

**Edgar DeGuzman**

**Dr. Barker**

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**Mission**

The mission of Connor Formed Metal Products is to manufacture magic springs and stamping that are distributed to other large U.S manufacturers. Each branch of the organization serves to sell their resources in their respective geographical location as representatives of the company. As a leading manufacturer in the metal commodities market, Connor Formed Metal Products aims to offer quality products at the best price.

**Generic Strategy**

The generic strategy of Connor Formed Metal Products is cost leadership. Due to the nature manufacturing plants, it is important to be able to conduct business operations efficiently so that expenses can be controlled. The amount of inventory is controlled by inventory processing controls so that inventory is not over-produced or under-produced. Ensuring that inventory is controlled allows the variable cost associated with operational expense has the best price.

**Problem**

Connor Formed Metal Products has implemented a divisional form as their organizational structure. As a divisional organizational structure, different branches stemmed from the main headquarters and are solely responsible in handling their own business operations in their respective geographical location. Thoughts in considering a new information system to facilitate administrative duties and the flow of information were in planning to be implemented for the company. “The decision to reengineer is not a dispassionate one, based on cool analysis of indisputable numbers. Business realities are complex, replete with ambiguity, uncertainty, and confusion.” (Hammer and Stanton 38). This would help improve productivity for the system as many tasks would be automated, allowing time and resources to be spent on other activities. A

human resource manager was hired from the Los Angeles plant who was able to implement the new system successfully. However, there are issues in whether the employees of other divisions will accept this new system as they believe they have no need for it.

### **Porter Five Forces**

#### **1. Bargaining Power – Buyers**

The bargaining power of buyers is significantly high. Due to the number of manufacturing plants for metal products such as springs and stampings, buyers have a wide variety of choices in order to choose from. In order to stand out, Connor must be able to attract and retain customers by offering quality products so that consumer needs are met.

#### **2. Bargaining Power – Suppliers**

The bargaining power of suppliers is relatively low. There are many suppliers for raw materials and equipment for Connor to solicit goods from. With the availability of supplies, management at Connor have many options to choose from which allows them to find the best price. This can help lower operational expenses.

#### **3. Inter-Industry Competition**

The threat of inter-industry competition is significantly high. As it was mentioned in the Connor Case, there are many manufacturing plants that offer metal commodities to consumers. It is prudent that Connor is able to remain relevant in the industry competition so that the business can survive. In order for Connor to become a top contender within the metal commodity market, the company must be able to operate at the cost leadership strategy and be able to offer

exceptional products. In addition, since Connor also offers custom-made products it helps in standing out in competition as they focus more on meeting customer needs.

#### **4. Threat of New Entrants**

For the threat of new entrants, it is relatively high. With the demand for such goods, a need for manufacturing plants arises. Once capital and a location, new plants can begin business operations and start competing in the market. New entrants in the market pose threats to Connor for competitive reasons. Some plants can potentially offer better prices than Connor which is important that Connor finds the best price for their goods while distributing quality goods and services.

#### **5. Threat of Substitutes**

The threat of substitutes would be relatively low. Connor offers metal commodities that are accustomed to the needs of the consumers. From consumer reviews, their products are dependable and are of high quality.

### **Stakeholders**

#### **1. Employees**

Employees are responsible in performing business operations in order for the organization to survive. Employees are dispersed throughout the country due to the divisional structure of Connor Formed Metal. As a result, not all employees will share the same views as other employees within different divisions. "They thus find it difficult to become fully committed members of the team, and dual loyalties and responsibilities usually erode team effectiveness." (Morgan 54). This creates friction for the organization despite the fact that they act separately.

With the implementation of a new system, it is important for the employees to understand the need for the technology and be able to integrate it into their daily responsibilities.

## **2. Management**

Management is vital in overseeing business operations. It is the management's responsibility that processes are performed smoothly to ensure the survival of the company. In addition, they must be able to remain compliant with employees' rights and observant of employee attitudes within the workplace. "People with complex needs that must be satisfied if they are to lead full and healthy lives to perform effectively in the workplace." (Morgan 35). Management at Connor Formed Metal Products believes that implementing this new system across all divisions will benefit the company. However, management must decide whether this project is beneficial in implementing for all divisions or partially, when considering the cost and magnitude of this project. Management must also have employees understand the need and how the technology is to be used.

