Case Study: A different Monday

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Abstract. This article describes issues around the shift to horizontal monitoring within the Dutch Tax and Customs Administration.

Keywords. Dutch Tax and Customs Administration, horizontal monitoring, tax, scenario development, business information systems

Introduction

Maandag® is a secondment agency in the Netherlands. Founded in 1989 in attic under the name Robberts (derived from the first name of founder/owner Rob Entjes) it became a player in the Dutch secondment market under the name Sargas[1]. By 2007 it had acquired a market share of 9.7%, mostly related to municipal administrations[2]. However, the ambition was to challenge dominant players like Yacht and Eiffel who had together a market share of 40%. Therefore, it decided to employ an aggressive marketing strategy. Sargas changed its name to Maandag® and tv-commercials were aired.

The strategy was even more successful than expected and turnover increased in 2008 with no less than 78% in a stagnating market[3]. However, due to its focus on municipal administrations Maandag® could foresee that government would have to cut budgets in coming years due to the economic crisis. Hence, Maandag® had to adapt.

Adaptive Cycle at Maandag®

In order to study the adaptation of Maandag®, let us look at a model for organizational change: the adaptive cycle, as explained by Abcouwer and Parson (2011)[4].

![Figure 1. The adaptive Cycle as derived from [4].](image-url)
The situation of Maandag® in 2008 was lying in quadrant 1: Equilibrium. Maandag® knew what it wanted and was capable of doing so. The marketing strategy proved successful and was therefore extended. As expected, Maandag® continued to grow in 2009 with 30%[3]. Nonetheless, as mentioned earlier, crisis was looming. Growth was decreasing and uncertainty started to creep in the organization. Although Maandag® was able to predict its own crisis to some extent (due to its dependence on governmental budgets which are announced early and in a transparent manner), an internal crisis always start at a specific point. When 2010 resulted in a decrease of turnover of 19%, Maandag® closed 4 of its offices and cut overhead costs with 40%.

In order to come to the third quadrant of the Adaptive Cycle, new combinations, Maandag® would need to identify growth areas, choose between them and act in order to learn fast. Owner Entjes concluded that growth in the Dutch secondment market would stay very difficult and therefore looked across borders [3]. Maandag® opened offices in Belgium and later on one in Germany in order to use its specialized competencies in different markets. While of the three opened offices in Belgium only two remained, this strategy helped to retain the turnover level of Maandag®. Since the economy is still very tight the fourth quadrant of exploitation is remains out of reach. Nonetheless, Maandag® proved to be curious and change-oriented, to be able to switch from the left to the right side of the diagram. It will not surprise the more experienced reader that this was not. The budget cuts and organizational change have not only decreased overhead, but also top management is now quite different from 5 years ago. Especially, the CFO position, one in which the left, rational side of doing business is usually very dominant, has had many occupants over the years. Hence, the so-called ‘revolt’ period was able due to the fact that the ‘remember’-functioning was decreased to (forced) leave of people.

Conclusion

The case of Maandag® can be analyzed quite well with the Adaptive Cycle framework as proposed by Abcouwer and Parson. However, it seems to me the framework is mainly oriented on product companies where innovation means foremost new / different products. Service companies do not have that option since their know-how is more domain-specific and, more importantly, relation-oriented. Therefore, service companies seem to have less room to maneuver when facing a crisis. In addition, in this specific case, the crisis was not as unforeseen as it is often in other industries due to the dependence of Maandag® on government. Nonetheless, the framework was helpful in analyzing this case.

References
