Waco Manufacturing

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The Waco Case discussed an issue at Waco Manufacturing that occurred in September of 1987. This case went into detail about the problem at Waco, how it started, and a few courses of actions that were taken in order to figure out how to solve this ordeal. After having all the information reviewed and organized, the conclusion of this topic is that in order to resolve the dilemma, the company should take the least presumptuous approach and individually talk to each of the engineers again about the issue at hand. There are a few strong reasons as to why this is the best strategy for the company, and those will be addressed below alongside what needs to be done in the future regarding similar occurrences.

To begin this discussion, we will have to go over the background of Waco Manufacturing, as well as state the exact problem that has occurred. Waco Manufacturing is a leading supplier of custom-machined parts in the automotive industry. A few months prior to the problem, this company had decided that they will install a security and information system called a transceiver in one of its manufacturing planets. These devices are able to transmit and receive radio signals and having them set 25 feet away from each other throughout the building, enables the company to track the location of any given employee in the building at any given time. This is helpful for a few reasons and can make it a lot easier for higher ups or any person in the Information Technology department that oversees this technology to find the person quickly if needed. This technology was not revealed to most of the employees, so most are not aware that this was in place at the manufacturing plant.

The dilemma at hand is that the area manager, Monique Saltz, is unhappy over the fact that the designs for the composite-based product for one of the large projects was behind schedule. She brought her concerns up to Monk Barber, the plant engineering manager. When Saltz was in conversation with Barber, Barber stated that he had met with McCoy, Frank, and Gogan, the three engineers that were assigned to the project repeatedly about the importance of the project, however, none of them had responded back. Saltz then decided to take things into her own hands and meet with McCoy, Frank, and Gogan herself. When she met with Gogan, Gogan stated that she did not even know that the project was so significant, and she even said that she does not remember meeting with Monk Barber about the composite design which was being discussed. When Saltz met with the other two engineers, they too stated a similar answer. From that point, Saltz ended up meeting Shelly Tomaso, the plant manager of the area. Tomasco then suggested that the two go look at the plant records that were held of the employees’ location throughout the building. As both individuals saw the results they came to realize that Barber, McCoy, Frank, and Gogan had never all been in the same room at the same time.

The issue about this entire ordeal is what action should Saltz should end up taking with the employees. There are a few options that she can consider. Either she can do nothing, try and individually meet up with each of the engineers again to figure out why exactly all the individuals had not met up together since the beginning of the year, or then she can inform the engineers of the Transceivers’ information and discipline them based on assumptions that can be made from the evidence they have on file. Before we go into a discussion of what course of action should be taken, we need to talk about Waco Manufacturing as a whole and based upon the analysis done of the company, the answer to the solution will end up being clearer (Cash).

As had already been discussed the goal of this company at this moment is to complete the designs for the composite-based products because it is behind schedule. The goal is important to keep in mind because this is the driving force behind any action that may end up being taken in the future (Goldratt). Now that we know what the goal is, we can talk about how Waco Manufacturing as a company addresses its goal by their business practice. Beginning with the company’s supplier power, because Waco Manufacturing is a custom-machined parts company in the automotive industry, the company would have a higher supplier power because it would rely on their suppliers to provide them with the base goods, such as the metals and electronics for the machines in order to complete their task of doing business effectively. Because it has not been stated that either of these products have been manufactured in-house, we can assume that all their supplies are being provided by their supplier. This is why the supplier power is high and the company has no real leeway unless they are using multiple suppliers or state the fact that it is a leading supplier in this industry (Porter).

Moving onto the buyer power, Waco Manufacturing has more leeway with their buyers because they are the leading supplier in the realm of automotive manufacturing. With this being said, because this company creates custom-machined parts, the buyer power is not as low as it could be because the moment demand for custom parts declines, this company would be in jeopardy. The only saving grace for them at that point is that they are at the top of their game for the time being.

The competitive rivalry for Waco Manufacturing has not been thoroughly discussed in the case, however after further analysis, it has been concluded that there has to be a decent amount of rivalry in the market for this company to be leading in such a business space. If this company was the only one of its kind, then their business problem at hand would not be as prevalent of an issue as it is currently. However, because this is regarding the automotive industry that has been around for years, there is a lot of competition that this company must be dealing with since they would not only be competing with companies that sell similar custom-made goods, but also goods that are basic and not custom made.

After looking at the competitive rivalry for this company, we shall look at the threat of substitution. The threat of substitution for Waco Manufacturing should also be high. Although it may be a little more difficult for other businesses to create the same type of custom-made product that this one does, there has to be other companies in this field that make other generic substitute parts. There has to be a market for those types of products as well, and because of this reason, that is why the threat of substitutes would be higher.

Finally, the threat of new entries is lower in this field because of the reputation that they have earned being a custom-machined parts business. Because they are ahead of their time and are a leading supplier means that they know what they are doing is successful, and as a result, are at the top of their ranks. Not only this, but looking at the technology they have implemented, such as the transceivers, would imply that they are also technology savvy and plan to implement new technology which will help them to continue being as successful in the future (Alufah). Due to of all the reasons mentioned above, we now see that although Waco Manufacturing is at the top of their game currently, they need to be smart about the decisions they make within the business so that there are no major setbacks. If they make one wrong move that ends up being detrimental to the business, then it may be hard to overcome that obstacle in the future.

Going back to the discussion about what decision Saltz should make moving forward, she needs to pick a solution to the problem rather than create a whole other obstacle to deal with. Due to this reason, I believe that exposing the transceiver technology to the engineers would be a detrimental decision to make at this time. Not only would the engineers be in shock that this is what was used in order to determine their consequence and used as “proof” of them slacking at work, but that also means that the company is using this technology for something other than what it was implemented for. This also means that Saltz would not be taking advantage of the Occum’s Razor. This theory states that if there are multiple hypotheses or ideas about what exactly is the truth behind any given event, one should always choose the simplest explanation because this is typically the correct answer. Tying that theory back into this dilemma, we can see that there are multiple assumptions that can be made with the evidence from the Transceivers. Because of this fact, it would not be smart of Saltz to assume the worst and call the engineers out on the fact that none of them have met in person together since the beginning of the year. This would also negatively affect all the stakeholders including the engineers, Saltz, other employees, the consumers, and the business as a whole entity. This is because if a false assumption is made, it will reflect badly on all individuals involved and tied into this problem.

The smarter decision out of the three that were discussed would either be to do nothing or then go back and individually talk to all the engineers again to ask them about why they all had not met up or see the story from their point of view. By making up many assumptions, Saltz would most likely be drawing up on the wrong conclusion (Hiroshi). After analyzing the case even further, the decision that would be the most ideal in this case and should dictate what Saltz does, is that she should just meet up with each of the engineers again and discuss the matter for the second time. This would be the best decision of all the stakeholders involved because the engineers would get a say in the matter, so they would be at least a little content, McCoy will figure out what was going on, Saltz will figure out the truth, Tomaso would figure out whether bringing up the information from the transceivers would be smart in the future, and if the problem is settled then the other employees will be set for the future if such an event occurs again and the business as a whole, alongside the consumers would not be affected negatively. This dilemma will then be set as an example for other similar problems that the company may face in the future and will help to lead the way for other problems that may use technology in order to assist in figuring out what went wrong. The reason why do nothing is not as affective of a solution is because if the problem is just ignored then there would be no real action taken to fix the problem at hand, and the project may just end up getting to be more behind schedule would not be beneficial for any of the stakeholders involved.

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