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Midterm

1.) In the case of Appex, their key issue was determining an organizational structure that allowed them to accomplish their internal business goals while simultaneously satisfying the expectations of their customers. A circular organization, a horizontal structure, a hierarchical and functional structure, multifunctional product teams, business teams, and a divisional structure were all tried by Appex. Each of the structures they tried to implement had their own set of drawbacks. Common setbacks included resource allocation and who had power over particular choices. They were rendered even more significant by the continually changing structure caused by the large number of new personnel in their developing business. Regardless of the arrangement, certain groups/people would start to dispute and fight over who got what resources and who got to make the final choices.

For Appex, returning to product teams would have too many negatives since it could lead to unclear decision-making and team conflict, which could complicate the organizational structure significantly. Because technology is constantly changing, anything that disturbs communication is a liability for the company. According to Cash, a functional structure’s weakness is “to respond to a differentiated environment or one in which the firm must respond differently for each product” (Cash, 29). This was not working for Appex in the IT world. One of the main suggestions in our case studies with Appex was to reorganize the company, and utilize “…direct supervision, the use of formal rules and procedures, standardized work processes and outputs, and standardization of skills,” which are critical to this process, and which Appex was currently lacking (Cash, 26). Given the culture of each company, it seemed that Appex's IT architecture was strategically positioned to prioritize standardization, dependability, and integration, which aligned with their focus on their electronic data systems.

In the case of Compaq, on the other hand, their culture emphasized trust, respect, open communication, and a can-do attitude. The company also believed in doing what makes sense for Compaq as a whole, rather than following fixed goals or standard procedures. This was enabled by utilizing something called The Process, which according to the text, “was the method Compaq used to make important decisions and to determine how to do what makes sense. The Process encompassed a whole range of ideas, including the rule of inclusion, teamwork, "working the issue," and consensus building” (Compaq Computer Corporation, 148). Given the culture of the company, their IT architecture was strategically positioned to support their values and goals. Compaq's IT architecture was designed to facilitate open communication and collaboration among employees by using collaborative tools, such as Lotus 1-2-3 spreadsheets, for example. Additionally, their IT architecture was flexible, which supported the company's focus on doing what made sense and avoiding overly rigid processes.

The problem issues faced by Compaq in early 1990, such as the maturing PC market and the need to maintain the company's culture and values as it grew, were also influenced by the company's IT architecture and organizational structure. For example, if the IT architecture was not adaptable enough to support changes in the market, this would have created extra challenges for Compaq. Likewise, if the organizational structure did not support open communication like it did, this could have made it more difficult to maintain the company's culture and values.

2.) With all the important models and theories we have discussed so far in this course, one of the main ones to focus on is Porter's three generic strategies—which are cost leadership, differentiation, and focus. Walmart is known for its cost leadership strategy, offering low prices and high-volume sales to customers. On the other hand, Netflix is known for its differentiation strategy, offering unique and exclusive content to viewers. In terms of organizational structures, Walmart uses a hierarchical structure (Lombardo), and Netflix uses a unitary structure (Anderson). Walmart has put more of their emphasis on people control, with more rules and policies for their employees, while Netflix emphasizes results control, allowing employees to work more autonomously. In terms of e-business architectures, both companies have heavily invested in technology to improve their operations. Walmart has successfully implemented online ordering and grocery delivery services, while Netflix's entire business model is based on streaming content through an online platform.

For the near future, both Walmart and Netflix are well-positioned. Walmart's cost leadership strategy and emphasis on online shopping will continue to work well, especially as more consumers shift towards online shopping. Meanwhile, Netflix's differentiation strategy and strong brand recognition will allow them to continue dominating the streaming market. However, over the next 15 years, it is likely that the market will continue to evolve, and with that comes new competitors. That said, we’ve already seen the online streaming market become more and more saturated over the last few years. Netflix may be able to try to adapt quickly to changes in the market by acquiring new titles and creating new shows for their streaming service. However, Walmart will always have their brick-and-mortar stores, which has a huge stronghold in the market. The cost of entry in the grocery market is much higher than it is in the online streaming market. Therefore, based on these factors, Walmart will be better positioned for the next 15 years.

3.) The Vision for the Midwest RBU outlines the Colleague Core Competencies that will decide what bonuses team members will receive based on their score. This Vision focuses on the company's Innovation, People, Collaboration, and Growth. The Colleague Core Competencies are a model based on the abilities and values expected from an outstanding employee. Among the competencies are Functional/Technical Skills, Seizes Accountability, Change Agile, and Commits to “One”.

These values include whether a member behaves decisively, maturely, is self-aware, and establishes relationships with their team. Making choices in a timely manner, performing under tight deadlines, and conducting themselves under pressure are all examples of acting decisively. This involves using their knowledge, analysis, and judgment, as well as presenting their ideas aptly. A person who seizes accountability is someone who will take command and lead their team. Accountability is extremely important because “information often gets distorted, as people hide errors and the true nature and magnitude of problems for fear of being held responsible” (Morgan, 29). Other distinguishing characteristics may include the ability to work alone and the willingness to put in the effort required to achieve goals. Change Agile, the ability to adapt to change, as well as handle risk and uncertainty, are extremely strong markers for this core competency. Commits to “One” may be characterized as having a vision and working inside a framework to achieve a goal and being hopeful in the broader picture.

The Performance Rating Scale is divided into four sections: Descriptor, Description, Individual Objective Rating, and Overall Range. The descriptor indicates whether the colleague's results were Significantly Deficient, Deficient, Partly Met, Consistently Met, Exceeded, Significantly Exceeded, or Exceptional. These Descriptors are rated on a scale of 0 to 6, with 6 representing Excellent Results and 0 representing Significantly Deficient Results. They use half a point increments to provide a benchmark for how well a colleague is doing. Differentiators will demonstrate the extent of a colleague's Influence, Competence, Approach, Commitment, and Consistency. Management Control Systems are the fundamental means of achieving objectives. They include performance measurements, criteria for comparing measures to standards, and processes for acquiring measures, all of which are actively utilized in performance reviews (Cash, 97).

“Determining an appropriate performance measurement time interval is largely a function of determining how long it takes for an identifiable trend to show up and at what point can constructive action reasonable be taken” (Cash, 96). That said, the controls in this presentation are a great measurement for colleagues and lead back to the company’s Vision: Innovation, People, Collaboration, and Growth. This demonstrates their ability to adapt to their surroundings while still succeeding and delivering for the business. Bonuses should not be the main driver of this model; other criteria can always be addressed, but this provides a decent starting point. According to Cash, "Managers raise the possibility of obtaining acceptable results by selecting individuals with adequate abilities, values, and personality attributes… Managers outline the actions and behaviors that people and organizational subunits should take to attain preferred… Managers evaluate individual and organizational performance to planned or expected performance and make appropriate judgments” (Cash, 96). As always, however, this will depend on how effectively the employee responds to different scenarios and how the outcomes change depending on the criteria at hand.

Works Cited

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