

# [Ockham technologies case](https://assignbuster.com/ockham-technologies-case/)

The case ends as James Triandiflou, the founder of Ockham Technologies, describes the company’s early growth in launching an enormous deal with IBM and triumph over financing their business operations because it received financing offers from successful investors and venture capital firms. However, Ockham continues to face operational problems from assembling its human recourses to establishing outsourcing relationships for its on-going success.

Rationale for problem selection:

1. James Triandiflou’s faced problems with assembling his executive team. Though Ockham Technologies assembled its founding team, numerous problems arose: (1) there was “ friction” between co-founders Triandiflou and Meisenheimer as they shared different prospective on company’s control issue leading one to make decisions without the involvement of the other (p 12). (2) Building the company’s board of directors was also a challenge. Triandiflou had issues with having two members from one venture firm because he wanted to keep his board small. If Ockham does not bring together the right people, it may risk falling apart and thus jeopardizing the growth of the company.
2. Ockham’s founding team was inexperienced. Triandiflou was aware that he needed broad range of skills. On the other hand, his team was lacking experience in the industry. The case mentions, that he was looking to find “ the best athletes by hiring the “ best people.” (p. 4). When it came down to developing their actual product, his team did not have the knowledge, so they relied on outsourcing their software development to Ron Hardin from Flex Solutions. They were extremely lucky to land the $100K IBM deal considering their software prototype presentation with IBM was not well prepared (pp. 6-7). Judging on their PowerPoint slides from Exhibit 5, not much thought was put into their presentations (p. 18). One point to note is that working with a big company like IBM can also pose high risks. If Ockham fails to perform according to IBM’s expectation, rumors will spread, and customers would lose confidence. Therefore, Ockham may never win another deal again.
3. Trouble deciding to outsource their system development work. Ockham’s dilemma was deciding either to outsource their product development or operating in-house. First of all, the team was not satisfied with the quality and progress of their progress with Flex Solutions (pg. 6). Their insecurities led Ockham to reconsider their equity deal with Flex Solutions, which they had previously discussed. Ockham decided to pay cash for their work instead of having a stake in Ockham Technologies (p. 7). Secondly, Triandiflou lacked operational skills for a software startup if he decides to hire its own developers. Ockham’s realized that the deadline to deliver the product was tight. If Ockham does not decide quickly, it can risk losing their biggest customer.

Action Plan:

1. Enhance communication and establish boundaries to reduce employee conflicts. Conflicts in the workplace arise as a result of numerous factors. In the case, tension between the co-founders was due to values and goal differences in the company (p. 12). Jim Triandiflou and Mike Meisenheimer need to establish healthy boundaries and open communication in company involvement for smoother operations of their business. “ Divide and conquer” as mentioned in the cast, is an effective strategy. When resources are limited (such as this case), it is essential to ensure duties are segregated. This way, restrictions are created, and no one person would have complete control over a process, and all would be partially involved. This might help alleviate some control issues that currently exist with the company.
2. Ockham Technologies should obtain financing from Noro-Moseley. While comparing the alternative financiers, Noro-Moseley is best suited for Ockham for two reasons: (i) they are the biggest and well-known venture capital firm in Atlanta, and (ii) two of its general partners have direct work experience in sale force management and information technology. Although Triandiflou will be giving up some control by having two board members from one venture firm (2 out of 5 or 40% as opposed to 2 out of 3 or 67% control), Ockham will benefit from having experienced members who can provide valuable resources and expertise to the company. Seeking advice from an inexperienced board member such as Bobby Crews would be less valuable to Ockham’s operations and growth.
3. Ockham Technologies should outsource their product development to NIIT, company based in India. The company’s criteria in outsourcing are: (i) meet aggressive deadlines (ii) reuse 80% if the product for future customers (iii) meet specifications and quality standards and (iv) forge a productive relationship and (v) keep the costs low (pp. 8-9).
4. The company most suited is NIIT because the company specializes in software development. Ockham would be equally price sensitive between NIIT and Thoughtmill because of equal fixed cost. However, NIIT’s formalized development process and strong credentials seems to be the best fit to satisfy Ockham’s quality constraints. Outsourcing to Hotshot Coders seems sketchy because the lack of information provided in the cast. Their physical location is not mentioned in the case, and their fixed costs seem overly optimistic. Ockham will need to conduct further research if they decide to use Hotshot Coders.
5. Ockham should evaluate is employee performance and operational processes on a regular basis. As the company enters the growth phase, the skills required for success evolves. A few examples of these additional skills would be hiring an accounting firm to manage their performance financially, or an advertising agency to market their product. Ockham Technologies can also use various pricing structures to broaden its product line. In either case, the overall objective for executives must be able to manage their company in a way to create value that gives a positive return to their investors, and grow their businesses.