
in Excel

Payment by
customer

Invoice (2x)

Make Cash
Receipt

Cash receipt
(2x)

Customer

File on
date

B
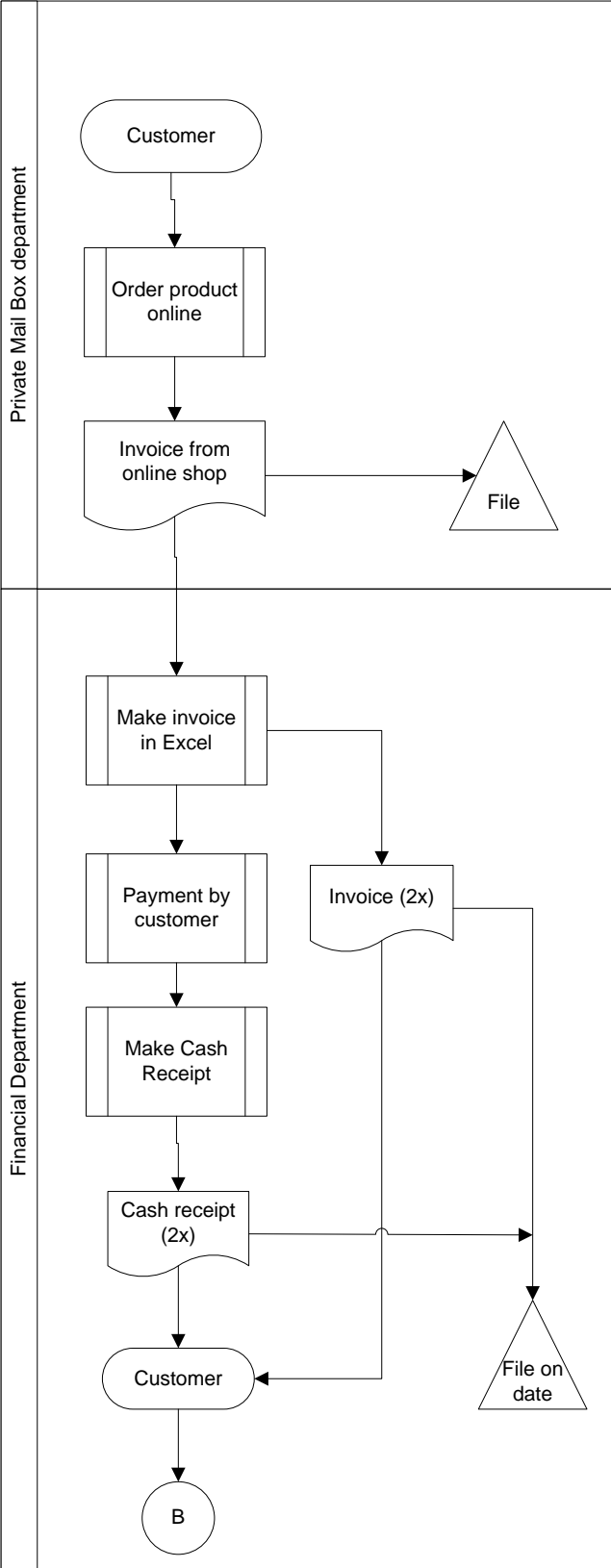
Appendix I: Sales Process: Payment import at airport
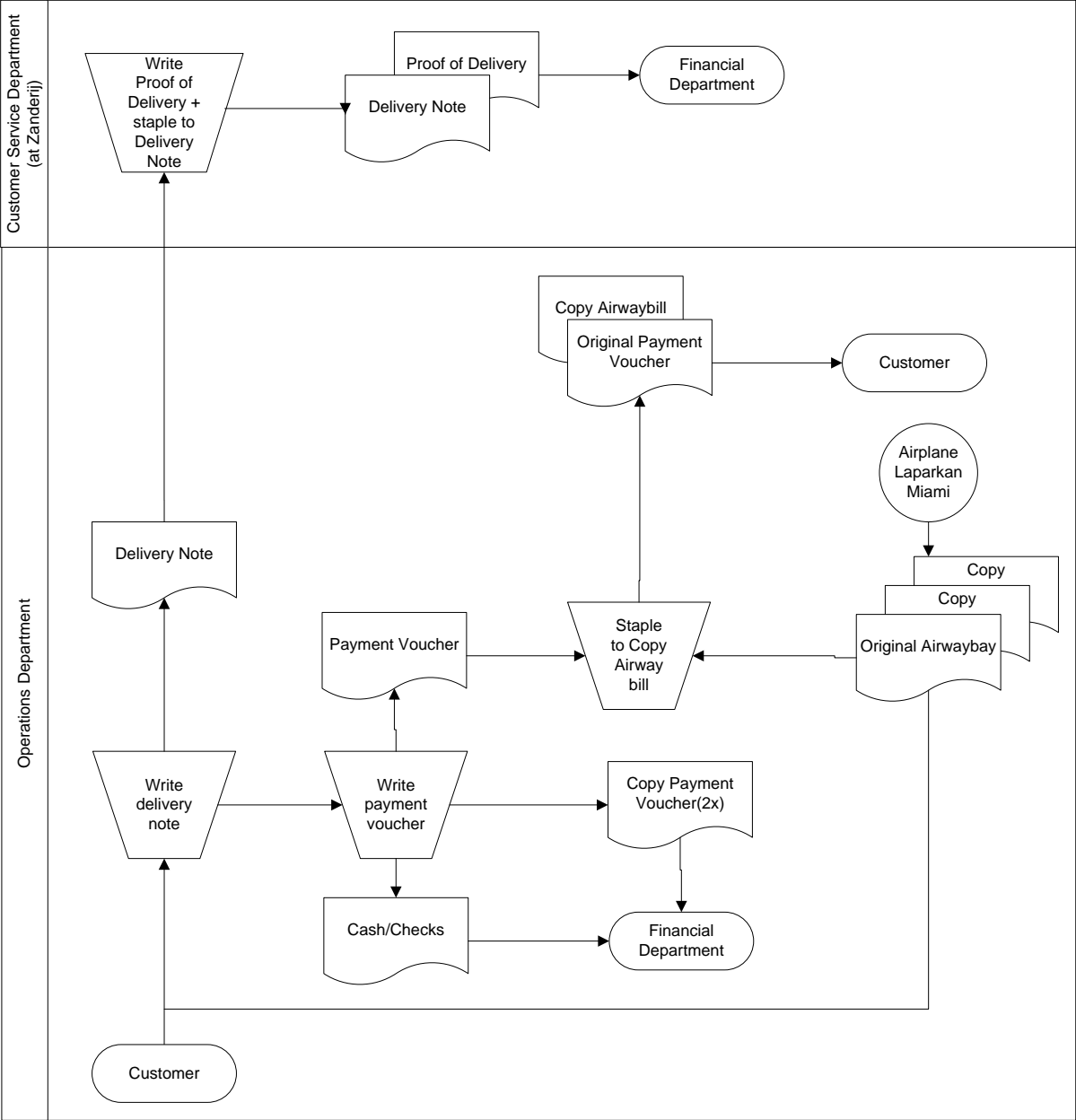
Appendix J: Sales Process: Payment proceeding at office Laparkan
At the finance department
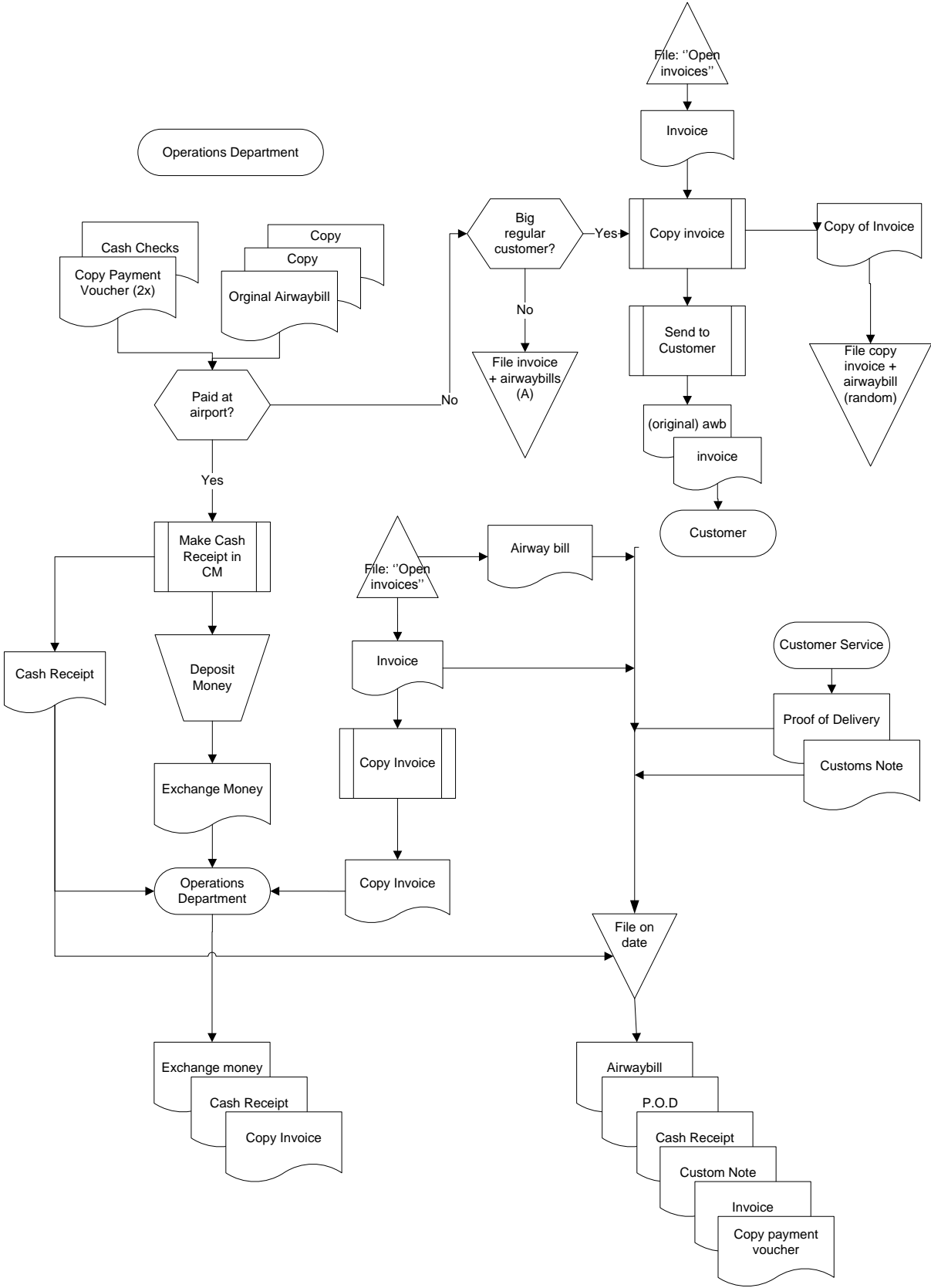
Appendix K: Sales Process: Payment at Laparkan office

```
                        ┌──────────────┐
                        │   Customer   │
                        └──────────────┘
