



# THE TIMES 100

Edition 14

## Tarmac: How roles and functions contribute to organisational performance

### Answer sheet

1. How was Tarmac discovered?  
It was discovered when John MacAdam discovered that tar had been spilt onto the road at a local iron works and had mixed with waste from the furnaces. This resulted in a dust free and strong surface.
2. What does DREAM stand for?  
Develop markets  
Reduce costs  
Engage employees  
Act responsibly  
Manage Assets
3. What is the difference between an objective and a strategy?  
An objective is a short term goal, whereas a strategy is a plan to achieve that objective.
4. Why does a business have an organisational structure?  
An organisational structure provides clear lines of control, roles and responsibilities and therefore helps the employees with communication, job roles and authority.
5. What is the difference between being a centralised and decentralised business?  
A centralised business makes all its decision at head office, whereas with a decentralised business, the decision making is made further down the hierarchy by junior managers and supervisors.
6. What are the different departments that can be found at Head Office?  
Human Resources, Finance, Marketing, Procurement and IT.
7. What is the difference between a profit centre and a cost centre?  
A profit centre is the part of an organisation which sells products and makes money for the business directly e.g. a supermarket, whereas a cost centre does not make or sell a product directly and actually costs the business to run this office / department i.e. the Head office.
8. If Tarmac wanted to increase sales by 50% in one year, what would the knock-on effect be between the different departments?  
More staff, more materials, more capital and equipment.
9. Using the case study, draw the hierarchical structure of Tarmac. Include the words subordinate, span of control and chain of command.



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10. Using the case study, give an outline of the Operations function.  
Operations function: the day to day production process where the raw materials are processed to make products that the customer needs.
11. Using the case study, give an outline of the Finance function.  
Finance function monitors the cash flow, credit control and the general inflow and outflow of money, ensuring that the business does not have critical financial issues.
12. Using the case study, give an outline of the Human Resources function.  
Human resources ensures that the workforce planning (right people in the right place at the right time) occurs. Training and the development of the employee is also a priority.
13. Why is it important for Tarmac to embrace continuous improvement?  
It is extremely important for Tarmac to embrace continuous improvement as this ensures that the business remains competitive, efficient and productive.