

The organisational structure of jaguar management essay



Jaguar over the last decade has been overtaken by Ford, who have invested considerable in to the Jaguar / Ford strategy to become the number one automotive company in the world. Jaguar used WCT (world class timing) or WCP (world class process) but now have invested considerable in FPDS (Ford Product Development System). Which will reduce the time from concept to the customer.

With the advent of the supplier development and closer relationship between the supplier and the customer, it has resulted in more suitable and cost effective processes and materials been selected early on in the programme, which is resulting in Jaguar investing in more techniques and processes to maintain its competitive edge and maintain existing hold in certain markets. In this report I will be discussing the corporate level, business level and manufacturing level strategy used within Jaguar/Ford. I will also be addressing the following questions :

Current and Future impact on the organisation

Tools and techniques used to analyse the various strategies used

How these strategies affect the upstream and downstream customer or supplier within the supplier chain

What actual part my colleagues and I play in formulating and achieving the company goals and objectives

Possible improvements in the implementation or formulation of any of the companies strategies

£10000 would I i

What is the organisational structure of Jaguar ?

I will also discuss the possibility of investing £10, 000 in to the company, look into the future trends and analyse the methods employed at Jaguar. I will conclude by reviewing my findings.

1. 2 Background

To illustrate the principles of Manufacturing Strategy. I have selected the Jaguar Cars Limited, for which I am project engineer in Electrical Engineering. As Project engineer of the security system team in the body systems department at Jaguar Cars Limited, Whitley, Coventry.

My role and responsibility as Project engineer, consist of various task and project every year. One of many projects under my control is the security system project. This consists of selecting new suppliers, working out roles and responsibilities, setting up meetings/presentations, liaisons with various tier one and tier two suppliers, setting targets for various attributes and setting up training for staff in my team.

The current security system products are supplied by Megamos. Jaguar and Megamos relationship first started in 1982, when Megamos supplied Jaguar with a security system for the XJS vehicle. This consisted of a security ECU, remote transmitters and security sounders.

Megamos headquarters is based in Germany but they have set up a site close to Jaguar cars to build on this close relationship as required in a

supplier development programme. Megamos are a subsidiary of a larger group called Delphi and Textron.

In November 1989, Ford acquired Jaguar cars Ltd. This has helped Jaguar to reduce its number of 1st tier supplier from 420 to 350, with the Ford 2000 initiative this will be reduced further, this has also helped in more common product and processes being used on both Jaguar and Ford car lines. The FPDS process is the first all new common process to be used at Jaguar and Ford simultaneously, this will help Jaguar and Ford to reduce the development cycle from concept to customer.

Ford 2000 means that we need to invest in initiative that will reduce development cycle time, to increase productivity and variability of our product range. This should result in more common parts, product and processes being used across the works, with the implementation of FPDS we have started to see the results.

CHAPTER TWO

2. 1 Objective

Ford / Jaguar Stratgies :

The objective of the rept is to evaluate FORD / JAGUAR strategy. I will be evaluating the company Mission Sttement and Comany History as an overview. Tis will then be followed by a critical analysis using the SWOT matrix, PORTER's five factors and other Hills 5 step approach showinfg the inter-relationship between stratgies.

FORD / JAGUAR VISION

CHANGES GOING ON THROUGHOUT THE COMPANY:

Each of you, have the means and opportunity to positively impact Ford's quest for world-wide leadership. Our goal is to be the world's leading automotive company.

We at Ford face a challenging and exciting future. In the fall of 1994, we began a dramatic global reorganization called Ford 2000. Since that time, we have changed our structure and processes to become more efficient and responsive to the customer globally, and will continue to do so into the future.

FORD 2000 STRATEGIES

When we launched Ford 2000, we developed 7 strategies that are key to our success. It should be noted that, empowered people is at the top. We believe empowered employees, making decisions every day are instrumental in achieving our goals.

