**Waco Manufacturing**

**CIS 410-02**

**Case 7**

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**04/04/2018**

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# Overview

Waco Manufacturing is a leading supplier of custom-machined parts for the automotive industry. In this case, we will be focusing on a manufacturing plant where a security and information system was installed to track the movement and location of employees within the plant. This has proven useful in coordinating activities across the plant, a fast-moving environment. One cited example is that a call for a specific employee could be routed to the phone nearest to that employee.

# The Problem

The issue emphasized in the case is that the plant engineering manager Monk Barber has made claims to the area manager Monique Saltz that he met repeatedly with the three engineers that were assigned to a project to produce a new set of designs for composite-based products, required in the 1987 plan, and that they were unresponsive to his attempts to get them working on these designs. When Monique followed up with these engineers, they each denied knowing the importance of the project or even meeting with Monk Barber about the composite design project. They were however aware of the project. Monique described the situation to plant manager Shelly Tomaso who suggested using the tracking system to determine what has been happening. The system showed that after 9 months into the year, Monk Barber and the three engineers had never all been in the same room at the same time.

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# Industry Competitive Analysis

## Mission Statement

Waco’s mission is to provide custom-machined parts to the automotive industry.

## Generic Strategy

Waco Manufacturing follows the differentiation strategy. "Differentiation is aimed at the broad market that involves the creation of a product or services that is perceived throughout its industry as unique" (Tanwar). Waco Manufacturing’s products are custom-machined parts, parts that are custom machined to a customer’s specific requirements. "This specialty can be associated with design, brand image, technology, features, dealers, network, or customer's service." (Tanwar). In this case, design, technology, and features are specialized for each product and for each customer.

## Organizational Structure

As a manufacturing company, Waco is most likely a functional organization. “Since an organization’s performance is dependent on all functions working together in a coordination manner, the functional structure requires extensive information exchange among functions” (Cash). “In the functional structure, common activities are grouped together” (Cash).

## Competitive Rivalry: Low

The threat of competition is low. Waco Manufacturing is described as being the leading member of a niche market, custom-machined parts, in the automotive industry. There is unlikely to be a large number of firms in this particular market and products are extremely differentiated, which are large factors of competitive rivalry leaning towards low intensity.

## Threat of New Entrants: Very Low

The threat of new entrants is very low. The industry requires highly customized tooling and machinery and proprietary knowledge and patents to produce custom-machined parts.

## Threat of Substitutes: None

There is no substitute for a custom-machined part. Substitutes are defined as “those products or services that meet a particular consumer need but are available in another market” (Team FME).

## Bargaining Power of Suppliers: High

Waco Manufacturing requires specific materials and a certain quantity of those materials from its suppliers in order to produce products for their customers. Suppliers can raise prices without affecting demand and their product is critical to the end product.

## Bargaining Power of Customers: High

Factors increasing the bargaining power of customers include that their products are affected, the customer is not only well educated regarding the product, but they defined the specifications of the product, and a large portion of Waco’s sales are indeed made up of customer purchases.

Key Stakeholders

## Area Manager Monique Saltz

As an area manager, Monique is responsible for making sure that all the manufacturing plants in her area are running smoothly and meeting goals. She is responsible for ensuring Monk Barber is doing his job.

## Plant Engineering Manager Monk Barber

Monk Barber is responsible for managing the engineers in his plant, keeping them on task and ensuring they have the resources they need to complete their tasks.

## The Engineers

The engineers are responsible for developing solutions and product designs for the plant.

# Courses of Action

## Do Nothing

## Ignore the inaction and dereliction of duty of Monk Barber and continue as normal.

## Take Disciplinary Action on Monk Barber

The likelihood that the engineers are lying and the tracking system is faulty is next to impossible. Dismiss Monk Barber and assign a new plant engineering manager to the plant.

## Alter Project Deadline

Push back the deadline of the composite design project with the expectation that the three engineers begin work immediately on it now that they have all been gathered into the same location and made aware of the importance of the project and when it is needed.

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# Recommendation

My recommendation is to alter the project deadline accordingly to the reasonable expectations of the engineers working on it. I would further recommend that Monk Barber is dismissed. No company should value an employee that is willing to lie to his or her manager(s). This course of actions would place more autonomy on the engineers for the time being and would require a new plant engineering manager be hired. The costs of the project will rise, but otherwise the project must fail. “Every action that brings a company closer to its goal is productive” (Goldratt).

# Work Cited

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