Smit Patel

Case: Connor Formed Metal

CIS 410-50

04/17/2021

**Problem**

Connor Formed Metal is a leading manufacturer for metal industry, and they are looking to update their information system. “Bringing new technology and tools into your organization can increase productivity, boost sales, and help you make better, faster decisions.” **(knight)** They have tried the new system at the main branch, and it has worked great, so they are hoping to use this system in the rest of the branches. Their main concern is that would the new system work in the smaller divisions or they just let them use their individual systems. Seeing that the new system worked great at the main branch, they do hope that it works well in other branches as well, but it could also cause other unexpected problems.

**Industry Competitive Analysis (ICA)**

**Mission Statement**

The mission for Connor formed metal is to manufacture and supply metal parts such as springs, wire, and other things to various companies in different industries.

**Porter’s Five Forces**

**Bargaining Power of Customers:** Low

Bargaining power for the customers was low because they are manufacturing custom quality products and very limited number of companies offer same services so they would have little incentive to find a different supplier.

**Bargaining Power of Suppliers:** Low

Bargaining power for the suppliers would be low. Metal is basic thing and there are many suppliers that supplies metal so Connor could easily switch supplier if they don’t like the service. Suppliers can’t bargain for anything

**Threat of new entry:** Low

The threat of new entry is low because it’s not easy to enter into this business field because there are a lot of barrier that a startup has to pass for them to survive. *“The barriers refer to the existence of high costs or obstacles that can deter new competitors from entering the industry.”* **(CoporateFinanceInstitute)**. You need big investment to start this kind of company because you would have to buy expensive machinery and learn specialized knowledge to make custom iron parts.

**Threat of substitutes:** Low

The threat of substitute is low because they produce a custom iron parts so because of their complexity it is very hard to substitute the product for a different one.

**Competition:** moderate

The threat of competition is moderate because custom iron parts business is easy so not a lot of people can enter into this market easily. However, Connor is not the only one in this industry. There are many different suppliers for this kind of work but not as much to create competition between them.

**Stockholder Analysis**

There are different stakeholders in the Connor Formed Metal.

**Customers** – The customers like Connor’s metals products but they hope that the prices would get a little bit cheaper.

**Employees** – There are different kind of employees. The employees are the most important asset for a company. Good employees would eventually make the company very successful. But hey are required to follow the executives.

**President** – Bob Sloss is the president of the Connor. His main task is to make sure that the company is going in the right direction and all of the rules and policies are being followed correctly.

**Solution Alternatives**

There are multiple solutions for this problem. Regardless, the main goal for the company is to maximize profit, increasing efficiency, and get a great return on investment. I have three different solutions for this problem.

**Alternative 1:** Do nothing

One of the solutions is to do nothing. This solution would mean to just do nothing and continue to have each division run their own information system. Connor would continue to do its business, but it wouldn’t be able reach its full potential. If they used new system then they would be able to increase their sales because if all division had same system then they would be able to solve any issues that they might have. *“The effort involved in taking action could be more work than sorting it out if the problem did occur. You have to weigh up whether it is really worth investing time and effort in moving forward with a solution when the alternative is to sit tight and carry on as you are.”* **(Account)**

**Stakeholder Consequences:**

Employees – Employees would benefit from this solution because they wouldn’t have to learn the new system

Customer – Customers would be happy as long as there aren’t any issues in the new information system.

President – President would benefit from this solution as long as there aren’t any issues in the new system and if there are issues then he would have to solve them quickly before it affects the business.

**Alternative 2**: Force the new information system on all divisions

Another solution would be to force the new information system on all the division/branches. Using this solution would require all of the other division to adopt this new information system. If things go right, then this system would give the same result as Los Angeles branch for all other branches. But if some unexpected things happen and the new system have lot of issues then branch managers would be mad that this all happened because they were forced to switch the system. Employees also have to learn this new system all over again and they might make some mistakes which would affect the business. “Communicating change and involving employees in the transition to new software will inevitably bring up the question of: how does it benefit me and why should I care?” **(Cho)**

**Stakeholder Consequences:**

Employees – Employees wouldn’t be happy with this solution because this solution was forced on them and they have to learn the new system

Customers – This decision wouldn’t affect them much

President – This solution would benefit him as long as there aren’t any issues in the system

**Alternative 3**: Give each division a choice whether they want new system or not

The final solution would be to give each branch a choice whether they want the new system or not. If they are given a choice, then managers and employees wouldn’t be mad that executives force them to do things even though they didn’t want to do it and they think that it would be bad for the branch. If some branches agree to switch to new system and succeed like the Los Angeles branch, then other branches would think that if it has worked for them then it would also work for us. And for any reason if there are some problems then they could slowly solve the issues by fixing them as they go. *“Implementing new technology can be challenging. If not done correctly, it can create big problems for your business, causing delays, productivity losses and budget overruns.”* **(nibusinessinfo)**

**Stakeholder Consequences:**

Employees – Employees wouldn’t be happy because they would have to learn this new system

Customer – this wouldn’t affect them much

President – President would benefit from this solution because if things go right then all branches would give same result as main branch

**Recommendation**

My recommendation for Connor is that they should give a choice to each branch if they want to install this new system at their branch or not. If employees and managers are given a choice, then they wouldn’t feel that they are forced. If they feel forced, then they wouldn’t be able to give their best performance then it would also affect the business. If some branches agree to switch to new system and succeed like the Los Angeles branch, then other branches would think that if it has worked for them then it would also work for us. And for any reason if there are some problems then they could slowly solve the issues by fixing them as they go. “Technological innovation, new regulations, and corporate changes require upgrading or replacing legacy business systems to allow businesses to streamline processes and increase efficiency.” (O’Flaherty)

**Rejected alternatives**

Doing nothing and continuing to use the current system would hurt or help the business in any way. If this solution doesn’t help the future problems, then it wouldn’t be a good option.

Force the new system on all division looks like they are having good results at first but if employees feel forced and hesitant to embrace the new system then it would ultimately affect the business in a wrong way.

**Work Cited**

Account, SuperUser. “The One Option All Your Decisions Should Consider.” *IMindQ Mind Mapping Software*, IMindQ Mind Mapping Software, 5 Sept. 2018, [www.imindq.com/blog/the-one-option-all-your-decisions-should-consider](http://www.imindq.com/blog/the-one-option-all-your-decisions-should-consider).

“Threat of New Entrants - Important Component of Industry Analysis.” *Corporate Finance Institute*, 9 July 2020, corporatefinanceinstitute.com/resources/knowledge/strategy/threat-of-new-entrants/#:~:text=The%20Threat%20of%20New%20Entrants%20Explained&text=When%20new%20competitors%20enter%20into,to%20enter%20into%20an%20industry.

knight, Rebecca. “Convincing Skeptical Employees to Adopt New Technology.” *Harvard Business Review*, 12 Aug. 2015, hbr.org/2015/03/convincing-skeptical-employees-to-adopt-new-technology.

Cho, Sean. “How To Get Employees To (Really) Use New Technology.” *Best Inventory Management Software for Small Businesses - EMERGE App*, 23 Mar. 2021, emergeapp.net/sales/get-employees-accept-new-technology/.

“Plan Your Business IT Systems.” *Implement New IT System within Your Business*, www.nibusinessinfo.co.uk/content/implement-new-it-system-within-your-business.

O’Flaherty, Kate. “Best Practices to Implement a New Business System.” *FM Magazine*, FM | Financial Management Magazine, 2 Feb. 2018, www.fm-magazine.com/news/2018/feb/how-to-implement-a-new-business-system-201818047.html.