GLOBALIZATION

Ford Automotive Operations (FAO), developed as part of Ford 2000 combines our operations around the world into a single, global structure. FAO was established by combining north american automotive operations, Ford of europe, international automotive operations and the automotive components group.

At the heart of FAO are the 3 vehicle centers. These centers each have worldwide responsibility for the processes and systems that contribute to a vehicle's product development, manufacturing, supply and sales activities.

While design and manufacturing are centralized, marketing and sales operations will remain localized — locally managed, sensitive and responsive to the needs of customers and dealers. We will become a global organization for collecting the “ voice of the customer” from various markets and sources, to ensure that voice is well-represented within the vehicle centers.

ALEX TROTMAN QUOTE

Alex trotman, our C. E. O. and clearly the leader of the company's globalization initiative, has said, “ to survive and prosper in the future, we cannot maintain the status quo...we want to be the best in the world; not second best, not third best, the best.”

Our Ford 2000 reorganization strategies will make us the world's leading automotive company.

FORD CUSTOMER SERVICE DIVISION

The Ford customer service division are shaping themselves to become the customer service satisfaction leaders.

FPSD TO FCSD

Several years ago we transformed the Ford Parts & Service Division (FPSD) into the activity it is today, the Ford Customer Service Division (FCSD), the company's “ voice of the customer”. Notice the subtle but obvious change? The word “ customer”.

We took a look at ourselves and asked where we wanted to focus our efforts and resources over the long term. We decided we wanted to be recognized as a leader in customer satisfaction.

However; before we could start on this “ change journey”, we had to develop a vision of what we wanted to be and a mission which would help us get there.

VISION AND MISSION

OUR VISION IS:

To provide owners of Ford motor company vehicles or Jaguar Cars Limited an ownership experience that is so good, they will buy again and tell others how great it is to own a Ford or Jaguar product.

OUR MISSION IS:

We are the company’s principal source of customer support and vehicle service. Our mission, in partnership with related company activities, is to improve continuously both our own and Ford and Jaguar dealers’ ability and commitment to provide superior customer service. The owners of our vehicles will determine our success. Simple statements, challenging tasks.

Do you agree?

DRIVERS OF CUSTOMER SATISFACTION

In order to help us focus our attack, we commissioned extensive research and determined that the “ drivers of customer satisfaction” came down to three elements:

- 58% of a customer's total satisfaction is related to the vehicle itself.

Interestingly, our research pointed out that FCSD can affect 18% points of that number because of our involvement with providing quality parts for the vehicle;

- 21% of customer satisfaction is influenced by the sales experience, and.....

- the final 21% is influenced by the service experience. Within the service sector, repairing the vehicle correctly on the first visit, termed fix-it-right-the-first-time contributed to 42% of the customer's service satisfaction while customer handling practices accounted for 40%.

So, in total, we established that FCSD contributes to 39% of the factors that drive customer satisfaction.

KEY STRATEGIES

There are 4 "key" strategies that support our strategic thrusts:

- Working With Dealers To Improve Fix-It-Right-The-First-Time-On-Time Capabilities (FIRFTOT).
- Maintaining a field focus (dealer support & customer handling)
- Support of the upstream engineering process
- maintaining a focus on a quicker service fix process

FIRFTOT AND FIELD FOCUS INITIATIVES

Improving dealer firftot capabilities & field focus

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As I mentioned earlier, repairing a vehicle correctly on the first visit is the primary driver of service satisfaction. The rapid advancement of technology incorporated into our vehicles has improved our quality and reliability but has challenged the dealers ability to “ keep up”.

Providing ongoing support as it relates to training employees, attracting and retaining quality personnel and establishing sound business practices to better handle customers are among the dealer’s priorities.

