

Case Study 4: Digital Transformation.com Ltd. (Organization of a Public Enterprise)

Around 100 Austrian municipalities founded Digital Transformation.com Ltd. in 2010. The company is organized as a private-law public limited company, but the shares are all owned by the municipalities involved.

Initially, the company focused on purchasing and reselling computer hardware and software for municipalities. This business is doing very well because the municipalities can be offered favorable purchasing conditions.

In 2015, the company started to design and implement Internet websites for municipalities. Today, the company is the market leader in the development of community websites in Austria.

Digital Transformation.com Ltd. employs 24 people. While its main market is Austria, the company has also been handling more and more orders from Germany and Italy in the past three years.

Products and Technology Program

If you visit the company website, you can find out more about the company's philosophy of developing Internet websites:

"Internet design is just one building block of a good website" ... because the Internet concept, Internet technology and Internet advertising are equally important success factors.

Depending on your budget, we have some options for you: Our Internet design is available in sizes S (the image appearance), M (the communication appearance), or L (the professional appearance). You want a creative and interaction-oriented Internet presence? This is also close to the hearts of our Internet designers."

Economic Development

The sales figures for the design and development of websites have been positive. Especially the packages L and M are selling very well. At present, growth rates are around 70% per year.

The sale of hardware and software is also going well. However, market saturation has been achieved, so there are only a few potential new customers left, and the existing customers are currently reluctant to purchase new IT equipment.

The company generated sales of around EUR 7 million in 2019. For 2020, around EUR 10 million have been budgeted. The company is financially healthy.

Organization

The market success of its Internet products was a pleasant surprise for Digital Transformation.com Ltd. In the meantime, the company has realized that some adjustments are necessary in the way it is organized. The following is an overview of the current structure:

The company's managing director (Sandra Meier) employs 23 people, 10 of them in the production department programming the websites (mainly creative graphic designers and programmers). 5 people are active in customer acquisition (both for hardware and software sales as well as for Internet products), two in hardware and software purchasing, four in sales

administration, and two in general administrative support and accounting.

The organizational structure of Digital Transformation.com Ltd. no longer meets the current requirements. There is no written organizational chart to visualize the organization, no job descriptions, and no descriptions of processes. All employees report directly to Sandra Meier.

Questions

1. What are the possible forms of organization?
2. What criteria can be used to assess these forms of organization?
3. Which form of organization would you choose? Draw the organizational chart and provide an explanation for your decisions.