

Case 7: waco

Abdulaziz Arrak



Dr. Barker

CIS 410-01

April 4, 2019

# Content:

1. Case Background .………………………………………………………………………………. 3
2. The problem …………………………………………………………………………………. 3
3. Industry competitive analysis ………………………………………………………………….. 4

Mission statement …………………………………………….……………………………… 4

Stakeholders …………………………………………………...……………………………… 4

3.1Waco’s management .........…………………………………………………… 4

3.2Waco’s stakeholders ………………………..……………….………………….. 4

3.3Waco’s employees ……………………………………………...………………. 5

3.4Waco’s customer ..............……………………………………………………… 5

Market ………………………………………….………………………………………………. 5

Generic strategy ……………………………………………………………………………… 5

Organizational Structure ………………………………………………………….………... 5

1. Porter’s 5 forces …………………………………………………………………………………... 5

Inter-Industry competition …………………………………………………………………. 6

Threat of new entrants …………………………………………………………………….… 6

Customer’s bargaining power …………………………………………………….……... 6

Supplier’s bargaining power ………………………………………………………..…….. 6

Threat of substitution ……………………………………………………………………..…. 6

1. Alternatives ………………………………………………………………………………………… 7
   1. Do nothing ………………………………………………………………………………….. 7
   2. Have the employees sign a privacy agreement contract ……………………....… 7
   3. Fire Monk Barker …………………………………………………………………………..…. 7
2. Recommendation ………………………………………………………………………………… 8
3. Citation …………………………………………………………………………………………….. 9

# Case background:

In 1986, Waco Manufacturing was a leading supplier of custom-machined parts to the automotive industry. They specialized in custom-made goods and they were successful at what they did. Recently they installed a new security and information system in one of their plants. With this new system that was put in place, they installed transceivers into the badges that the employees wear and in the plant corridors. The transceivers were every 25 feet of the plant. Which allowed Waco to track the movement of all their employees. According to (Cash) “Rapidly evolving information technologies are permeating our lives as employees and as private citizens.” 1

The problem:

The main issue that this case deals with, is the plant-engineering manager, Monk Barber, and three engineers, McCoy, Frank, and Gogan. The plant-engineering manager in charge of the project; Monk Barber told the area manager Monique Saltz that he had tried to get in contact with Sherman McCoy, Telly Frank, and Wanda Gogan (three employees working on the project) but has not received a response from any of them. Barber did not want to get in trouble for not completing the project on time, so he blamed everyone on the team rather than take responsibility for the mistake and work to get the project done as soon as possible. Barber stressed that he has spoken to the engineers’ multiple times and that he has had just about all he can handle when it came to trying to get across to them due to the urgency of their time constraint. On the other hand, all the engineers had the same story regarding not meeting with Barber, Saltz and plant manager Shelly Tomaso decided to use the tracking system in the badges to verify if this was correct. Upon doing this they discovered that Barber, McCoy, Frank, and Gogan had never been in the same room at the same time for over nine months. The problem with Waco is that either the employees are lying to their superiors, or that they do not have consequences for their actions if they decide not to do what they are told. “Every action that brings a company closer to its goal is productive.”2 This also applies to the reverse and Barber’s actions were anything but productive.

Industry Competitive Analysis

1. Mission Statement:

Waco Manufacturing’s mission is to be the leading supplier of custom-machined parts for the automotive industry. And fulfill customer's needs.

1. Stakeholders:

“A stakeholder is anyone who is affected by your business in one way or another.” 5 The main stakeholders on this case waco’s Management, shareholders, employees and customers.

* 1. **Waco’s management:** Management must be able to change how the system works so that they can increase efficiency. The managers have a responsibility to the company to ensure their employees follow all policies and procedures. The managers are encouraged to use any and all resources at their disposal in order to carry out these responsibilities, which could mean in this case using the new security and information system for tracking employee’s location.
  2. **Waco’s shareholders:** Shareholders have the right to receive dividends on their investments as well the right to vote on important decisions within the company. Since the shareholders make up the foundation of any company, they have a great deal of potential risk by using the tracking system.
  3. **Waco’s employees:** Employees rely on Waco for steady income, and benefits. Many employees are probably set on working for the company through retirement.
  4. **Waco’s customers:** customers rely on Waco to produce their custom automotive parts needs. Customers rely on Waco for quality products and superior service.

1. Market:

As mentioned earlier on the case the primary market for Waco is custom-machined parts to the automotive industry. They specialized in custom-made goods.