                                │
                                ▼
                        ┌──────────────┐
                        │   Look up     │
                        │   invoice     │
                        └──────────────┘
                                │
                                ▼
        ┌──────────────┐    ┌──────────┐    ┌──────────────┐
        │   Invoice    │───▶│  Copy    │───▶│ Copy of invoice │
        └──────────────┘    │  invoice │    └──────────────┘
                │           └──────────┘
                ▼
          ◇ Credit ◇ ──────▶ ┌──────────────┐ ──────▶ △ File on
          ◇ client? ◇         │ Set 'Credit' │          customer
                              │   stamp      │
                │ No          └──────────────┘
                ▼
    ┌──────────────┐      ◇ Bank  ◇
    │ Set 'Bank    │◀─Yes─◇ payment ◇
    │ receivement' │      ◇   ?    ◇
    │   stamp      │
    └──────────────┘         │ No
            │                ▼
            ▼          ┌──────────────┐
          △ File       │   Receive     │
                       │   payment     │
                       └──────────────┘
                                │
                                ▼
    ┌──────────────┐    ┌──────────────┐    ┌──────────────┐
    │  Make Cash   │───▶│ Set stamp +  │───▶│ Cash receipt │──▶ △ File on date
    │   receipt    │    │  signature   │    └──────────────┘
    └──────────────┘    └──────────────┘
                                │
                                ▼
                        ┌──────────────┐
                        │ Let customer │