Several recent initiatives have been launched that will mutually benefit the dealer and customer base simultaneously:

The FCSD field reorganization, completed last year, revolutionized the level of support afforded dealers. The MARKET AREA TEAM APPROACH PROVIDES THE DEALER WITH MORE DIRECT COMPANY SUPPORT BY:

- Placing a larger percentage (82%) of our field office personnel in dealer contact roles;
- establishing specialized dealer contact teams with defined roles; and. . .
- placing our most experienced managers in consultative, leadership roles (doms) to improve dealer operations.

REGION TO DEALER SURVEY RESULTS

Our dealers have recognized this effort by showing significant increases in satisfaction with Ford customer satisfaction support.

Another milestone accomplishment involving dealer support is the fordstar distance learning system. Currently, we are approaching 100% participation. The entire dealership network, 5000 dealers in the united states will be fordstar capable. We have committed to regular programming to support their technical and non-technical training needs. This initiative has been greeted with strong dealer support since dealers can now receive interactive training (sales, service, technical) and communicate with the company without leaving the dealership.

Long-term, these initiatives will undoubtedly have a continuous and positive impact on customer satisfaction and owner loyalty.

UPSTREAM ENGINEERING & QUICKER SERVICE FIX

I will now discuss an area where we have made significant improvement, upstream engineering and establishing a quicker service fix process.

The upstream engineering process will prove to be a competitive advantage in that it allows us to build quality into future designs.

As part of the upstream engineering process at Ford:

- Fcsd personnel have been co-located on forward -year design teams where they interpret field data, serve as the “ voice of the customer” and have a measurable impact on overall quality;
- we also assigned these co-located employees with the task of developing an affordable service structure while improving the field “ serviceability” of our product. Thereby, holding technology in “ check”.

While upstream is proactive, we must still be positioned to react to problems as they occur. That's where quicker service fix initiatives come into play. Our goal is to resolve service problems within 90 days of their assignment to engineering.

We currently achieve this standard around 72% of the time, but we are trending in the right direction. We will accept nothing short of 100% on this important area.

Last year, in support of this standard, we added fcsd members to each of the plant vehicle teams to improve resolution time and become more proactive: the role of pvt members involves:

- Analysis of current vehicles and identification of component problems
- interpretation of quality to promote quick problem resolution
- representation of the “ voice of the customer” at the production level

Each strategy and initiative I discussed with you will contribute to quality improvements. But no more than fcs 2000 and policy deployment combined. Fcs 2000 contains the infrastructure which will allow us to align with the objectives of Ford 2000, while policy deployment will align objectives toward common goals and promote focus throughout the organization.

Most of you have heard or read about Ford 2000, the largest reengineering project ever undertaken by a major corporation. I'm pleased to say that we are beginning to see the results of this important initiative with products like the expedition where the use of common components (54%) control cost,

quality levels are “ world class” and it was designed and delivered in 37 months. This is only a start, now let me show you how our globalization initiative, known as fcs 2000 aligns with Ford 2000.

FORD 2000 ENTERPRIZE MODEL

On the Ford 2000 enterprize model, after sales service is the term that relates to fcs 2000. Let me start out by defining what aftersales service means to us. . .

It is not about repairing problems on vehicles after they are sold, it is about designing quality and serviceability into our vehciles upstream so the problems never occur in the first place. However, this is where the “ real work” begins. Once the majority of reactionary problems have been eliminated, we must then provide each of our customers , world wide, with consistent, “ world class” service experience so they remain loyal to us long-term. When i refer to consistency, I like to use an analogy which relates to mcdonald’s restaurants. . . [add lib mcdonald’s consitent quality from chicago to cologn]

FCS 2000 MANAGEMENT SYSTEM

This model displays the four process groups which make up the global and regional organizations under fcs 2000.

Briefly. . .

Business development will focus on working with dealers to improve competitiveness and customer focused practices in order to capture a higher percentage of the service business.

Parts supply and logistics will consistently deliver the right part to the dealership, on time and at a price the customer is willing to pay.

Technical support will provide a single, accurate, timely and common technical information process worldwide.

