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Connor Metal

Bob Sloss at the close of 1990 had steered Connor Metal through six years of slow but steady growth. Now Bob was turning to Michael Quarrey to develop an order tracking system to empower employees with information regarding the process for designing, manufacturing, selling, and servicing products. This is the First Stage of the Four Stage Model (CP, pg.44). Sloss had a vision of empowering employees with information. By the end of 1990 the system had been up and running in Los Angeles for six months and now the goal was to push the new IT to other divisions within the company.

Bob Sloss in response to foreign competition decentralized the company. Day-to-day operations were turned over to plant managers and the new business focus was on providing custom-developed metal stampings and wire forms. As a result of these and other changes sales rose from $8 million in 1982 to $17 million in 1988.

Prior to Sloss taking control of the company, Vice President of Operations George Halkides ran the company. Halkides' took a need-to-know basis approach in which minimal information was shared with employees. Sloss wanted to change this. Sloss encouraged Division Mangers to hold weekly meetings with employees. He also implemented a statistical process control program so employees could monitor the quality of their own work and also track efficiency, safety and delivery, which could result in a bonus. Sloss also established an Employee Stock Ownership Program.

In 1984 Connor's IT was an IBM System 34 minicomputer located at headquarters that handled payroll, accounts receivables and accounts payable. To reduce paperwork Sloss brought IBM System 36s into the Los Angeles, San Jose, and Portland plants. Each division's success with the system depended on that division's computer proficiency. In Portland the System 36 was used for a variety of tasks, the San Jose division had not used the System 36, the Los Angeles division upgraded to the System 38.

Petty created a system called Job Boss that automated all office tasks. This substitution of technology for labor is an IT-Driven change in Organizational Structure (CP, pg. 247). Petty wanted to combine the power of a personal computer and custom software to do business analysis to answer questions such as “what kind of customers buy from us, and can we find more of them?”. Quarrey was assigned the task of developing a new system. This System was created using a RDMS called Clipper. The other divisions still used Job Boss. With the new system employees could see work order history, comments, instructions, and even put holds on orders until an issue was addressed. Quarrey designed the system so an engineer could see all the information related to the production of product on one page just by using the page up/down keys. Also, customizable notes could be added as well. These customizations to adapt the new IT satisfies Phase 2 of the 4 Stage model (CP, pg. 45). This allowed employees to see the history of a job and also to help control the production process. The system operated on the basis of job number, not employee number. The new system was a hit with the Los Angeles division and employees began using it on a daily basis. Run speeds increased, late jobs declined, and sale rose by 28%. This is the Realization of Phase 3 (CP, pg. 46). Sloss’s view of how technology could change and benefit the organization became clear. The ways in which employees interacted with the new system were becoming clear. Quarrey and Sloss were now thinking about quickly rolling out the system to the Sane Jose and Portland Division.

The Question is should Sloss proceed to Phase 4 and implement the new system throughout the organization (CP, pg. 46)? Some divisions were excited about the new technology, other divisions were not. The San Jose manager was already making record profits using Job Boss and was weary of switching. Other managers were worried about retraining staff to use the new system and whether or not employees would embrace the new system. The managers who had fewer employees, unlike the Los Angeles plant, did not have communication issues and didn’t know if implementing the system would provide any benefits.

Mission: To manufacture metal springs and stampings for large U.S original equipment manufacturers.

Connor Formed Metal use the Focus Strategy. They focus on the niche market of making custom metal springs and stampings for equipment manufacturers.

Competitive Rivalry is high. Manufacturing is a global and competitive industry. To attract and keep customers Connor has to keep prices low and produce a quality product.

Threat of New Entrants is low. The investment in buying new machinery and also training staff would be high. Also, engineering requires skill, knowledge and talent. It would take some time to recruit employees with the necessary skills.

Threat of Substitutes is low. A company can't substitute a customized stamping for another product. The customized stamping has to be used.

Bargaining power of suppliers is low. There are numerous companies all over the world that directly compete with each other to produce metals.

