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Waco Case

CIS 410

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**Executive Summary**

Waco Manufacturing is a supplier of custom-made machined parts to the automotive industry. In 1986 Waco installed an information system in one of their manufacturing plants. The new system installed transceivers that were embedded every 25 feet of the plant halls and in the badges worn by the employees. This technology allowed continuous tracking of each employee that would allow an employee to call the nearest employee to them.

The new system allowed Wace to know the location of every employee and raised some concerns. In 1987 Monique Saltz informed Monk Barber that she was unhappy with a new set of designs for a new product in the 1987 plan that were behind schedule. Barber told Saltz that he has met with the three engineers working on the project and told them about the importance of the new design.

When Saltz met with the engineers they were surprised and had no idea that the new designs were so important. Saltz later found out that Barber and the engineers have never been in the same room together. The problem Waco is facing is whether or not the use of the new security information system is ethical.

**Mission**

Waco Manufacturing’s mission is to provide custom automotive parts to their clients, this is accomplished through their Value Chain Process and Cost Differentiation Strategy.

**Five Force Analysis**

Threat of New Entrants: Medium

Since there is such a high level of competition, there will constantly be new entrants into the market. On the other hand, the amount of money needed to service a wide enough range of clients with different vehicles makes entry a little harder.

Threat of Substitutes: Low

Waco works to create custom automotive parts and since they are custom, this makes it almost impossible to find replacement parts. Normal automotive parts can be replaced easily but the same cannot be said for custom parts.

Supplier Power: Low

The case doesn’t mention any suppliers for Waco, but they likely have several vendors that they work with to get the parts they need to operate, this will help keep the power of the suppliers low because Waco would have several different firms to get their parts from.

Buyer Power: High

The buyer power is high because Waco produces custom parts. The parts need to be designed exactly as specified and as fast as possible. If either of these two things fail, Waco could have trouble retaining clients.

Degree of Rivalry: High

There is a high level of competition in the automotive industry, due to this fact it is fair to assume that Waco has a high degree of rivalry as well.

**Stakeholders**

The first stakeholders are the employees, all these people work under their manager. These include plant workers and engineers as well. The second group of stakeholders are the managers. These include both plant managers and area managers. The managers ensure that the employees are doing their jobs. The managers are also encouraged to use any resources required to carry out their duties. The last group of stakeholders are the shareholders, these include anyone who has an investment in Waco and expect a return on their investment. The shareholders also have a right to dividends and a right to vote on important issues facing the company.

**Problem Areas**

When you first go over the case you want to identify Waco’s problem as reduced employee privacy after the transmitters were added but this is not the case. The real issue arises from Barbers recollection of the meeting. This mistake is what led to the rapid change of the transmitters. Barber and the users are not at the acceptance level of the new technology.

**Options**

*Option 1:* Do Nothing

The first option for Waco is to do nothing. If they do this then Barber and the engineers will continue to work on the project at a rapid pace due to the deadline and the problem with the transmitters would be written off as miscommunication. This option will keep the project moving forward slowly. Barber and the engineers will be frustrated if they were expected to complete a large project with little to no warning. In the long term this could hurt the team and make it difficult for them to work together again.

*Option 2:* Collectively Agree

The second option is for Barber and the team to agree on the system. This option will get the project done but it will give the engineers a say which will make them feel more autonomous. For this option to work though, Barber will need to be effective in his communication with the managers. In the end, Barber would be satisfied with the system, but the engineers may not be.

*Option 3:* Trust the Engineering Team

The best option would be to trust the system and believe the engineering team. The project still needs to be completed and Waltz needs to take a more direct approach to communication between Barber and the team. This should lead to a conflict management approach that appeals to everyone’s interests.

**Conclusion**

The most important thing that needs to be done is to keep the project moving forward, there must also be a clear line of communication and accommodation that gives the engineers enough time and direction to complete the project, even with Barber’s mistake. This incident shows how technological change can impact individuals. Time and time again it has been shown that all members of an organization use their system to their benefit and to increase productivity rather that getting caught up in small errors/disagreements.