Alternatives and Decision Criteria

There are two separate organizational structures that are consistent with the recommended strategy and that fit Company XYZ’s needs. Each structure takes a different approach to balancing innovation with a focus on profitability and efficiency.

**Alternative 1**

The first alternative organizational structure, referred to as a matrix structure, is a unique structure associated with an equal balance of profitability and innovation. This includes having two separate groups of managers; one group will be responsible for the functional aspects of the organization, including marketing, accounting, and any other activities necessary for Company XYZ’s operations to continue. The second group of managers will be responsible for specific product lines including innovation and development. This structure will likely see one employee with two different managers; one for their product line and one for their associated functional department.

**Decision Criteria**

Each of the aforementioned alternatives can be evaluated using the following decision criteria (listed in order of importance and including the weighting of each criterion):

1. The recommendation must increase both sales and employee morale (60%).
2. The recommendation must align with a strategy that promotes innovation and product development (25%); and
3. The recommendation must be able to absorb Company XYZ’s growth in the future, including the ability to add or remove product lines as needed (15%).