                        │ sign P.O.D.  │
                        └──────────────┘
                                │
                                ▼
    ┌──────────┐        ┌──────────────┐
    │ Customer │◀───────│ Proof of Delivery │
    └──────────┘        └──────────────┘
                                │
                                ▼
                              △ FIle
```
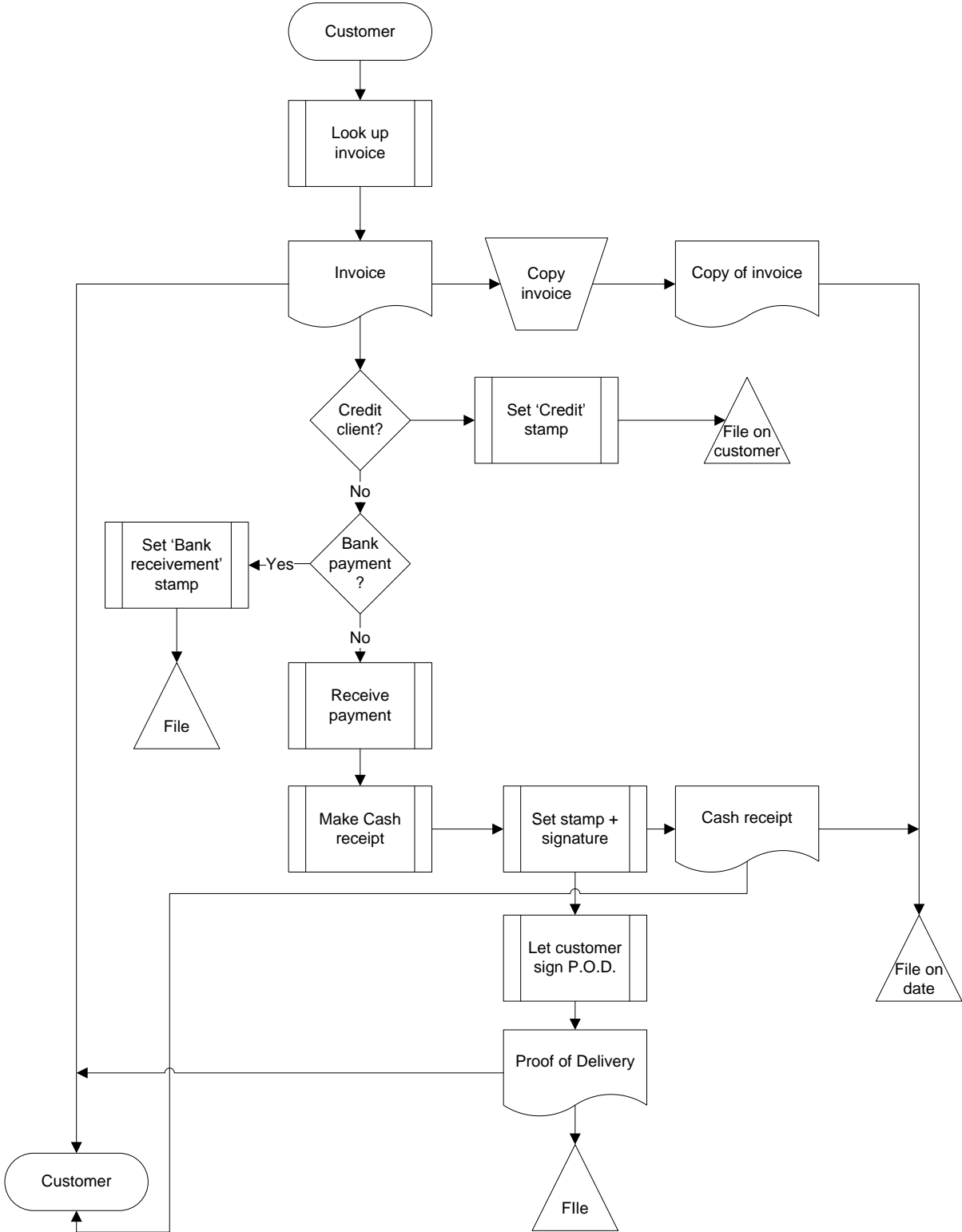
Appendix L: Sales Process: Payment Dutch cargo
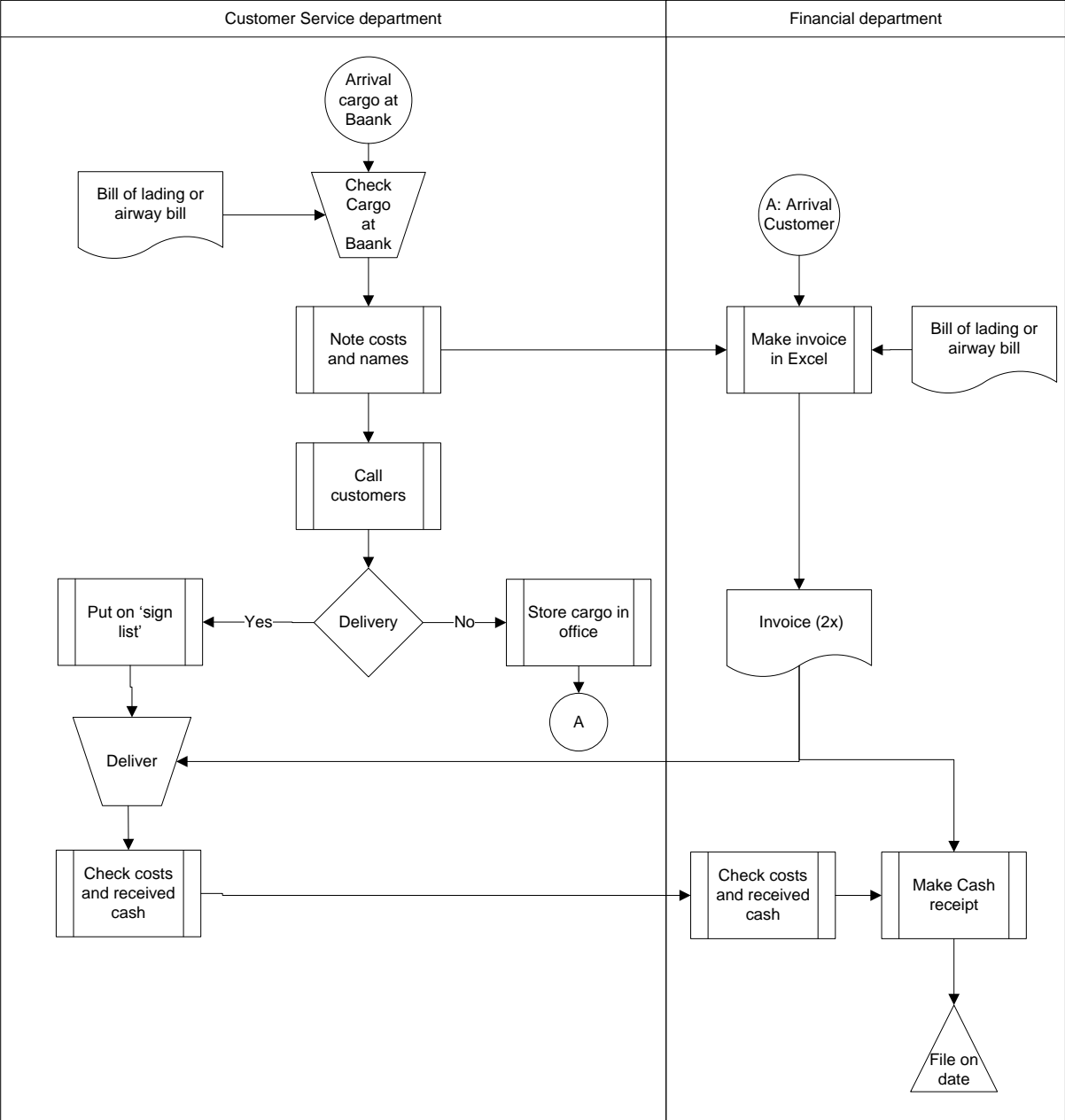
Appendix M: Methods for dealing with resistance

