

Mighty Jaxx Case Analysis

Business functions that benefit from scrum/sprint methodologies:

- Produce 2D renderings of new product ideas
- Use 3D renderings and drawings as input to producing molds for manufacturing
- Marketing

Using scrum in the function of producing 2D renderings of new product ideas offers two significant advantages:

1. Ensure early work such as design and rendering is done on time to ensure company cash flow security: Because Mighty Jaxx is different from traditional toy manufacturing, it adopts a design-preorder -make business model. So only after customers approve the design can Mighty Jaxx get cash to fund its operations and production. So for Mighty Jaxx, timely presentation of producing 2D renderings of new product ideas to the client was a key factor in generating cash flow and allowing the project to move forward. Therefore, scrum/sprint's ability to ensure on-time completion of projects will benefit the company.

2. Fast response to customer feedback, iterative product design: collectible toy market is a complex, changeable and fluid market. Mighty Jaxx requires customers to be willing to put up cash upfront for their design to keep it going. But in the collectible toy market, Mighty Jaxx can't be sure that every one of its designs will be liked by customers. So they may need to adjust their designs based on customer feedback. Therefore, scrum/sprint's agile, easy-to-iterate nature helps companies save time and adjust product design quickly.

The scrum/sprint approach to using 3D renderings and drawings as input to producing molds for manufacturing functions can obviously help the Mighty Jaxx build models quickly in time, and improve on imperfect models.

In the marketing phase, scrum, the cross-function work together and autonomy of the sprint team, is suitable for brainstorming. Dig deep marketing insights and develop a marketing plan with collective wisdom.

The reason kanban is not the best fit for the above three functions is that the tasks of the above three functions need to be completed quickly and with agile adjustments – iterations – rather than smooth tasks flow.

Business functions that benefit from implementing kanban methodologies

- Production
- Distribution

The Production and Distribution functions are more suitable for kanban than scrum/sprint methodologies for the same reason: the tasks in these two functions need to flow as smoothly as

possible. In addition, compared with a sprint team working together, it is better to ensure the stable progress flows of the project if everyone is responsible for their own tasks.

Possible columns in the kanban board for production:

Raw Materials Preparation – Proceeding to Production Line – Quality Control – Moving to Warehouse

Possible columns in the kanban board for distribution:

Order Received – Creating Shipping Label – Delivery to the third-party-logistics – Informing the delivery

The reason scrum/sprint is not the best fit for the above two functions is because the biggest benefits of scrum/sprint, quickness, timeliness, and agility, are not what we need to focus on in both production and distribution functions. In particular, developing and iterating on a minimum viable product is something we don't expect to happen during production and distributing.

Possible problematic trap

At this stage of Mighty Jaxx's operations, be wary of loss aversion bias trapped in the company's development. Loss aversion bias indicates that the pain of losing what you have will be more powerful for an individual than the pleasure of gaining more. Thus, this cognitive bias reaction in the company's operation may result from the company's tendency to make conservative decisions and become a risk-aversion type company, thus hindering innovation. This could be fatal for a company that sells collectible toys and creates innovative art. And because the company has a fixed percentage of customers from the United States and Singapore, it is likely to make bold innovations to seek new customers because of loss aversion bias, fearing the loss of these fixed groups of consumers.

To avoid being trapped by the loss aversion bias, the company should explore new customers through developing new products/styles while maintaining close relationships with current customers. The company might follow these steps:

1. Seeking for artists who have different and diverse designing styles and cooperate with them
2. Organizing a sprint team to develop new style collectible toy
3. Conducting market research and collecting customer feedback from more districts/countries
4. Iterating the prototype rendering product idea according to the customers' feedback
5. Selling the rendering product ideas to wider range customers