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**Case #7: Waco**

**Mission Statement:**

The mission of Waco Manufacturing is to provide the best quality custom machine parts to the automotive industry.

**Introduction:**

Waco Manufacturing was the leading supplier of custom machined parts for the automotive industry in 1986. They decided to install a new security and information systems in one of their manufacturing plants. Waco installed Transceivers (devices that can both transmit and receive audio signals) which were embedded in the plant corridors every 25 feet. The employees also wore badges that worked with the new system. The new system supported continuous tracking of the location of each employee. Waco wanted to make sure that each employee was productive and staying on each task.

**Current Situation:**

In September 1987, Monique Saltz, the area manager, informed the plant engineer manager, Monk Barber that she was unhappy with the new set of designs for the products in the 1987 plan. Barber explained that “I have repeatedly met with Sherman McCoy, Telly Frank, and Wanda Gogan the three engineers assigned to this project. I have tried to impress upon them the importance of this set of designs. They simply haven’t responded”(Barker, 2018)*.*

So Saltz, met with all three of the engineers and they expressed that they had no idea this project was so important. Wanda Gogan explained that she never met with Barber over the composite design of the project. Monique decided to go to plant manager, Shelly Tomaso, about the situation. Tomaso suggested that they go back and look at the transceivers. They noticed after looking at the transceivers there was something that didn’t seem right about the situation. Shelly and Monique found that Barber, McCoy, Frank, and Gogan had never all been in the same room since the beginning of 1987.

**Porter’s Five Forces:**

1. **Threat of New Entrants:**

The threat of new entrants for Waco’s field is high. Waco is in the field of creating different parts necessary for the automobile industry. There could be companies that become more reliable compared to Waco and create the parts for a cheaper cost. Waco should worry because there are entrants that might over take them if they don’t decide to get their issues resolved and push out the new custom parts that most car companies need for their 1987 models.

1. **Threat of Substitutes:**

The threat of substitutes in Waco’s line of expertise is high as well. There are many different companies that would rather take over as the top company for parts. Waco needs to be careful of the different substitutes that are out there and will take control if Waco doesn’t produce.

1. **Supplier Power:**

The supplier power is very low. Waco doesn’t have a problem with any of their suppliers because they keep at low cost to make a decent profit. Waco can easily find another supplier for the pieces needed to make their custom automobile parts. Waco doesn’t have to worry about the supplier power.

1. **Power of Customers:**

The power of customers is very high for Waco. Customers can make or break a company based upon their decisions. Waco can’t afford to lose many customers because they are at the top of the industry due in large part to their customer base. Waco wants to continue to be successful, so their customers play a vital role in Waco’s business practices and business strategy.

1. **Degree of Rivalry:**

The degree of rivalry is high because Waco has a lot of different entrants into their market. The competition will drive down the prices and could cost Waco to sell certain products lower than cost and cause them to lose money.

**Stakeholders:**

A stakeholder is “*a person, group or organization that has interest or concern in an organization*” (Business Dictionary 2018). Waco has a couple of stakeholders when it comes to their company and below are a few of their stakeholders and why they are categorized as one.

The first stakeholder in this case is the employees of the Waco because “employees should always be considered as stakeholders because they invest their time and labor into the company as well as any interests or concerns that may arise within the company that could have a profound effect” (Chron 2018). All employees will be affected by whatever Waco decides to do with the situation that they are currently in. The designs and projects are possibly in shambles since the situation. Waco’s employees will always be considered a stakeholder in this situation.

The next stakeholder will be Monique Saltz. Monique was the first to voice her opinion about the project to her upper management. She was unhappy with the new set of designs of the products. She believed with this project being behind schedule it would cost Waco more time and money to get back onto schedule. The situation could have gotten worse if Monique didn’t come forward to Shelly Tomaso.

The third stakeholder in this case is Shelly Tomaso. Shelly didn’t expect anything to be going on with the project till Monique showed up to her office after meeting with Wanda Gogan. They quickly discussed what let to this impromptu meeting. Shelly decided to go back through the transceivers to see if the situation was true or was it just false information. The results of going back through the transceivers surprised Shelly. Shelly now has the ultimate decision of what to do with Monk Barber after finding out this information. She plays a major role in what the company decides to do for the short term and long term.

The fourth stakeholder in this Monk Barber. Monk Barber was the manager of the plant. He told Monique when she came to him about this issue. Now after finding out the information that Monk hadn’t met with all the engineers at all in 1987, he is stuck in hard place for Shelly and Monique. They must decide what they are going to do with Monk after learning this information about him.