Approach	Commonly used in situations	Advantages	Drawbacks
Education + communication	Where there is a lack of information or inaccurate information and analysis.	Once persuaded, people will often help with the implementation of the change.	Can be very time consuming if lots of people are involved.
Participation + involvement	Where the initiators do not have all the information they need to design the change, and where others have considerable power to resist.	People who participate will be committed to implementing change, and any relevant information they have will be integrated into the change plan.	Can be very time consuming if participators design an inappropriate change.
Facilitation + support	Where people are resisting because of adjustment problems.	No other approach works as well with adjustment problems.	Can be time consuming, expensive, and still fail.
Negotiation + agreement	Where someone or some group will clearly lose out in a change, and where that group has considerable power to resist.	Sometimes it is a relatively easy way to avoid major resistance.	Can be too expensive in many cases if it alerts others to negotiate for compliance.
Manipulation + co-optation	Where other tactics will not work or are too expensive.	It can be a relatively quick and inexpensive solution to resistance problems.	Can lead to future problems if people feel manipulated.
Explicit + implicit coercion	Where speed is essential, and the change initiators possess considerable power.	It is speedy and can overcome any kind of resistance.	Can be risky if it leaves people mad at the initiators.

Source: [Kotter, 2008]

Appendix N: Questionnaire Cultural Dimensions Hofstede

Vragenlijst Cultuur

Hierbij vraag ik je mee te werken aan het cultuuronderzoek welke binnen mijn onderzoek bij Laparkan plaatsvindt. De lijst is in het Engels, als je daar moeite mee hebt zal ik het vertalen. Kies het cijfer waarbij je verwacht welke het meest toepasselijk is voor jou en op het werken bij Laparkan. Het cijfer 1 geeft aan dat je verwacht dat de meest linkerstelling het meest toepasselijk is op jou, het cijfer 5 geeft aan dat je verwacht dat de meest rechterstelling het meest toepasselijk is. Met het cijfer 3 kun je aangeven dat beide stellingen even belangrijk/toepasselijk zijn.

Alvast bedankt voor je medewerking.

Among family, children are taught that their opinion matters as much as that of their parents	1	2	3	4	5	Among family, children are taught that they should not question the authority of their parents
Among family children are encouraged never to take things for granted	1	2	3	4	5	Among family, children are taught to accept the word of people who are senior or more important
At work, subordinates are supposed to create their own job function and place within the organization	1	2	3	4	5	At work, everybody has clearly defined fields of authority
At work, people constantly challenge their bosses. It is often hard to tell who is managing and who is being managed	1	2	3	4	5	At work, the boss makes the decisions, complemented by close guidance and control. People accept this as a matter of the boss' responsibility and of respect for him
People believe that the most effective way to change the political system is gradually by debate and vote	1	2	3	4	5	People believe that the most effective way to change the political system is by changing the people who are in power
People have strong and long-lasting loyalties with groups	1	2	3	4	5	People choose their own friends on the basis of common interest and appeal
There is togetherness and social control	1	2	3	4	5	There is loneliness and freedom
People are preoccupied with avoiding loss of face and giving face to others	1	2	3	4	5	People are preoccupied with meeting their own private norms and standards
People make promotion on the basis of loyalty and seniority	1	2	3	4	5	People make promotion on the basis of excellence irrespective of age
It is seen as immoral if a boss does not use his power to give a job to a relative in need	1	2	3	4	5	It is seen as immoral if a boss uses his power to give a job to a relative in need
People sympathize with the underdog and tend to be jealous about the successes of others	1	2	3	4	5	People admire the top-dog and blame the unsuccessful

At work, people are motivated by a pleasant work environment warmth and coziness	1	2	3	4	5	At work, people are motivated by clear-cut targets and strict accountability to demonstrate their level of achievement
People try to reach consensus at work and colleagues are not supposed to compete against one another	1	2	3	4	5	People see confrontations as positive and fruitful; one should compete or die
Both men and women can be modest, tender and concerned with quality of life issues	1	2	3	4	5	Men are supposed to be assertive and focused at material success, and women are supposed to be more modest and concerned with quality of life issues
Lovers look for intimacy	1	2	3	4	5	Lovers look for emotional support
Among family, children are taught to live with chaos and ambivalence	1	2	3	4	5	Among family children are taught to create structure and to avoid ambivalent situations
People give their support to generalists who can cope under all circumstances	1	2	3	4	5	People give their support to the expert and to the competent leader
People are not required to carry an identity card with them	1	2	3	4	5	People are required to carry an identity card with them
People are not supposed to show emotions in public	1	2	3	4	5	People are allowed to show emotions in public (in the proper place and at the proper time)
There are few rules in society which you are supposed to follow	1	2	3	4	5	There are many rules in society which the others are supposed to follow
People are clearly aware of what is "Good" and "Evil"	1	2	3	4	5	People subordinate themselves for a common goal without much concern for "Good" or "Evil"
People emphasize personal steadiness and stability	1	2	3	4	5	People emphasize that everything is changing and that everything is relative
Children are taught to ask the question "Why?"	1	2	3	4	5	Children are taught to ask the question "What" and "How"
People often refer to their roots and history	1	2	3	4	5	People can subordinate themselves to goals to be realized after more than hundred years
People look for consistency in the information offered to them	1	2	3	4	5	People can live with contradictory information

