Waco Manufacturing Case Analysis

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The mission statement for Waco Manufacturing is to supply customers with custom-machined parts for automobiles. They sell these parts to the automotive industry, which could mean either the automobile manufacturers or automobile mechanic shops. They do this by creating a differentiated advantage in their market space (Tanwar, 13).

For the porter’s five forces analysis, we will start with the competition. Unfortunately, the text does not say anything about the competitors of Waco Manufacturing, so this section will be left empty this time.

The threat of new entrants for Waco Manufacturing is low. The industry for efficiently machining parts has a high barrier to entry due to the equipment needed to do this en mass. When you add Waco Manufacturing’s specialization in custom parts, the barrier to entry raises that much more.

The threat of substitutes is low for Waco Manufacturing. The only way around requiring custom machined automobile parts is to create a potentially suboptimal workaround. I most cases, a custom machined part could mean a new exterior.

The bargaining power of suppliers for Waco Manufacturing is high. Waco Manufacturing requires commodities such as steel, an industry with fairly inflexible pricing. To simplify this, Waco has an inelastic need for steel as they continue to grow which gives the still companies clout. The other thing is that there is not really a substitute for steel in manufacturing. (Team FME, 23)

The bargaining power of customers is low. The main reason for this is because Waco Manufacturing creates a specialized good, one that would be difficult or impossible to find a substitute or replacement. Waco Manufacturing also directly affects the quality and amount of the automobile by having these custom parts for manufacturers. (Team FME, 26)

The current issue at Waco Manufacturing is one of privacy and people. The manufacturing company recently installed a security system which allows the tracking of employee locations on the warehouse premise. The issue begins during a third quarter performance review when Monique Saltz confronts Monk Barber regarding the design plans for a certain line of products being past due. Barber explained to Saltz that he has repeatedly met with the engineers regarding the importance of the plans in question. When the engineers were confronted, all three confessed to never having such talks with Barber. A scan of the locations of all parties confirm the validity of the engineer’s statement.

There are three stakeholders in this case. The first stakeholder is Monique Saltz, the manager of the plant. The second stakeholder is Monk Barber, who is the plant engineering manager who Monique questions. The final stakeholders are the engineers - Sherman McCoy, Telly Frank and Wanda Gogan - who delivered the suboptimal blueprints and claim a confrontation never happened.

There are four alternative courses of actions for Saltz to take. The first alternative is do nothing, this alternative would be Monique ignoring the conflict and push for the blueprints asap. The second alternative would be to confront Barber about the situation. The third alternative would be to make an example out of Barber as a means to exhibit the effectiveness of the system and use this to integrate the system further into Waco Manufacturing. The fourth alternative assumes that there was a phone conference where this was discussed.

The first alternative of doing nothing affects means that the blueprints will be delayed even further. The impact for Monique Saltz is that she could be under scrutiny from her bosses or even worse lose trust from the customer. Monk Barber would not see much impact other than he would realize that the system does not get enforced, weakening the faith in the system. The engineers would lose faith in the companies ability to act on evidence, and perhaps would be less motivated.

The second alternative of confronting Barber about his false claims. It is important that Saltz does not impose harsh punishments in this scenario, simply talk to Barber about his circumstances. The effect that this has on Monique Saltz is that she has to exert power over Barber, something that is undesirable and even damaging for a professional relationship (Morgan, 167).

The effect that being confronted by Saltz has on Barber is that it attacks the legitimacy of his power by using the organization’s rules and pre existing power structures against him. Barber could either shrug it off to continue business as usual and expedite the plans or cause an outrage and leave depending on how personally this attack hits him (Morgan, 167). In either case, Barber is going to be at least subtly wounded.

The engineers would be supported in that they have a powerful ally to justify their overall confusion regarding the blueprints. This support could change the power dynamic the engineers have with their boss significantly. This power shift could cause some sort of conflict which could ultimately end up being productive, but mostly would be costly to Waco Manufacturing.

The third alternative would be to make an example of Barber showcasing the effectiveness of the system. The results of this alternative would definitely result in an aggressive and counterproductive. The best outcome for Waco is if Barber quits after his punishment. The impact Saltz feels is no different from the previous case with the addition of more agitation from Barber (Morgan, 164). The engineers are affected because they will likely get a new manager.

The fourth alternative is simply the assumption that the engineers are the liars and Barber is telling the truth. This alternative is mostly speculation, as the wording in the case strongly suggests that a physical meeting is implied and there isn’t a surefire way to coordinate all the engineers to attack their boss. Saltz is now put in the position of further subjugating already subjugated parties. Barber doesn’t have to deal with the scrutiny or a power struggle directly from Saltz, however he still has to deal with resistance from his engineers. The engineers after seeing the capabilities of the surveillance system will perhaps attempt to seek employment elsewhere due to a fear of the environment they work in (Morgan, 164).

The alternative with the most desirable and agreeable outcomes is the do nothing alternative. In this alternative, politics and conflict do not play a part which as I’ve described, can produce a myriad of undesirable consequences. The consequence of do nothing is a consequence all alternatives share in that the blueprints do not get finished on schedule, but again, this was unavoidable.

Sources:

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