**Possible Solutions:**

There are many different solutions to this problem that Waco is facing with their manager, Monk Barber, who was lying to one of the employees about the meeting of engineers on the project. Here are some of the solutions to the problem that Waco is facing.

The first thing that Waco can do with Monk Barber is do nothing. Monique Saltz and Shelly Tomaso were the ones who figured out the lie that Monk Barber told to Monique. The do-nothing approach affects all the stakeholders involved in this case. Barber could have met with the engineers. The system could have some technical glitches which caused it to look like Barber didn’t meet with the engineers. This approach may affect Monique, Shelly, and other employees in a negative capacity.

The second thing that Waco can do with Monk Barber is to fire him for lying to his employee Monique Saltz. He should have understood his responsibilities before lying to his employee which could have a profound effect upon the company. Most employees come to their managers to get reassurance on a project and not get lied to that the project isn’t going well because their engineers didn’t respond to the situation. Author C.S Lewis once said, “Integrity is doing the right thing, even when no one is watching” (Lewis, 2018)*.* Monk Barber didn’t answer his employee with the integrity that managers should have toward their employees. Waco might decide to fire Monk Barber after this situation which would appeal to their stakeholders.

**Impact on Stakeholders:**

**Option #1: Do-Nothing**

**Employees of Waco:** The do-nothing approach will cause employees to uproar if Monique decides to share the information she learned with Shelly. Employees might decide to quit or throw a fit that management isn’t doing their job correctly. The morale of employees might decrease as well knowing they are working hard for management that isn’t caring about their opinions. Employees will be affected with this decision.

**Monique Saltz:** Monique will not go to Monk Barber anymore to voice her concerns about any project that Waco will decide to push out. She will go directly to the engineers of the projects because she won’t trust what Monk has to say about the project. Monique doesn’t want to do nothing because she could lose her job if something doesn’t get turnaround. The do-nothing will negatively affect Monique Saltz.

**Shelly Tomaso:** Shelly Tomaso will know information that her upper management doesn’t. Shelly will get a lot of calls from employees like Monique if they decide to nothing. The do-nothing won’t help Shelly in the long run or the short term.

**Monk Barber:** Monk Barber will continue to work for Waco with him knowing that he hadn’t met with the engineers on the projects. Monk’s integrity will be in question because the logs show that he didn’t meet with any of the engineers. The do-nothing approach will affect Monk Barber in more ways than one.

**Option #2: Fire Monk Barber for Lying**

**Employees of Waco:** The employees directly under the direction of Monk Barber will be affected because they will not have a boss anymore due to him lying. Other employees will begin to look at other management for direction when Monk Barber is gone. The employees can be positive or negatively affected with the firing of Monk Barber.

**Monique Saltz:** Monique will feel better knowing that she doesn’t have to deal with someone lying to her about meeting with the engineers. She brought this to upper management after she met with the engineers about this. Shelly Tomaso wanted to do further research and found that Monk Barber hadn’t met with the engineers. Monique caught Monk Barber in this lie and this information that Monk Barber shouldn’t have lied about this to his employee.

**Shelly Tomaso:** Shelly Tomaso helped Monique Saltz realize that Monk Barber was caught in this lie that he told Monique. Shelly believed there had to be a change that needed to be made. This information she learned will have to go to upper management about the integrity of their manager Monk Barber.

**Monk Barber:** He shouldn’t have lied to his employee Monique about the project status since it could affect the direction the company is going in. Monk must understand his responsibilities better or he might not find another job because he clearly didn’t manage his employees with the proper integrity required to be in management.

**Recommendation:**

As Goldratt states in The Goal*,* “So this is the goal: To make money by increasing net profit, while simultaneously increasing return on investment, and simultaneously increasing cash flow” (Goldratt 1984). My recommendation for this current situation that Waco is facing would be to fire Monk Barber for causing the current situation. Monk Barber shouldn’t have lied to Monique about meeting with the engineers when the transceivers showed he hadn’t met with them since the beginning of 1987. Philosopher Baltasar Gracián, once said *“*A single lie destroys a whole reputation of integrity” (Gracian, 2018)*.* I believe he broke his moral responsibility when he decided to lie to his employees. I understand there could be another side to the story, but he shouldn’t have lied to your employees. This is my recommendation for Waco as something that I believe is in the best interest of the company.

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