Appendix O: Results Questionnaire

Formula to calculate total: (SUM*5)-25

Power distance

vraag	ranking	STD
1	2,7	1,1
2	2,7	1,2
3	3,4	0,9
4	3,5	0,8
5	2,9	1,0
Total	51	1,0

Uncertainty avoidence

vraag	ranking	STD
16	4,2	0,9
17	3,2	1,1
18	4,2	0,8
19	3,0	1,1
20	2,9	0,8
Total	63	0,9

Individualism

vraag	ranking	STD
6	3,6	1,4
7	1,9	0,7
8	2,9	0,8
9	2,8	1,2
10	3,3	1,0
Total	48	1,0

Long/short term orientation

vraag	ranking	
21	2,4	1,1
22	2,6	0,8
23	3,2	0,9
24	2,5	1,0
25	2,6	1,2
Total	42	1,0

Masculinity

vraag	ranking	STD
11	3,1	1,0
12	2,2	0,8
13	2,6	1,1
14	2,4	1,1
15	2,8	1,0
Total	41	1,0

Appendix P: Control technical function separation on finance department

Invoice

Admnistrative assisatent	Accounting Manager	Finance controller	Accounting assistent

Export

Make up invoice in Excel → Check invoice → ◇ (Collect) → Update collect sheet

Prepaid → Make invoice in Cargo Manager → Check & print invoice

Sign invoice → Post invoice to GL → File

Check costs on arrival notice ← Change costs

OK? — No

Yes

Check costs on invoice ← Actualize & Print invoice

Sign invoice → File 'open invoices'

Process payment → Control of payments

Control of payments

Posten op GL → Monthly control of payments

Laparkan Suriname nv

Remark: employees reflected in grey, are only at these departments during non-flight days.

- **Glenn Khan** — President, Miami Office
  - **Shri Naraine** — Vice President, Miami office
    - **Egon Audhoe** — General Manager
      - **Alahn Ronokario** — Customs broker
      - **Bhawan Aroun** — Finance Controller
      - **Lloyd Jiawan** — Sales & Marketing & Customer service manager
        - **Nathalie Stolk- van Geenen** — Sales & Marketing Representative
        - **Johan Lenting** — Office support
        - **Howard Jodhabier** — customer service/ security
      - **Edward Ramahi** — Operation Dutch Cargo
        - **Donovan Kluis** — Assistant Operation Air & Ocean
        - **Bjorno Karsowidjojo** — Warehouse
        - **Jahman Recarlo** — Courier
      - **Els Daal** — Operation Manager Air
        - **Johan Lenting** — Office support
        - **Robby Sahit** — Assistant Operation Manager Air
          - **Donovan Kluis** — Assistant Operation Air & Ocean
          - **Bjorno Karsowidjojo** — Assistant Operation Air & Ocean
          - **Jahman Recarlo** — Assistant Officer
        - **Howard Jodhabier** — customer service/ security
      - **Serene Sewnarain** — Operation Manager Ocean
      - **Maya Mohan** — Accounting Manager
        - **Glennford Altenberg** — Accounting Assistant
        - **Joan Moehamad** — Administrative assistant
        - **Addy Moespar** — Office assistant / Messenger
      - **Iwan Roeplal** — Private Mailbox Manager
        - **Martin Westercappel** — Private Mailbox Supervisor
        - **Vacant** — Private Mailbox Executive

Appendix R: Characteristics of Product and Functional structure

ASPECT	F-STRUCTUUR	P-STRUCTUUR
BEHEERSING EN COÖRDINATIE		
afhankelijkheden tussen afdelingen	relatief groot	relatief gering
behoefte aan afstemming	relatief groot	relatief gering
besluitvorming	relatief centraal, vertraagd	decentraal, snel, meer kans op bijdrage vanuit lagere niveaus
behoefte aan informatie-verwerkingscapaciteit	relatief groot	relatief klein
informatiestromen	lange doorlooptijd, meer schakels, meer kans op ruis	korte doorlooptijd, minder schakels, minder kans op ruis
werkvoorbereiding en administratie	relatief complex	relatief eenvoudig
TAAKINHOUD EN KENNISNIVEAU		
primaire verantwoordelijkheid	activiteit	produkt
kennisniveau medewerkers	hoog specialistisch op beperkt gebied	lager kennisniveau op breder terrein
kennisniveau afdelingshoofden	leiding geven aan homogene groep qua kennis en problemen op beperkt gebied, vooral vaktechnisch	leiding geven aan mensen met uiteenlopende kennis en problemen, problemen op relatief breed gebied
taakinhoud medewerkers	veelal kortcyclische activiteiten, met kans op monotonie	cyclustijd kan langer, mogelijkheid tot integratie van coördinerende taken
taakinhoud afdelingshoofden	vakbaas, technisch specialist	produktmanager
taakinhoud hoger management	produktmanager, relatief intern gericht (operationeel en tactisch), minder tijd voor externe contacten	meer tijd voor externe contacten en strategische planning
mogelijkheid tot werkstructurering	gering, door ontbreken van realloceerbare taken	ruimer: taakroulatie, cyclustijdverlenging en integratie van coördinerende taken