Vehicle service and programs will be developing upstream engineering processes which will consistently design quality and serviceability into the vehicle and when a problem occurs, it will be handled in a timely and customer driven manner.

This global structure I just reviewed will impact the 5 regions which make up the global fcsd. They include north america, europe, south america, asia-pacific, and export. This structure will allow us to think globally, but act locally.

Much of what we still must achieve requires extensive cultural change throughout fcsd.

CUSTOMER SERVICE CULTURE INITIATIVE

By benchmarking industry leaders in customer satisfaction the customer assistance center has developed a “ customer service culture initiative”.

There are three key areas to this initiative:

Customer service philosophy - transform customer service from a department to an attitude, embraced by all employees!

Revised new employee orientation - stress the importance of customer service on day one with you our new employees.

Continuous reinforcement - daily team meetings focusing on the importance of customer service and best practices.

By establishing customer service as a way of life, the customer assistance center will help drive our goal " to be the world's leading automotive company". Additional details of this important initiative will be covered later this afternoon.

DIVERSITY AWARENESS

A key driver in culture transformation is diversity! What is diversity in the work place? It includes all the differences that define us as unique individuals.

Differences such as: culture, ethnicity, race, gender, nationality, age, religion, disability, sexual orientation, education, experiences, opinions, and beliefs are just some of the distinctions that each of us bring to the workplace.

By understanding, respecting and valuing these differences, we can capitalize on the benefits that diversity brings to the company.

The entire staff within the customer assistance center have attended a diversity awareness session. Everyone in the organisation has attended a session during there level 1 training process. The company wide roll-out was completed by the end of 1997.

By valuing diversity, we will be better equipped to meet the challenges presented by global competition. This challenge seems to have been embraced by most of the employees within the organisation.

We must also work together as a team to achieve and sustain a competitive advantage that will make us rise above our competition.

PLAYING TO WIN

That means having a “ playing to win” versus “ playing not to lose” attitude.

when you “ play to win”:

- you are focused on being number 1, not number 2
- you are willing to take risks, try new things that will yield the big rewards

On the other hand, people who “ play not to lose” are:

- satisfied with being the close follower
- focused on “ playing it safe”
- Reliant on what you know worked before

We, at Ford customer service division, are definitely “ playing to win”! We have embraced that winning philosophy and developed the Ford corporate culture, known as “ winning together”. Ford places a premium on sharing “ best practices”, recognition of effort, and the setting of stretch targets. All are required to foster a “ winning together” culture within an organization.

You are joining Ford motor company at one of the most exciting times in history. As you move through your career, you will be influenced by its history, but you don't have to be constrained by it.

JACK WELCH[1]

I'd like to believe we are practicing what Jack Welch, chairman of General Electric and the dynamic force behind General Electric's renewal, has been preaching. His 3 operating principles sum up what we are trying to achieve with our entire strategic change and reorganization process:

STRETCH –

“ Using dreams to set business targets — with no real idea of how to get there. If you know how to get there, it's not a stretch target.”

SPEED –

“...Allowing us to shift the center of gravity of the company.” “ only the most productive companies are going to win...”

SHARED VALUES-

“...Piercing the walls of 100-year-old fiefdoms and empires called finance, engineering, marketing, and gathering teams from all those functions in one room, with one shared coffee pot, one shared vision, and one consuming passion...”

As the leaders of tomorrow, you must embrace stretch, speed and shared values. All three will be critical in our fast-paced global marketplace.

I talked a great deal about change.... And you will hear even more about the importance of change, embracing change and leading change as globalization progresses.

Why is all of this so important?

DR. GOLDSBERRY QUOTE[2]

Because our future is not secured by what we did in the past, or even what we are doing at the present...no matter how great that was or is. We have to change strategically and continuously if we are to be a global leader. Without strategic change, we will only be able to watch our competitors achieve the goals and rewards that we seek.

