**Waco**

**Case 5 Analysis**

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**Executive Summary**

Waco, a “leading supplier of custom-machined parts” (Cash), installed a new security and information system in 1986. Every 25 feet transceivers were installed in one of Waco’s manufacturing plants. Badges, which are worn at all times were also embedded with the transceivers. This system was set in and then a year later (1987) was able to be useful on catching a lying employee.

**Mission Statement**

Waco provides leading custom-machined parts for manufacturing plants.

**Main Problem**

Monique Saltz, area manager for Waco, complained to Monk Barber that there was a design that was behind schedule. Barber was in charge of the communication for the engineers of the designs. He claimed the engineers were not listening to him enough whenever they met. Because of the transceivers, the company was able to prove that Barber had not been having reoccurring meetings. Barker had been lying about the important all meetings with the engineers. “any firm whose activities involve coordination, commerce, community, content, and communication must take a good look at it (technology) as either a potential threat or opportunity” (Afuah) Waco is using their new technologies for an opportunity at the moment.

**Organizational Structure**

There is a functional structure set into place for organization of the company. From the case file presented, Waco has the organization divided up into the specific tasks and designs that are needed to create finished products for Waco. “In the functional structure, common activities are grouped together.” (Cash)

**Generic Strategy**

Focus-differentiation strategy. The company continues to create custom-machined parts for the automotive industry. There is a narrow-targeted market that Waco is in. The custom-machined parts industry is much smaller to get into than larger industries.

**Porter’s Five Forces Analysis**

Competitive Rivalry

The threat for competitive rivalry is higher because of Waco’s simple business process. It is easily replicated and is therefore going to be seen within their competitors. “If your market is one that has a common tech base… then you will usually find it easy for new rivals to enter your market. (Porter)

Threat of New Entrants

The threat for new entrants would be the same as competitive rivalry: high. The same reasons apply from competitive rivalry.

Threat of Substitutes

Threat is lower, but still high. A specific part from Waco would only be able to be replaced through Waco. Waco specializes in custom machine parts. Therefore, finding a fix would lead people back to Waco. However, competitor manufacturers would be able to substitute for a differing custom build from a different company. This is easy enough and is also why their generic strategy is focus-differentiation strategy. “Understanding the competitive forces, and their underlying causes, reveals the roots of an industry’s current profitability while providing a framework for anticipating and influencing competition (and profitability) over time.” (Porter)

Bargaining Power of Buyers

Threat for buyer power is high. This is because Waco is custom. Whatever the customer specifies is what is needed. This at least allows buyer control. Also, a customer could easily find another company that could customize an order for them.

Bargaining Power of Suppliers

High threat for supplier’s bargaining power. Without Waco’s suppliers they would have no product to create.

**Key Stakeholder Overview**

1. Waco Employees
   1. Learning just how the new IT security system can be used against them may be shocking. However, I do not believe that employees of Waco will be completely affected by anything for this main problem.
2. Waco Customers
   1. Learning that Waco does not care to meet with engineers for designs might push away potential customers.
3. Waco Shareholders
   1. Allowing for meeting issues to be Waco’s downfall would not bode well for shareholders.
4. Monique Saltz
   1. Saltz has been meeting with all of the affected personal and also could not finish her soon to be part of the project without the completion of what Barber was in charge of.
5. The 3 engineers (McCoy, Frank, and Gogan)
   1. These engineers did not know that the upcoming project was as crucial as it was. There was no feedback or communication that was happening for them to know everything they needed to know. However, even if a task is not super crucial you should still understand what will be needed of you for the task. These engineers should still be able to finish an upcoming task on schedule.
6. Monk Barber
   1. This man created all these issues and has created issues dealing with a crucial schedule. He is the main problem in question.

**Alternatives**

1. Do Nothing.
   1. Tomaso and Saltz have already seen the information that proves Barber was lying. Waco now has to set a control in place to allow for their employees to not miss project deadlines or lie about meetings. Doing nothing may lead to many more issues in the future.
2. Change projected completions dates.
   1. This could coincide with some of these alternatives. This mostly depends on how great the 3 engineers are and what incentives are already set in place for this project to be completed. Understanding all of these factors would allow for a better understanding of if there needs to be a project push-back.
3. Ensure Barber was lying with new transceiver information and interview with Barber.
   1. The problem with this course of action is that it takes time. The project is already being affected by the issues created by Barber. Having an even later date could be worse for the company. Trusting the IT security system that Waco set into place is important though. “…a continuous process of information exchange is created between a system and its environment, allowing the system to monitor changes and initiate appropriate responses. In this way, the system can operate in an intelligent, self-regulating manner.” (Morgan) Trusting the system will provide more exchanges of information.

**Course of Action**

“Every conflict can be removed. Three, every situation, no matter how complex it initially looks, is exceedingly simple. Four, every situation can be substantially improved; even the sky is not the limit.” (Goldratt) The answer is simple, remove the problem. Monk Barber needs to be removed from the company because he is the problem. If the company has time that can be directed towards ensuring that all evidence is correct and easily provable then there is a case for firing Barber. However, Waco will need to ascertain if there is enough time available.

**Conclusion**

Fire Barber. He must have known about the transceivers to have worked there the whole time. He had responsibilities that he then proceeded to lie about when asked about it. A worker should be trusted. Barber cannot be trusted. Fire Barber. Employees should not learn about what Barber did and then learn that there were no repercussions. This type of behavior to miss crucial meetings should be held accountable. Controls need to be set in place so that this does not happen again.

Also, Waco will need to set a case for Barber up so that they can continue without fear of a repeat Barber, or a Barber lawsuit.

**Works Cited**

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