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**Waco Case**

**Problem:**

The problem with the Waco manufacturing organization is with their new tracking technology that changes relationships with the organization and its members, in how they are supervised and evaluated, according to Cash [1]. This system was introduced to track the location of each employee by the badge they wear. The managers could then call the phone nearest the employee if they need to get a hold of them. A plant engineering manager explained that he had told three employees the importance of a design but the employees said they were never told this. When the tracking devices were checked, it shows that these employees were never in the same room as each other. This brings up the question, are these tracking devices working correctly? Were the men just not working on the project when they should have been? Is this tracking device even ethical to have?

**Competitive Analysis**

**What:**

Waco manufacturing is a leading supplier of custom-machined parts. This would mean Waco provides a differential advantage by providing value with their custom-made parts that might not be able to me found elsewhere.

**Who:**

Waco produces these parts to the automotive industry. The case does not specify any specific customers they do business with.

**How:**

Waco provides these custom-machined parts to the automotive industry by differentiation. Waco makes the parts based on the customer needs.

**Five Forces**

**Competition:**

I am going to say the competition is at a medium level. There is nothing mentioned about competition in the case and considering they are custom made, it seems like there may not be that many suppliers of these parts. Then again, this is a huge market so there should be a medium level of competition between suppliers.

**New entrant:**

The threats of new entrants seem to be low considering Waco Manufacturing is a leading supplier of custom-machined parts to the automotive industry. This would probably mean that Waco produces a large about of parts and has economies of scale. Economies of scale is the cost advantage that arises with increased output of a product, according to Investopedia [3].

**Suppliers:**

The suppliers have high power. Waco needs the material for their custom-machined parts or they cannot operate.

**Customers:**

The customers also have high power. With the parts being custom made, it will be hard to sell them to anyone other than the customer who they are made for.

**Substitute Products:**

This would be moderately high. I say this because there are most likely multiple companies providing custom machined parts in the automotive industry, therefore the customers could turn to another provider.

**Stakeholders:**

1. The managers
2. The employees
3. The customers

**Alternatives:**

1. Do nothing
2. Talk to the employees
3. Remove the system

**Impact of alternatives on stakeholders:**

1. **Impact on managers**

The first alternative would be doing nothing. This would allow the managers to still be able to track their employees and call them from the nearest phone whenever needed. If there is a problem with the transceivers used to track the employees, the management will never find out what it is. They will continue using these tracking devices when they are malfunctioning and it will continue to cause problems throughout the organization. The problem with the composite based products being behind schedule would not be resolved and they would most likely continue to be behind. The system appears to be expensive and if it is not utilized then it will just be an unnecessary operating expense and would lower throughput, according to Goldratt [2].

**The employees**

The case does not state if the employees are aware of the tracking devices on their badges. This means this may be a trust problem if the employees are being tracked unknowingly. If the tracking system is not functioning correctly, then the employees will continuously get in trouble without being at fault or not get in trouble when they are at fault. The employees would not get the designs finished on time if the management did nothing.

**Impact on customers**

The customers will most likely not be affected by this in the short term if the transceivers are malfunctioning and causing problems within the organization. In the long run this could cause problems with the staff and eventually lead up to more products not being finished on time. This would lead to custom-machined parts not being created on time and then they might lose customers. The customers would not approve of the composite-based parts being behind on schedule and might switch suppliers if they are late.

1. **Impact on management**

This would cause the management to have to confront the employees. The managers would have to tell the employees about the tracking system and how they are aware that the three employees were never working on this project together because they were never in the same room as each other. This may backfire considering Barber had not been in the same room as them either. Shultz may end up having to ask Barber why they had not been in the same room together. This could cause Barber to get in trouble and quite possibly be fired if he had been lying about repeatedly meeting with the engineers.

**Impact on employees**

The engineers would probably get yelled at and be told about the tracking systems which are action controls, according to Cash [1]. This might cause them to feel like they do not have enough privacy and may cause a fairness concern, according to Cash [1]. The employees might be okay with it and choose to get on task with their assignment. The employees could also call out their manager considering he was never in the same room as the three engineers at the same time.

**Impact on customers**

The customers would likely benefit from this choice of action. Telling the employees about the tracking system would possibly cause them to work together and eventually get the project done. This will cause the project to be done faster than it would have been done before and cause less projects to be late in the future, causing the customers to be more satisfied.

1. **Impact on managers**

This impact will cause the managers to no longer be able to track the employees, without their knowledge, even though this is legal, according to Cash [1]. This could possibly improve the employee/manager relationship but will most likely cause more problems to occur without consequences. This will also not allow managers to be able to contact employees as easily.

**Impact on employees**

The employees will be happy with this alternative. This will cause them to feel like they have more freedom at work. This could cause the employees to slack off and not get things done on time.

**Impact on customers**

The customers might see an increase in product cost after the company takes a loss on the transceiver investment. The customers might also see products being late more and more often with the lack of tracking in the organization. This will likely cause customers to switch suppliers.

**Best Alternative:**

The best alternative to me is by far telling the employees about the tracking devices. This would allow the employees to be aware that they are being tracked and they would probably improve on their design completion times. The managers would be allowed to call out employees and other managers for not being where they are supposed to be. The managers would also be able to call employees easily. The customers would get their products on time and be more satisfied with Waco manufacturing.

**Sources**

1. Cash, James I.. “Corporate Information Systems Management” from CORPORATE INFORMATION SYSTEMS MANAGEMENT : THE CHALLENGES OF MANAGING IN AN INFORMATION AGE , (MCGRAW-HILL COMPANIES, INC. – BOOKS, 1999) /5 ed. Pp. 60-87, 547-561 [43 pages] ISBN: 9780072902822
2. Goldratt, Eliyahu M., and Jeff Cox. *The goal: beating the competition*. Hounslow, Creative Output, 1986.
3. Staff, Investopedia. “Economies Of Scale.” *Investopedia*, 14 Mar. 2016, www.investopedia.com/terms/e/economiesofscale.asp.