I challenge each of you to value our customers and think strategically, to stretch your thinking and goals, and to be proud that you are an employee of Ford motor company.

2. 2 Mission Statements

Fords Mission Stement

Jaguars Mission Staements

Which Corporate strategy is right for Jaguar Cars Limited ?

There are five possible steady state (that is, non -emergency) corporate strategies.

Strategic Thinkers

ANSOFF, H. IGOR

Russian - American engineer, mathematician, military strategist and operations researcher. The model assumes that the purpose of a firm is to maximise long term profitability (return on investment) and then gives a host of checklists and charts for deriving objectives, assessing SYNERGY between different parts of the firm (functions and businesses), appraising the firm's COMPETENCE profile and deciding how to expand (how to diversify, how to assess whether entry to an industry likely to give the desired ROI, whether to acquire or go for organic growth, and how to weight alternatives taking into account a large number of highlighted factors. He stresses the need for a ' common thread' for all a company's businesses if it is to add value to them. The ANSOFF MATRIX is definitely a useful framework for considering expansion into new areas.

The ANSOFF MATRIX shown below gives 4 options for increasing sales.

The Ansoff Matrix for business development

4

3 New

Market

2

1

Existing

Existing New

Product

Arrow indicates increasing risk

BOX 1, selling more of existing products in existing markets, is a low risk, market share gain strategy. To be useful, this must specify how this objective is to be attained, for example by enlarging the sales force, increasing advertising or cutting price. The XK8 / XKR was the first times in over a decade Jaguar started to advertise its product range, it increased its sales force in all the markets especially in Germany and the United states.

BOX 2, implies product development to sell new (or modified) products to existing customers : fine as long as the firm has a good track record of product development and provided the new product share enough costs and skills with the existing products, and do not face a very strong incumbent competitor (see also adjacent segment). This is when Jaguar introduced the XKR the supercharged version of the XK8, the sales plan predicted sales of up to 15000 units per annum but it sold in excess of 5000 units, due to our track record and existing products sharing cost.

BOX 3, takes existing products and sells them to new markets or customers. This is clearly sensible if the new markets can be cultivated at relatively little extra cost, but can be risky if a new market requires investment in fixed cost (for example, a new salesforce), if the customers have different requirements, or if there are entrenched competitors.

BOX 4, new products to new markets - is the highest risk strategy : the segments being entered are not adjacent to the existing business and it is almost like starting a new business from scratch. The presumptions that Box <https://assignbuster.com/the-organisational-structure-of-jaguar-management-essay/>

4 strategies are inherently unsound and should only be taken either in desperation or because there is a compelling short term opportunity not being exploited by others.

PORTER, MICHAEL

Porter defines two kinds of competitive advantages : Low cost, or differentiation. He places a firm in the context of its industry (see PORTER'S FIVE COMPETITIVE FORCES) and identifies the firm's own value chain (all the ways it adds value from start to finish by activity) systematically.

Porter Competitive strategy codified how to gain competitive advantage. His analysis suggests four diagnostic components of looking at any specific competitor : (1) Future Goals: what are they trying to achieve, including their ambitions in terms of market leadership and technology ; (2) Assumptions : how does the competitor perceive himself, and what assumptions does he make about the industry and his competition ? (3) Current Strategy ; and (4) Opportunities : what do they think they have ? Armed with this framework, one can then construct scenarios about competitors' possible reactions to any action by one's firm.

Porters five competitive forces

Porter was an innovator in structural analysis of markets, which previously, even with BCG (Boston Consulting Group) , tended to focus largely on direct competition in the industry, without looking systematically at the context in other stages of the industry VALUE CHAIN. Porter's five forces to analyse are :

Threat of potential new entrants

Threat from substitutes using different technology

Bargaining power of customers

Bargaining power of suppliers

Competition amongst existing suppliers.

