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**Connor Formed metal products**

**Background information of Conner Metal Company**

Connor metal company started in 1913 as Connor Springs and was purchased by Joe and Henry Sloss in 1947, and by the 1960s, the company had expanded building divisions in San Jose, Los Angeles, and Portland. Within this period, the company was run by George Halkides (Connor Manufacturing: Precision Metal Fabrication Solutions, 2016). The president used traditional accounting and control systems to manage the company. Later on, he retired in the early 1980s, and Bob Sloss, the son of Joe Sloss, became the president.

Bob Sloss was well prepared for the job since he had gone for further studies in Stamford's summer executive program to prepare him for the new role in the company. The previous president left the company with no debt, slow growth organization, and low investments. Therefore the main aim of Bob was to incorporate new technology into the company's operations. Bob also realized that foreign competitors would drive the company out of business with lower costs and high-quality products.

Bob aimed at satisfying his customers; therefore, he repositioned the company as a service-oriented business that focused on providing metal stampings that were custom-developed and wire forms of high quality. At this time, he changed the company name to Conner Formed Metal Products to advertise his drastic changes. Bob had an idea of pulling the company out of the low-grade quality the industry was known for. Therefore, he decided to improve his workforce by raising the wages, setting up Employee Stock Ownership Program, and establishing a quarterly cash bonus system. This didn't take time before the customers noticed the changes in the company's product's quality, which led to a rise in revenue from $8 million to $17 million (Barker, n.d). Bob realized that effective communication with employees would bring benefits to the company. Therefore, he hired Quarrey to develop an information system in order to disseminate information to the workers and help automate office tasks and business processes. Kalakota and Robinson, in their article, stated that by understanding technology and its role in the future of a firm, then technology must be accessible to all management.

**The Case**

Before 1980, the company had an IT architecture consisting of IBM systems 34-mini computers, before Bob Sloss took the over (Barker, n.d). Immediately after he became the president, he decided to adapt to new technology and foreign competition. He did this in order to see the bottom line of the company returned on the investment. He continued to reposition the business to become a quality vendor and motivate his employees by raising their wages and providing a cash bonus system, circulating more information and responsibility. These changes increased company sales, but the organization didn't make more profit at the bottom line.

Bob then decided to automate the IT architecture using PCs and custom software in all the offices' operations. He used the largest plant in Los Angeles as a testbed, and the software was expected to bring more profit. Michael Quarrey was hired to implement a relational database PC package called Clipper that would enable workers to estimate, pause the job when a problem arises, estimate orders, and learn all the important information regarding jobs as well as making comments. By 1990, Quarrey had deployed the system in the Los Angeles plant, and a dramatic change was seen. This increased the skill variety, feedback, and task identity in the company. The system led to a rise of 28% in sales, a 20% increase in job speed, and a decrease from 14% to 4% on defective jobs, and this was a great improvement.

The problem that the executive faced was implementing the system to the smaller shops where communication was good for it would not benefit them ( BNA pension & benefits reporter, 2011). Also, in the San Jose plant case, the plant had greatly invested in their own computer system that was doing well and bringing more profit. San Jose managers did not see the need to switch their system to another one, and if Bob would have pushed too hard for an implementation, then there could be a pushback.

**Industry Competitive Analysis**

This is an important section for every organization for it provides a competitive analysis of the marketing plan. The practitioners have the opportunity to understand the factors that affect the performance of a given industry and the performance of a company within the industry (Morgan, 2006).

**Porter’s Five Forces**

This is a vital tool that guides an organization in understanding the competition within an industry (Arshed & Pancholi, 2016). It helps a company to develop an organizational strategy that better understands the external environment that the firm is operating in. the classification of Conner Metal Company is a low to moderate risk industry.

**Threats of New Entrants**

The entrance threats are high for Conner Metal since the industry has low measures to the barrier of entry and high competition from small shops and offshore.

**Threats of substitute**

The company produces products and services that are hard to duplicate; therefore, there is a low threat from a substitute. The company's products are of high quality, higher than any other company producing at that time.

