Case: Connor

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Mission Statement:

Connor Formed Metal Products manufactures stampings and springs for large American equipment manufacturers. The company operates on a divisional organizational structure as well as a generic business strategy of differentiation (Case, 263).

Generic Business Strategy:

Differentiation is the generic business strategy used by Connor. In this type of business strategy, a company seeks to distinguish its products and services from any competition by having its products or services be extremely recognizable and distinctive throughout its industry, and also have the ability to sell at a premium price point due to its customization of features. Some of the ways differentiation can be used include rapid delivery, innovative technology, superior customer service, quality and brand image. About twenty percent of what Connor produces are coiled springs (a commodity), and the remaining eighty percent are metal stampings, which are more complex to make and vary widely in their design (Case 263).

Organizational Strategy:

Connor operates via a divisional structure. Their divisions include, Los Angeles, San Jose, Portland, and Dallas. This structure came to be under the new president in 1984, Bob Sloss (Case 265). Before 1984, Connor only had two regions, but once Sloss became president, he decentralized the company into four separate divisions. “At the division level, each plant maintained administrations, quality control, engineering, sales, and manufacturing functions” (Case 265).

Five Forces:

1. *Customers* – High

Customers of Connor have a high bargaining power because they can choose a competitor of Connor's at any time. Customers include Honeywell, Motorola, and Hewlett-Packard Case (Case 264).

2. *Suppliers*- Low

   Suppliers are those companies that provide Connor with materials necessary to create the springs and stampings. Suppliers have low bargaining power because the suppliers make money supplying Connor with materials for large orders such as Motorola, so they will want to remain Connor's supplier as long as Connor is doing well.

3. *Competition* – High

   Connor's competition would be those companies which produce the same products as it does. There are many of these companies, so the threat is high.

4. *Substitutes* – Low

   Substitutes are those companies that produce similar products as it does. This threat is low because there are not many substitutes for the customized parts that Connor produces.

5. *New Entrants* – High

   New entrants to the market is a high threat to Connor because, according to the text, some companies have tried to attain portions of Connor's larger competition to gain a greater market share.

Problem Statement:

Connor Formed Metals' problem is that it is uncertain how an order tracking system that was developed and used in their Los Angeles division should be rolled out into the other company divisions. This system had many benefits in the Los Angeles division, including, "..within the first few months of using the system, run speeds on a number of jobs had increased by as much as 20 percent. Repeat defective jobs had reduced from 14 percent…and credits issued to customers fell from 4 percent to sales of 0.5 percent during the same period. Over the past two years, late jobs declined from 10 percent to less than 1 percent…and sales had risen 28 percent to an annual level of $10 million" (Case, 278).

The product life cycle, a type of four stage model, can be used to asses and plan for the implementation of a new technology within a company. These stages include opportunity identification, organizational learning, rationalization, then, wide spread technology transfer. In Connor's case, the Connor Software System is in the maturity period, which is synonymous with wide spread technology transfer, due to its success in the Los Angeles division. However, from an organizational perspective, the Connor Software System is still in the opportunity identification phase. In order for this system to be implemented throughout the other divisions, the gap between the particular levels of preparedness and acceptance need to be patched. Once this occurs, the system can start operating in other divisions and provide similar benefits to those divisions.

Stakeholders:

- *Customers*

  Customers of Connor Formed Metals will be impacted by this decision.

- *Bob Sloss, President*

The president of Connor Formed Metals will be impacted by this decision.

- *4 Divisions of Connor*

  Each of the four divisions will be impacted by this decision.

Alternatives:

1. *Do Nothing*

   In this scenario, business at Connor Formed Metals will continue as usual and nothing about its operations or procedures would change.

2. *Pull implementation of system across the divisions*

   In this scenario, the Connor Software System will be implemented, but at the preference of the division. Each division would have the system advertised to it, and it would be made available for their use so it could be accepted once the division was ready. Based on the fact that some divisions had already expressed disinterest in the system, such as one plant manager from San Jose, who said, "I have some concerns about switching from Job Boss to the new software. We have already invested a lot of training in everyone in the office to use our current system. What if we don't like some of the new ways of doing things?" (Case, 278). These negative preconceived attitudes would need to be resolved in order for this solution to work. However, by offering the system to another division's top performers as a reward could entice others to be open and want to try using the same technology as the top performers.

3. *Push implementation of the system across the divisions*

In this scenario, the Connor Software System will be implemented by pushing it out to the other three divisions of the company. By doing this, it is believed that the other divisions will experience the same success as Los Angeles did by accepting and using the system. Bob Sloss "…hoped to push the technology out to other divisions in an attempt to improve the firm's profitability" (Case, 263). However, this solution of pushing implementation will only be the best choice if new users of the system believe that they are benefiting from using it. If this system removes their task identity, skill variety, or autonomy, then the implementation of the system will not stick with the users because they will reject it and find a way to go back to the old way of doing things.

Impact on Stakeholders

1. *Do Nothing*

   If business as usual were to continue, the customers, Bob Sloss, and the other divisions of Connor would not be impacted since everything would remain the same as before

2. *Pull implementation of system across the divisions*

   If this scenario were implemented, customers who buy from the Los Angeles division would still see improved customer experience. As president, Bob Sloss would continue to see increased profits originating from the Los Angeles division. However, he would have to cope and alleviate with any hesitance or backlash from employees in the other division who absolutely do not accept the new system. That kind of situation would need to be dealt with swiftly and force the employees to accept the

system very soon. The non-Los Angeles divisions will possibly see improvements similar to what Los Angeles experienced.

3. *Push implementation of the system across divisions*

   In this scenario, the Connor Software System will be pushed and implemented in the other non-Los Angeles divisions. Bob Sloss would bear the burden of any losses or gains that come from this implementation. Customers across other divisions would have improved experiences. However, for the employees in the other divisions, there would a variety of opinions and attitudes. For those employees similar to the San Jose plant manager, the acceptance of the new technology would be a challenge. Also, the current systems that the other divisions are using have likely already reached the phase of widespread technology transfer, so employees may believe that the current systems in place are exactly what they need. Since they have never used the Connor Software System, they do not know what they are missing out on.

Conclusion

Bob Sloss should pull the implementation of the new system to the remaining divisions. The company is still operating with its old systems in place, but new technology should only be introduced to maximize a profit or reduce a cost – and maximizing a profit is something this system has already proven it can do when implemented in Los Angeles. Bob Sloss should start deploying trial versions of the Connor Software System to his top performers in the other divisions and paint it as a reward for their hard work. By doing this, other employees will see

these select few with new things that they want to try. In turn, it will increase interest and willingness of other employees to want to try using the system.

Works Cited

Connor Case. 2016