

CASE STUDY

Described for the project: "The Hexagonal Leader"

Name of the organization

DSG CONSULTORES S.L.

Website of the organization

<http://dsgconsultores.com/>

Logotype of the organization



Type of organization

- Business organization
 Public administration
 NGO's
 Others (what kind?)

Size of the organization

- Small
 Medium
 Large

Economic sector

Consulting and Training.

DSG offers its clients a complete service in Workplace Health and Safety, Training Quality, Engineering and Quality Systems.

Brief description of the organization

DSG Consultores offers both Public Administrations and private construction companies a Health and Safety Plan Coordination service on construction sites, with advice on safety measures to be adopted on these sites and close monitoring of the workers, to ensure compliance with both collective and individual protection measures, which would be necessary to adopt according to the provisions of the Health and Safety Plan for the execution of the construction work.

DGS also has a training department to cover the training needs of company employees, mainly due to the adaptation of workplaces to new technologies and the channeling of these to quality systems of the product or production system, which makes it necessary to plan the TRAINING with specialized advice, monitoring and delivery of courses tailored to the needs of our clients, according to the fundamental activity of the companies we serve and the qualifications of the personnel to whom the training action is directed, in short, providing our clients with a tailor-made service.

Case study description (situation / the problem they are facing) [max 2000 characters]

As previously mentioned, the DGS company had **two areas of action**,

- the area related to training and
- the other one related to the Workplace Health and Safety service.

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In 2008, when the crisis emerged that ruined thousands of large companies and millions of small and medium-sized enterprises. Banks fell on hard times and stopped lending. Without access to credit, many businesses cannot function, so some companies closed. Others cut back on spending to try to overcome the crisis. And less spending = less growth = less employment. For Spain, the onset of the global crisis meant the explosion of other problems: **the end of the real estate bubble, the banking crisis and finally the rise of unemployment in Spain**. Statistics showed that **in Spain the sector that suffered the most from the crisis was the real estate and construction sector**.

The crisis that took place in the construction sector affected a lot the area related to the Workplace Health and Safety service. This crisis in the construction sector directly affected the main area within the company. At the same rate that the number of construction works decreased, the activity in DGS decreased.

As the situation was not improving and the crisis in the construction sector was getting worse and worse, DGS had to consider taking measures that affected the survival of the company. In view of this situation DGS had to restructure the workforce and reduce it. DGS had to establish a strategic plan to keep the company running.

Suggested solutions (added pros and cons)

1. **Closing down the company**. It would be the last solution and always after all options have been exhausted.
2. Redirecting the company to new lines of action and not giving up. **Diversify the business**
 - a. **Pros.**
 - Diversifying the company's activity *could be a way to continue the company's activity*. If this type of strategy is successful, the company not only has a new product on the market, but it also means the maintenance of the company.
 - *You reduce risks*. It is a matter of probability. *If you have different activities in your business, it reduces the chance that all of them will not work out*. If you only have one, then all possibilities point to it, good or bad. *This way you can protect your resources and have a lifeline if one of these activities does not work out as*

planned.

- It was a good opportunity for DGS *to step out of its comfort zone by reaching out to other markets.*

b. Cons

- It could be a *major investment that we might not be able to afford.* This strategy is one of the *riskiest, in economic terms.* The operations entail a higher risk.
- Diversification means investing DGS profits in a new business. So it was important *to analyze whether it is possible for the company to start in another market.*

3. To ensure the survival of the company DGS had to cut losses. Reducing costs and expenses in the company.

a. Pros.

- In the medium term this would allow the company to continue, and perhaps have the capacity to reinvest in market sectors with more potential.

b. Cons

- It would be a difficult decision to make, with its human, emotional and of course financial consequences.

Chosen solution

After analyzing the situation and studying whether there were real alternatives for DSG to continue operating in those years of crisis, the solution chosen was the process of re-directing the company to new lines of action and not giving up (**Diversify the business**).

The company was forced to undertake a process of Reconversion. What company did was to diversify the lines of training and not only focus on public training plans dependent on public subsidies and European Funds, but the company expanded and improved the private training, focusing on training for companies and individuals.

