CIS 410 MIDTERM

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Prompt 1

Burlington and Symantec faced similar dilemmas concerning communication and overall IT operations. Symantec had a divisional organizational structure, which impeded communication in the company. Burlington Northern also faced communication issues due to their disconnected organizational structure. The “Internet, corporate ‘intranets’, and other webs of electronic communications” are making organizations “synonymous with the decisions, policies, and data flows that shape day-to-day practice” (Morgan, Images of Organization, pg. 76).Companies that want to make it long-term need to streamline their communication processes and keep it with modern technology. In a way, both Symantec and Burlington Northern did neither of these things.

Symantec would have benefited from a leader that understood the importance of technology in business growth and stability. New management with more innovative ideas at Symantec could have mitigated the miscommunications and slower, bureaucratic processes. In Burlington Northern’s case, though, changing management would have been too costly. They needed a full new system that improves various pain points, such as late deliveries, scheduling, and safety. In The Goal, Alex ponders the concept of quality, and low-cost production makes him think of efficiency as it relates to quality (pg. 38). In this way, Alex is considering how the Triple Constraints of Management are affecting his plant. Likewise, BNR needs to consider these constraints for the ARES project. The ARES system would integrate many divisions of Burlington Northern’s operations in the same way that an organizational change for Symantec would improve communications between departments. According to Morgan, “divisionalized form tend[s] to be ineffective except under conditions where tasks and environment are simple and stable” (Morgan 50).

Burlington Northern and Symantec’s IT architecture aren’t that similar since they occurred in different ages of technology. Burlington Northern faced technological challenges during a time when trucks were emerging as the new, fast but expensive option for transportation. Symantec, however, had the Internet and email technology to their advantage. They just needed to increase their efficiency and effectiveness of communication. Good communication is largely important to all firms with multiple departments or locations. Communication “go[es] beyond coordination, commerce, community, and content. … Interactivity properties mean that people can exchange electronic messages in real-time” (Afuah and Tucci, Chapter 3, pg. 44).

Prompt 2

Wal-Mart and Netflix have very different organizational structures, and they exhibit different results for the SWOT analysis. Wal-Mart’s organizational structure could be classified as bureaucratic and massive, while Netflix has more of an agile organizational structure.

Both Wal-Mart and Netflix strive to excel at the cost leadership generic strategy, but Netflix is also mastering differentiation and may evolve into a full-blown TV-like network at this rate. Wal-Mart is a leader in differentiation for sure, providing all kinds of products and services imaginable. They are successful at these strategies in different ways though, since their organization structures are so different. It is sometimes more difficult for large companies to adapt to change, because it can be very costly and take a long time to transition. Every firm that uses the internet to do business “should have an Internet business model “which will “give [them] a competitive advantage in [their] industry” (Afuah and Tucci, Chapter 4, pg. 51). Smaller, lighter companies like Netflix can take over an industry without being massive and decentralized. Larger companies like Wal-Mart have more resources though, but investors tend to make decisions based on prospects of the future.

Since Wal-Mart is so well-established and rooted into the economies of many communities, they would still be a contender for power in the near future. This mostly applies to their own industry, since Netflix continues to excel in theirs at an increasing rate. As stated by Zwass, “expansion of commerce and technological innovations are two of the levers of economic growth” (Zwass, pg 18). Wal-Mart may not be suited for survival in 15 years, but concerning the near future, they have too much hold on the economy on a huge level to be gone that quickly.

Prompt 3

The pharmaceutical company in the PowerPoint is trying to implement a rubric for employees. The goal of this control system is to improve employee core competencies and other factors, which could result in better productivity and eventually higher bonuses. The goal of this concept “is to reduce operational expenses and reduce inventories and increase throughput simultaneously” (The Goal, Goldratt). By showing this explicit point system to the employees, the path to higher bonuses is clearer and well-defined.

Control systems are important to the operations of any size business. As stated by Cash, control systems “increase the likelihood of a positive outcome with respect to unexpected changes in technology, markets, competition, and other areas in an organizations environment” (Cash).

A system like this may give the work environment a more mechanistic feel, but the mechanistic management approach works best where “organizations that used machines became more and more like machines” (Images of Organization p. 17) and this doesn’t seem to be the case for this company. However, if this PowerPoint could be saved and referenced by employees, it may lead to increased bonuses. This is basically an incentive program that encourages employees to try their best in these areas.