## **3. Customers**

Attracting and retaining customer is important in order to gain revenue for the business. Making profits for the business helps ensure the survival of the company. Fulfilling customer needs are important so that they continue to solicit products from Connor Formed Metal Products. So long as customers' needs are met and are satisfied with the products, customers will continue to support the business.

## **Alternatives**

1. **Do Nothing and continue the complete project**
2. **Partial Implementation**
3. **Implement Four Stage Model of Growth**

**Do nothing and continue project:** One alternative is to do nothing and carry on with completing the project for the company. This entails going forward in completing the information system and integrating it fully within each division. “A company’s success depends on the ability to innovate and integrate new technologies into service offerings.” (Kalakota and Robinson 65). Continuing the project will allow the automation of simple administrative tasks as well as tracking productivity and financial information for each one. In implementing such a system has certain drawbacks which can hinder operations. One reason that it may hinder business operations is that each division is different so trying to implement a uniform system will be difficult. Also, this will be an added expense to other divisions and some may not have a need for it. This ends up wasting resources on entities that do not need it. Furthermore, employees will need to adjust and learn the new system which can frustrate employees. Employee behavior towards the new system can also prove to be a challenge due to employees becoming comfortable with the former system. “Too many people who are responsible for implementing reengineering take an entirely rational, analytical approach, which does not acknowledge complex emotional realities.” (Hammer and Stanton 99).

**Partial Implementation:** Another alternative that can be taken is to conduct a partial implementation to certain divisions. One of the main reasons a new information system was implemented was to boost performance of the Los Angeles division. This plant was lacking in performance the most which made it necessary to provide a new system for them to conduct business operations. Providing partial implementation towards plants that need it would be

beneficial so that resources will not be wasted. It is a tedious process in configuring the systems which can create a stressful environment. By providing the resources to plants that need it, those plants that are overwhelmed by the workload, the system can help manage some of these responsibilities since they will be automated.

**Implement Four Stage Model of Growth:** The Four Stage Model of Growth is a business model that was originally developed by Gibson and Nolan, but was later improved upon by McKenney and Mcfarland. This model evaluates the implementation of technology and determines whether it is successful or not. The model is divided into four stages such as initiation, contagion, rationalization and control, and widespread technology transfer or integration. Initiation sets up the technology and is implemented in the company. Employees are then exposed to the new system and try to introduce it in completing their daily responsibilities. The next stage, contagion lets employees learn to use it and decide whether or not they should keep it. The third stage, rationalization and control considers how controls are being implemented for the system. Also, the system is evaluated to determine whether or not it should be kept so that it can be improved upon. The last stage is to spread it to the entire organization, which in Connor's example would be to spread to all divisions of the company.

### **Proposed Solutions**

Considering all the alternatives, the best course of action would be to implement the four stage model of growth. Implementing the technology throughout the organization will help test the benefit of the software. It will be management responsibility to determine whether or not the software is improving each division. Each stage helps the employees and management determine

whether they need the system or not. The divisions will be introduced to the technology and see the effects it has on their respective division. As they are getting accustomed to the technology, the each division will be able to learn about the technology and if the need arises, make any necessary changes that are needed so that it can better suit their needs. When using the system and coming up with ways to improve it, it is important to communicate what is needed so that it can be included in the specifications of the project. "People must recognize the nature of their interdependence. Collaboration and mutual problem solving are encouraged." (Morgan 218). This also gives workers the choice whether or not to use a system that they may need or do not need. This will not put employees and management in a stressful environment, preserving the cohesion in the workplace.



### Works Cited

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Morgan, Gareth, *Images of Organization*, Thousand Oaks, Sage Publisher, 1995

Kalakota, Ravi and Robinson, Marcia, *e-Business 2.0 Roadmap for Success*, Upper Saddle River, 2001