The new regulations governing the law of sport of June 2016 established the obligation to have this specific training as a sports technician to be able to work as a coach in each sporting branches. Here we identify an opportunity for the reconversion of our company.

DSG created a training centre for sports studies to train sports technicians. Nowadays DGS are the first entity at provincial and regional level that are giving training as a sports technician, leader in this sector in Almeria.

Rationale of the decision taken

Business diversification was one of the strategies that DGS had to use in the company in order to be able to face the crisis in the sector. It was, perhaps, one of the riskiest bets DGS opted for, as the company had to make our way into an unknown market and one, DGS had never worked with before. The law of sport of June 2016 established the obligation to have a specific training as a sports technician to be able to work as a coach in each sporting branches. DSG identified a business opportunity in these training requirements that would be compulsory in the immediate future in order to be able to coach in each of the sports areas. It was something new and there were no training centers focused in the provision of this training, which was to be compulsory for coaches. DGS took the decision to anticipate competition and other market changes in the sport's training.

Solution implemented in practice

The diversification of DGS' activity was the strategy that the company decided to implement as a mechanism to survive the 2008 crisis. The company decided to open up to new markets by offering a different training service than the one that had defined DGS since its creation.

DGS opted for related diversification, i.e., when the objective is to find services that are related to the activity of the company. DGS decided to diversify in the area of training, more precisely in the area of sports training because with the new law regulating sport, we discovered this market niche.

The solution involved was the training of the company's staff to be able to offer this specific training digitally, as well as the development of the training contents for each sports area, which is a hard task. They have already developed the contents of several sport branches and adapted them to the digital format and now they are working on the development of the contents for the rest of the sport branches, which in total are 13 sport area. Business diversification had a number of benefits for DGS such as broadening the company's target market, entering new markets, improving brand image, generating higher revenues and differentiating itself from the competition.

Lesson learned

-**A company's strategy must be flexible and dynamic** in order to adapt to each stage of its life cycle and to changes in the market.

-The situation DGS experienced with the company helped them to learn that **it is necessary to diversify the lines of business in view** of the continuous change in the markets, **what works today as a company may not work tomorrow, so it is necessary to continuously study the labour market** to discover new needs and to be prepared and trained for these changes. The labour market is a living thing that is constantly changing and the company have to adapt to these changes at the same pace if we do not want our companies to fail. **DGS had to take decisions and take risks as well as adapt to change.**

-The importance of decision making in a company takes on a fundamental role today. All companies face a rapidly changing global and digital environment.

-It was necessary to look at problems from different viewpoints and to adopt a flexible structure that allows for quick action in order to adapt to each situation. It is about learning to reflect and react on the spot. Responsiveness is crucial.

Connection to the six skills depicted in the project

Leadership and make decision. In those moments the role as a leader was essential to analyse the situation and look for alternatives that would allow us to continue with the company. It was also essential to work on our own and the team's motivation in order to be able to face up to the adversities of the labour market in those difficult moments of crisis. Sharing and transferring that motivation with his team, providing an example of energy and perseverance.

Emotional Intelligent. As a DGS owner, it is imperative that we have the ability to recognise, understand and manage not only our own emotions, but also those of others with whom we work. For example, those of our employees, partners, suppliers and allies. In the end, we are not 100% rational beings: one day we may feel motivated and excited, others frustrated and disappointed. And that is information we

cannot ignore if we are to make progress in our goal of keeping the business running. Having emotional intelligence basically allowed me to do three things: to stay calm and focused in times of crisis in the company, to motivate myself and my employees, and to make decisions as objectively as possible (as feelings will always be involved).

Mindset and values. Flexibility. It also helped me to realise that I am a flexible person with a certain level of resilience that allowed me to adapt to professional adversities, I developed a capacity to adapt to changes and to do everything always from an optimistic perspective, even in the most difficult moments for the company. It was also a clear example that I am resilient and that I know how to deal with conflict and how to dissuade it.

Now that I look back on those difficult years, I think I could say that on a learning level it was a positive thing because I realised certain skills that I didn't even know I had.

Feedback and communication. For the changes to be successful, the whole company must be fully involved in understanding and accepting them, starting with the leaders of the organisation. It was necessary to keep staff informed of these changes to avoid misinformation and the spread of rumours that could affect their productivity and motivation.