

The case study of santa cruz

Business



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They integrated a new information system PALM that helped them reducing the lag in their design in an average of 12 or 14 months; this integration allowed the company to increase productivity and reduce the time lost when a design was not fit for production.

Santa Cruz Bicycles added an asset to their process, this asset was a machine that can produce in-house parts needed for their prototype, and another key factor was they hired a master frame building; providing and facilitating the process of building and testing prototypes decreasing their average time from design and shipping and eliminating the need for outsourcing (Pearson, Saunders, 2013). In a quest to improve its system processes and reduce time and money for the company, Santa Cruz made some changes that would improve their internal systems.

The main factor in Santa Cruz's system improvement is afforded to the enterprise system known as Product Life Cycle Management system.

According to the text book, the research and development team had been using computer-aided-design(CAD) software, but it took 7 months to develop a new design, and if the design failed, starting over was the only solution. (Pearson, Saunders, 2013). It was not until the company reached this low that they decided to implement a new system that would help them improve in their processes.

They removed the outsourcing aspect and months to 12 to 14 months. Outsourcing has become a part of the modern business strategy and design. Experts believe managers should decide what part of the company's

business processes they are good at and outsource everything else, focus on the company's core competency, and let someone else do the rest.

Santa Cruz Bicycles needed to identify its core competency and make changes to the company's business processes to achieve the company's goal of lowering the design process time frame.

Hence, the company hired a master frame builder to build and test prototypes in-house to achieve its goal. Hiring the master frame builder, Santa Cruz Bicycles is taking a step in the right direction for building the company's core competency and a key factor in the company's successful process redesign. The design process for Santa Cruz Bicycles should be a unique process for the company if a new product is introduced to the market. Hence, the design process should be an in-house activity to produce an authentic and exclusive product.

According to Main, Bar, and Winston “ each business process must be analyzed based on its underlying attributes” (2010, p. 40), before making decision about outsourcing. The company designed and patented the Virtual Pivot Point, a suspension system, which needs a bicycle frame that fits well with the system. The in-house master builder provided the company with an important attribute in accomplishing its goals in the company's redesign process and also contributes to the company's core competency.

The master builder was a key factor because having one allowed Santa Cruz Bicycles to take control over the Meany's design and business process. The company would also have full control of problems related to quality and turnaround time.

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The in-house builder would reduce the sluggish response times coupled with slow issue resolution, hence, the long time the company took to bring the new product to the market. Outsourcing provides companies with a competitive advantage by delegating business process to external sources and to realize the benefits of low labor, better quality, and improved innovation.

Santa Cruz Bicycles did not accomplish its goal of a short time in the design process by outsourcing part its design process. Change management is a systematic approach to dealing with change, both from the perspective of an organization and on the individual level. The management team at Santa Cruz Bicycle wants to achieve the company's goal of going from design to prototype in a shorter time.

To achieve the goal changes were necessary in the management thought process and outlook for a successful outcome.

The current design process is inefficient and adaptation to change is crucial for the organization because the design process is at the heart of the company's success, and for the company to succeed management must retool the design process to achieve its goal. The management team made changes starting with the software use in the company's simulation process. Changing the software is an important part of the process, but the change is not the overriding factor in the Santa Cruz Bicycles success. The software was one component in the redesign process intended to retool the company's systems.

The company upgraded to the to the product life cycle management software currently in use by large global manufactures. “ For companies operating in dynamic environments, changing at the right pace, defined effectiveness” (Cleaner & Raises, 2013, p. 160). Therefore, the software was one way f maintain effectiveness in the company’s design process. Adopting change management to the company’s design process is a structured approach for ensuring that changes are thoroughly and smoothly implemented, and that the benefits of change are achieved in the company’s design process.

The management focus is on the effectiveness of change, on the design process and how changes help the design team achieve the company’s goal.

Hiring a master frame builder helps the company move from the current situation to achieving a shorter time in the company’s design process. The change management Santa Cruz Bicycle implemented in its process ND strategy is important if the organization is to achieve its potential. Santa Cruz bicycles are considered to be the near the top in the mountain biking industry.

The changes implemented internally with the transition from a CAD process to a PALM approach has enabled the company to increase manufacturing efficiency while remaining innovative at the same time. With these improvements within the organization,