

Connor Metal Case Analysis

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The Problem

The main problem facing Connor Metals is whether or not to implement Quarrey's system, which was made up of individual computers and software that automated tasks. Employees could estimate orders, pause when there were issues, access details about jobs and add comments to those jobs. When implemented, employees only had to use the up and down keys on their computer to interact with the system. Because it was so easy and boosted production as well, the acceptance of the new technology was high (Cash).

This new system was implemented in Los Angeles with their branch to test it on a large scale and Portland on a smaller scale. The Los Angeles branch had around 100 employees, whereas the Portland branch had around 30. The Los Angeles branch was successful, and the division decided to implement the system fully. The smaller divisions were not on the same page, as they argued they did not have issues now and it may not benefit them the way it did for the Los Angeles division.

Porter's Five Forces

Competitive Rivalry: Competitive rivalry is medium. There are many companies out there making products using the same basic materials that could shift into the same custom sector as Connor Metals, but they are not there yet.

Threat of New Entrants: Threat of new entrants is high. What it takes to produce these parts is minimal and can be done elsewhere for even cheaper (Porter).

Threat of Substitutes: Threat of substitutes is low because currently no one else is making the custom-made metal products that Connor Metals produces.

Bargaining Power of Suppliers: The bargaining power of suppliers is low. Connor Metals only relies on a limited number of basic materials that could be found in many places.

Bargaining Power of Consumers: The buying power of consumers is medium because if necessary, the customers could look at other companies to create custom parts for them. Though that may not be easy which is why it is medium and not high.

Stakeholder Analysis

Shareholders: Shareholders are anyone who has monetary stake in Connor Metals. The decisions made here will affect whether they gain or lose their investment in the company.

Employees: The employees are those that work for Connor Metals. They are affected by the decisions Connor Metals makes regarding their IT system, which would affect how the different departments work.

Customers: Customers are those purchasing from Connor Metals. The decision made on the IT System will affect how their buying process goes.

Option A: Fully Implement System

The first option is the most drastic option for Connor Metal and that is to fully switch over each division to the new system. It would be difficult to do in such a swift motion, but once done there are some added benefits. First, the IT structure would remain steady throughout the company, with every division running the same system. This would bring increased access to information and it would be easier to share

information throughout the company all around. Secondly, executives would be extremely happy because this system benefits Connor Metal in the long run with increased productivity and easier work for each employee. With that being said, the changes could be costly on both a monetary and time level. Employees would need to be retrained with the new system all at relatively the same time.

Option B: Allow Divisions to Decide

The second option is for each division to choose whether or not to implement the new system on their own. This places the trust into the hands of the managers and their employees. If they feel it would be beneficial to implement the system for this very moment or for the future, they can do so. If not, the company is in no urgent need of immediately changing their ways. This option also fulfills the executive's goals for the company. From the managerial perspective, autonomy will remain fully intact. Employees would also feel empowered since they have more of an influence on the decision, and either way now have more access to information (Morgan).

Do Nothing

Connor Metal is not suffering from any major downfalls when it comes to their business, as they continue to run profits. Therefore, doing nothing is a feasible option in this scenario. The worst division Connor Metals has is now showing many improvements and the employees at that division are satisfied. The LA branch is running well with their implemented system changes. Doing nothing would work just fine for the companies. Smaller branches would be able to keep things running at a good pace without any changes. Apart from customers dealing with the LA branch, there would be no change in the way that they purchase products.

Recommendation

The best way to approach the new system would be to allow each division to choose what is to be done. This puts a level of trust between management and employees at each of these divisions. Allowing managers to get a read of the room and then make a decision based on numbers and employees thought, would be largely beneficial. In order for new technology to work properly, it must be accepted. Without any kind of choice for the different divisions, the level of autonomy might decrease and lead to a complete rejection of the system that is supposed to benefit Connor Metals.

Another benefit that comes with this is the adaptation going into the future. The company will most likely grow, as will the separate divisions. As LA showed, when it comes to larger divisions, the system being implemented has proven to be very useful. Once these smaller divisions get larger and have time to see the positive of adapting the system, they can choose to implement it, with more knowledge of how to do so in a positive manner.

Allowing the divisions to choose for themselves is the best scenario hands down. Since nothing needs to be done immediately, those who don't want to adapt at this time can continue running a profit with the current ways. Divisions that see the new system as an added benefit to their work environment can choose to implement it and go from there. This allows money to be made currently, and in the future for divisions that switch now, or in the future (Goldratt). For Connor Metal, this scenario is the best of both worlds.

Works Cited

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