Bargaining power of customers is moderate. Although Connor produces a specialized product, if a customer can get that same product at a cheaper prices from overseas, the customer will go with the lower cost option.

Connor's Organizational Structure is Divisional. Each division manages its own customers, business processes, and IT. Each division is run by their own plant manager.

The Stakeholders in this case are Sloss and Quarrey, Plant Managers, and Division employees. Sloss and Quarrey are the champions of the new system and are asking themselves how to proceed with the new system after the success in Los Angeles. Plant Managers want to make sure that the new

system will not disrupt their already profitable division and to make sure that employees using the new system are not negatively impacted. The Division Employees are used to performing their work using the old Job Boss system or by old fashioned paperwork. The employees do not want the new systems to interfere with the performance of their jobs. While other employees are eager to try the new system.

First Alternative: Do Nothing, which is essentially stopping at Phase 3. This alternative would have some benefits. The smaller divisions like Portland and San Jose that already have good internal communication would continue to operate as is and would not have to spend the time relearning the new system after just getting used to Job Boss. Employees that are reluctant to embracing new IT would not have to go through the stress of learning a new system. Management could take the time to do an analysis of how employees interact with the system and take note of how the system can improve or hinder work performance. This alternative would give Sloss and Quarrey more time to analyze the potential impacts the new system could have on other divisions. Plant managers could have more time to advocate and make changes for or against the new system. For employees it would be a mixed bag, some employees were looking forward the new system, while others did not want to relearn a new system when Job Boss worked fine for them.

Second Alternative: Implement Phase 4 but on a limited scale. Only push out the new system to the larger divisions. For the smaller divisions, communication is inherently easier due to there being fewer people a person may have to contact to solve an issue. For the larger divisions, having one system where all information regarding a product or process is available is a great benefit. The larger the organization the more information it generates. Having one central system that can retrieve all relevant data increases the flow of relevant data. This also reduces the chance that a person may have to wait to hear back from several different employees to answer one question. Sloss and Quarrey could implement their new system but in a proven way that they already know works for the larger divisions like Los Angeles. Large Plant Managers could implement a new system they know works for the large divisions

while small Plant Managers could keep their already functioning business processes intact. Employees at the larger divisions could access needed information in one place, while employees at smaller divisions could keep their older style of business practices in place and not have to go through the stress of learning a new system.

Third Alternative: Proceed to Phase 4 and push the new system to all divisions and create a company wide network to enable employees from different divisions to have access to all company information. Management should introduce the new system at every available opportunity and embrace The Contagion Stage of the Theory of IT Adoption (CP, pg. 244). This embrace would emphasize the free flow of information from one division to another. Divisions could see how the other divisions are performing tasks and benefit from the knowledge that other divisions produce. This would transform how the company operates. Now all divisions would have their information systems connected. Customers could contact any division and get an answer to their question. The free flow of information would increase the spread of information and result in better outcomes. In this Alternative day-to-day operations would still be run by the plant managers, but information would be companywide. The only challenge to this approach is to create an environment where employees embrace this change rather than resist it in favor of old practices. Sloss And Quarrey would see the full realization of their new system be embraced companywide and reap the benefits of the new flow of information. Plant Managers would be able to access company information with just a point and a click. Employees would have all information they need and more at the touch of a button.

The Best Alternative is Alternative #3. This is the full embrace of the new system. The new system provided clear benefits to the Los Angeles division. This new flow of information should be adopted company wide. Although there will be a period of transition for employees, over time the sheer amount of information available will prove valuable. The new system is a communication and

information gold mine. By embracing this new sharing of information, knowledge can be spread throughout the company by just pressing a button.

The First Alternative although measured in its approach, could potentially result in the new system not being deployed organization wide. The new system has distinct advantages that should be embraced.

The Second Alternative Would result in the smaller divisions being left behind. By only having larger divisions embrace the technology, there is a technology gap being created would result in parallel business processes being created. This would create disfunction in the company as information and processes gap would be created.