**Bargaining powers of suppliers**

The bargaining power is low. The company has the power to buy raw materials from another supplier since, in the market, there will be those suppliers who will generally provide materials at lower costs.

**Bargaining power of customers**

Conner customers will have low to moderate bargaining power since the products' quality is higher than any other company in the industry.

**Competitive rivalry**

The company has faced stiff competition from foreign competitors since the competitors were taking market share with lower prices. Therefore the competition was relatively high.

**Stakeholders**

* Employees of Conner Metals- The non-managerial employees of Conner
* Customers- The companies purchasing Conner products
* Shareholders- those who own Conner’s share
* Management of Conner Metals- including President Bob, executives, and managers.

**Ethical issues**

Bob Sloss failed to include the plants managers in the decision of implementing an information system. The organizational structure of Conner Formed Metal Products was changed to decentralized. Therefore, Bob violated the company’s policies of failing to incorporate the employees in the decision making processes.

**Strategies for changes**

Bob faced resistance from one of the company's plants in San Jose. The resistance seemed to be positive since the plant had a good working system that would bring more profit (Kotter & Schlesinger, 1989). The managers at the San Jose plant felt that the change was of low tolerance to them. There was fear of embracing the new system, for they were not sure whether the employees would be able to adapt to the system and produce a similar performance as to their system. Therefore, it could be important for Bob not to push too hard for an implementation; rather, he could have taken time to evaluate the resistance before deploying the system to the plant.

**Course of actions**

**Do nothing**

Bob Sloss could decide to let the business run as it was before he was handed over to the leadership. The company had been in operation for over 70 years with the same process. Therefore, he could opt not to improve the company's bottom line and not to implement the Conner system in either of its plants.

**Let the management implement the Conner software in all of its divisions.**

This strategy will be faced with some resistance since the managers in the plants were not involved in the decision-making process. The employees of all the divisions will be forced to use the new Conner software. The customers will benefit according to the impact of the system on a given plant. If it allows the processing to be done smoothly, then the customers will benefit. In other divisions, the implementation may lead to poor services, and therefore the customers will suffer from low-quality products and poor services. The stakeholders would probably be happy with the implementation since there would be improvements to the bottom line. Forcing the implementation of the software will lead to push back from managers and employees.

**Allow each division to make its own choice.**

Bob Sloss came up with a strategy of decentralizing the management of the company. This means that every person in the company will be involved in making decisions on where to improve concerning their jobs. The implementation of the Conner software could involve a decision from each plant manager. This would be in keeping with the autonomy Sloss had already bestowed upon his plant managers. Although it would take a long time to have an agreed decision from all the plant managers, in the long run, it will ensure the technology is implemented efficiently in all divisions.

**Reasons for choosing the above solutions**

The main aim of technology in Conner Metal company is to keep the business operating profitably. To remain competitive, it has to make demand changes to meet customer’s needs (Bagchi, 2010). Therefore, Bob would have considered each division to make their own choice since managers understand their plants' day-to-day operations. Generally, implementing a system in a business depends on the relationship between strategy, systems, employees, customers, and the environment (Goldratt & Cox, 2016). Therefore, Bob Sloss should have considered these elements before implementing Conner software.

The company should have a reward system that ensures that the best-performing employee and plant are rewarded. This platform would help Conner company get the IT system pulled through each of the plants since every employee would put more effort into getting the reward, and each plant does. This would have eliminated the problem of forcing the plant managers to use the Conner software.

It would also be important if the company would allow two systems to operate parallel within the divisions; new technology and existing systems. The two systems should compete, and in the process of outcompeting, one system must be superior to the other. Reward the plant that is making more profit through the new technology, making other plants slowly adapt to new technology instead of forcing them up.

**Alternatives considered and did not choose**

Do nothing is a solution that won't improve the bottom line since it will leave the current system within the last 70 years. Also, Conner's executives and customers won't be excited since the option will not solve any existing problem. Also, forcing information systems on all divisions could not be an effective solution to choose since the software will be less likely to be accepted. For this solution to be accepted, employees and managers will have to embrace the technology to meet success.

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