WMM1 TASK 2

**RAHUL S  
INTRODUCTION TO SYSTEMS THINKING — D372**

**WMM1 — WMM1 TASK 2: APPLIES SYSTEMS THINKING**

**PRFA — WMM1**

**TASK INSTRUCTIONS**

**A. Analyze one of the case studies from the attached "Case Studies" document by doing the following:**

Analyze one of the given case studies using one of the systems archetypes tools.

**My Choice is - Case Study 2: ICUPhone**

ICUPhone’s business follows a typical Growth and Underinvestment systems archetype, where early success grows to expansion. However, an unforeseen failure to support sustained growth causes eventual decline due to various organizational and managerial failures.

Its initial model grew well on sales at an affordable price. The demand was also decent. As the company saw this as a good sign and increased R & D for better phones and volume. However, the intended effect was the opposite when the quality deteriorated and customer service became lackluster, which in turn impacted the revenue for further R & D, and the Company started losing sales and revenue altogether.

Chosen Systems Archetype: **Growth and Underinvestment**

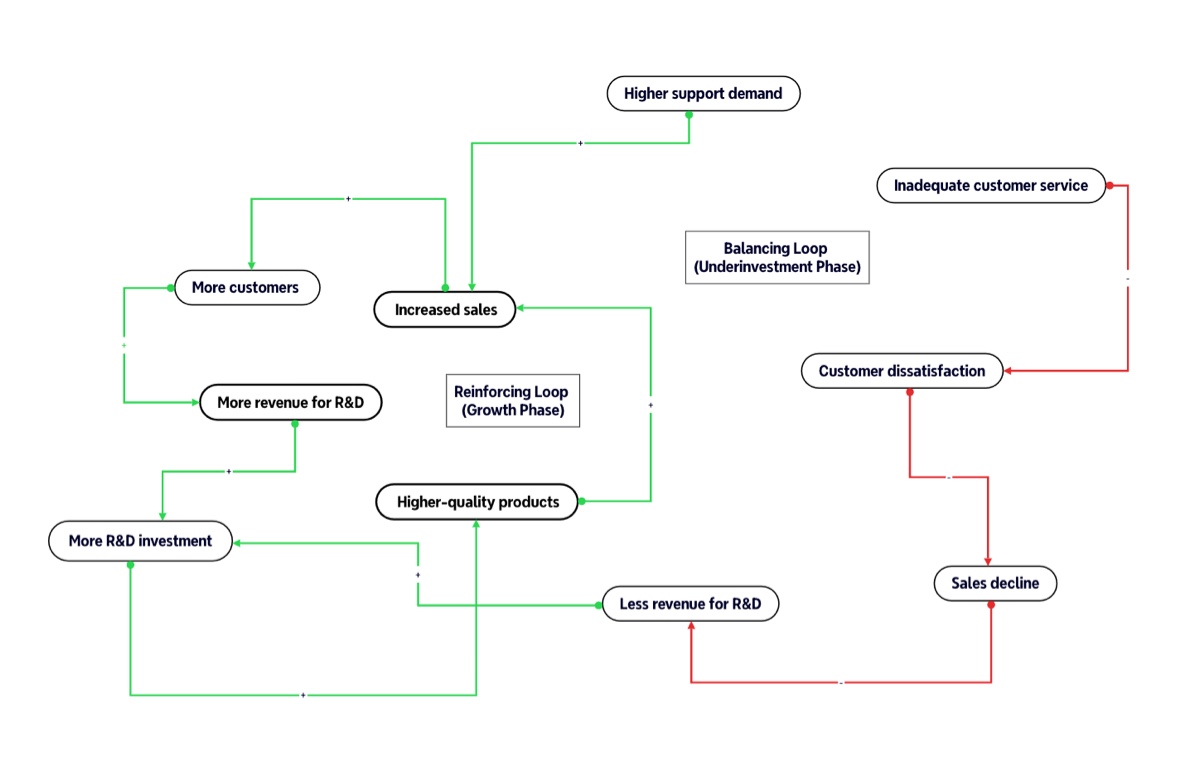
Completed Systems Archetype Tool

**Reinforcing Loop (Growth Phase):**

More R&D investment → Higher-quality products → Increased sales → More revenue for R&D.

**Balancing Loop (Underinvestment Phase):**

More customers → Higher support demand → Inadequate customer service → Customer dissatisfaction → Sales decline → Less revenue for R&D.



**Summarize the problems in the case study as understood through its relationships, properties, and subsystems as a result of the changes that occur:**

ICUPhone commenced operations with a fairly good reputation in the domain of high-quality video phones. The spending of additional funds on R&D was the deal-breaker and as the outcome, this situation became a real sales driver thus ensuring further success. Before that, as sales increased, the number of customers requiring care did too. Nonetheless, ICUPhone company, while the R D function was expanded, did not develop support services, but rather, neglected it totally.

It is the total absence of the necessary customer support, which makes customers feel unsatisfied, that, therefore, is leading to an increasing number of service issues and the after-sales department being under higher pressure.

Poor service records caused customer satisfaction to decline which in turn negatively impacted overall sales.

Diminished income streams caused ICUPhone to have the slashes in R and D funding

, narrowing the space for innovative ideas and while the company was still far behind its competitors.

Due to the fact that ICUPhone failed to deliver the necessary support services, it gave arise the snowball effect of the falling of the sales, revenue, and the bad image which were later pushed into rapid and continuous depreciation cycle of the company.

**SUMMARY**

The ICUPhone’s breakdown was in agreement with the development and not the reinforcement of the infrastructure. Unfortunately, the situation was the company's deterioration. In this note, the obvious choice for the company was the investment in the support service in parallel with R&D that would break the cycle and thus, the growth of the company would have been assured as well.