1. Generic Strategy

“Differentiation is aimed at the broad market that involves the creation of a product or services that is perceived throughout its industry as unique”.3 Waco Manufacturing’s generic strategy is differentiation because they focused on making custom-machined parts based on the needs of the automotive industry’s needs. When you differentiate yourself and successfully solve a client's problem or fulfill their need, you have very happy clients. By differentiating yourself from the competition, you solve very specific problems. 4

1. Organizational sturcture

The organizational structure for Waco Manufacturing is functional because there is only one division discussed in the case. “In the functional structure, common activities are grouped together.” 1

Porter’s 5 Forces

"Understanding the competitive forces, and their underlying causes reveals the roots of an industry's current profitability while providing a framework for anticipating and influencing competition (and profitability) over time" 3. Porter’s five forces is a very important framework in analyzing a company against competition in the industry.

1. Inter-Industry Competition

The inter-industry competition is medium in this case. Waco has competition with anyone who supplies automotive parts to consumers, whether they are customized or not.

1. Threat of New Entrants

The threat of new entrants is medium because technology is changing so much and anyone who can develop a new kind of technology or improve on an existing one could prove to be a threat to Waco Manufacturing. However, New entrants would need significant capital to be able to produce custom machined automobile parts to compete with Waco Manufacturing.

1. Customer’s Barging Power

Customer’s bargaining power is low. Since Waco specialized in custom-made goods. And since they were leading the market customer probably will value their product for the service and the quality.

1. Supplier’s Barging Power

The Supplier’s bargaining power is low. There are many suppliers that Waco Manufacturing could choose to supply products to create their automotive parts. Waco could easily find another supplier. Their raw materials are pretty basic: metal, tools, and machines, which can be bought from a number of suppliers.

1. Threat of Substitutes

The threat of substitutes is low. Waco provides differentiated products that have increased value due to the custom nature of the products. “Those products or services that meet a particular consumer need but are available in another market”.3 Unless something dramatic happens in the technology world, Waco Manufacturing will not have to worry much about substitutes.

alternatives:There are only three alternatives in this case that Waco can choose from. They are; do nothing, Have the employees sign a privacy agreement contract, and Fire Monk Barber

1. do nothing:

If Waco decided to do nothing about the problem at hand, the company as a whole could end up suffering. There is clearly some dissonance between the Engineers and their

Manager Monk Barber. However, if they choose to go with this alternative Barber will continue in his position as the manager. Shareholders would not be affected if the organization continues to make money. The employees may not trust management after learning that he told Saltz that they had met. Consumers will not be affected; however, if consumers know about this project, they may be upset with waiting.

1. have the employees sign privacy agreement contact:

If Waco decides to have all employees sign privacy agreement contact. This agreement will states that Waco will have the right to monitor all employee locations while any employee is on Waco property. This option would allow Waco to have legal evidence of employee agreement to the policy on the chance that new legislation would require it.

1. Fire Monk Barber:

If Waco Manufacturing decides to make an example out of Barber by firing him for lying to upper management and not completing the project by the assigned date, then other employees and managers will see the importance of completing their projects on time and what kind of trouble lying can get you into. Shareholders would not be affected if the organization continues to make money. Employees may be affected by this decision. They would have to adjust to a new manager and getting things done on time. Consumers will not be affected. The new manager should cover the same responsibilities that Barker had.

Recommendation

After reviewing the alternative that Waco has I believe the best alternative is to fire Monk Barker. No company wants employees that are not afraid to lie to their superior management. Companies also do not want to be late completing projects, because when a project takes longer than predetermined to finish, it cost the company more money. My recommendation is to hold Barber accountable for his actions. Waco should show other employees that honesty is the best policy. Also, by making an example out of Barber employees will be less enticed to lie and/or complete a project past the due date. "An action that moves us toward making money is productive. And an action that takes away from making money is non-productive”2. It is important to maintain trust between managers and employees, so everyone continues to work together. I believe this is the best action Waco have because If they decided to do nothing the will have an untrusted manager and they have to deal with issues that he has with his team. In addition to been last for the project. Also, if they choose to go with the other alternative they had which is to have the employee's sign agreement policy contact and not take an action. Employees will not take it seriously and with the issues, they have with the manager they will be less motivated to do the work.

Citation:

1. Cash, J. (1994). Building the Information-Age Organization: Structure, Control, and Information Technology (3rd ed.). Chicago
2. Goldratt, Elivahu M., and Jeff Cox. The Goal. N.p.:Gower, 1989. Print.
3. “Porter’s Five Forces.” Investopedia. Web.
4. Leonard, Kimberlee. “Pros and Cons of Differentiation Strategy.” Chron. 29 June 2018. Web.