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ASPECT	F-STRUCTUUR	P-STRUCTUUR
RELATIE LEIDING EN ONDERGESCHIKTEN		
stijl van leidinggeven	relatief directief, sterke individuele controle op (deel)activiteiten	meer coördinerend en ondersteunend, controle op aantallen en kwaliteit
mogelijkheid tot en inhoud van werkoverleg	veelal personele en vaktechnische onderwerpen, informatief van aard	meer m.b.t. de onderlinge afstemming, ook probleemoplossend van aard
FUNCTIESCHEIDING		
mogelijkheid tot functiescheiding	relatief groot	relatief gering
(eerste) niveau van functiescheiding	over afdelingen heen	binnen afdeling
INZET MIDDELEN		
bezettingsgraad machines	relatief hoog	relatief laag
mogelijkheid tot schaalvoordelen	relatief groot	relatief gering
PRODUKT/MARKTKENMERKEN		
aantal te verwerken verschillende produkten	relatief groot	relatief klein
wisseling van produkten	relatief makkelijk te verwerken, mag vrij groot zijn	moet beperkt zijn
variatie in vraagniveau per produkt	relatief makkelijk op te vangen, mag vrij sterk variëren	moet vrij constant zijn
PROCESKENMERKEN		
flexibiliteit	relatief gering	relatief groot
doorstroomsnelheid	relatief laag, goede afstemming en coördinatie vereist	relatief hoog
(tussen)voorraden	relatief veel	relatief weinig
levertijden	relatief lang	relatief kort

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Tabel 5.9 F- en P-structuur vergeleken: totaaloverzicht

Appendix S: Overview of data needed in Sales process

Sales	From	To	Arrival notice	Bill of lading/ airway bill	Order	Guidelines Miami	Customer data	invoice internet shop	Freight costs	Invoice	cash receipt	Proof of delivery	Send data	cash/check/credit
Miami Cargo														
Acquisition	Miami LPK	Sales			O	I								
Receiving	Customer	Sales/PMB/CS/Ops					O						I	
	Customer Service	Finance	I	I						O				
Payment airport	Customer	Operations		I						I		O		I
	Operations	Finance		I						I	O	I		I
Payment in office	Finance	Customer								I	O	O		I
Registration	Finance			X						X	X	X		
Private Mail Box (LPK Creditcard)														
Payment	PMB	Finance								I	O			
Registration	Finance									X	X	X		
	PMB					X	X							
Dutch Cargo														
Receiving Import	Cavalier/Baank	Customer service	I							O				
Receiving Export	Customer	Customer service								O			I	
Processing	Customer Service	Finance								I	O			
Payment delivery	Customer	Customer service								I		O		I
	Customer Service	Finance								I	O	I		I
Payment in office	Customer	Finance								I	O			I
Registration	Finance			X			X			X	X	X	X	

Appendix T: Data needed in the Warehouse process

Warehouse	From	To	manifest	bill of lading/ airway bill	discrepancy report	inventory list	Customer data	Freight costs	Invoice	cash receipt	Proof of delivery	cash/check/credit	Loadlist
Miami Cargo													
Receiving Airport	Miami LPK	Operations	I	I	O								O
Receiving Global	Operations	Global	I		O								
Issuing Airport	Customer	Operations		I						I	O		
Issuing Global	Customer	Global								I	O		
Delivery	Customer Service	Customer							I		O		
Administration	Customer Service				I	O							
Dutch Cargo													
Receiving	Cavalier/Baank	Inhouse sales	I	I	O								
Issuing	Baank	Inhouse sales		I							O		
Delivery	Customer Service	Customer					I			I	O	O	
Delivery mail	Customer Service	Customer					I				O		
Administration	Customer Service				I	O					I		