The interactions amongst the five forces are shown below. From this porter builds a useful model of industry attractiveness and how this might change over time, both because of objective economic changes and also because of the ambitions of the players themselves.

Michael Porter's Five Competitive Forces

Potential

New

entrants

Threat from

new entrants

Competitors in the industry

Bargaining

Power

Suppliers

Bargaining

Power

Customers

Competition among existing companies

Threat from substitutes

Substitutes

Jaguar History

.....

.....

Within the automotive industry there is a trend towards, only five – six major players within this field. The customers voice is been heard and been acted upon. There has been a trend towards more customers wanting luxury vehicles and this segment is growing very fast and all projected figures show that this trend will continue. This is one of the drives behind the set up of the new Luxury vehicle team " Premier automotive Group" being set up by Ford and Jaguar. The premier automotive group is made up of Jaguar, Aston Martin, Volvo and Lincoln. It is envisaged that together, these four brands will ensure that Ford will progressively become a leading force in the global luxury car market. This is being headed by Dr Wolfgang Reitzle, who was previously the Chief Executive Officer (CEO) at BMW. A key qualifier and undoubtedly an order winner for Jaguar is the brand image, the image of quality , wood finish and leather seats. Dr Reitzle stated " we need to continue our commitment to become the world's leading consumer company for automotive products and services"[3]and " Jaguar, Aston Martin, Lincoln

and Volvo are powerful brands and by grouping them in this way it allows us to bring a laser-like focus to these products and also allows us to preserve the diversity of these vehicles in terms of customer appeal and cultural heritage." The objective of the Premier Automotive Group will be to develop strategies to leverage and grow our premium and global brands.

Driven by the statement "..... to always meet or exceed the customers needs " Jaguars strategy has been geared towards providing the customer with surprise and delight features. This direction is a major contributor to higher gross sales and profit. This is clearly shown in Jaguar sales as it reached 50, 000 units for the first time in its history.

How will this strategy affect downstream and upstream companies in the supply chain ?

Jaguar strategy in terms of offering a vehicle with individual style and elegance is the way forward in the luxury market segment. A supercharged Jaguar is one vehicle that was under estimated by sales and market and the press, but as soon as it hit the market it was such a success Jaguars downstream supplier were unable to keep up with the demand. It was predicted to sale only 1500 units but it actual sold in excess of 5000 units.

In order to implement this strategy greater investment is required along with training and developing the skill base, the core competence both from within the group and buying in expertise. A recent example of this has been expanding the veneer workshop and carrying out all the work in-house, were as at one stage this work was going to be out sourced for the S-type. Down stream the subcontractors reaction has been understandably negative.

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Jaguar and Ford only use Q1, QS9000, ISO14001 approved supplier for all its components and parts. This will no doubt result in larger price increases as supplier try and achieve there customers goals.

SWOT Analysis

STRENGTHS

Good training / education programmes

Good communication : weekly or daily feedback

Broad customer base

Brand image nd heritage

High quality

Potential for Growth - internally and externally

Good team work and support from other platforms or car lines

WEAKNESSES

Loss of customer goodwill - low resale value

Under resourced

Information systems weak - too many new electronic process that have not been fully de-bug

Limited product range

Delivery times gon average > 90 days

OPPORTUNITIES

Expansion of core business

Many more product lines (e. g. X400, X350 etc.)

Joint customer supplier development

New territory

For more X-car line features or functions

THREATS

Mergers - Premim Automative Group - BMW

Globalisation strategy of customers, especially customer wants and needs

Shorter times from concept to market from our competitors.

The SWOT analysis clearly highlights the overall position of the company in the market place. Jaguars future strategy can clearly derived from the strengths and opportunities available.

Jaguars long history for providing the customers with a vehicle with an individual style, quality wood finish and leather and at a price a customer is willing to pay is defiantly a strength that will lead it to achieve or exceed it corporate strategiy for the future and meet all the future business plans (business strategies) for the next decade.

The oppportunities that are available to Jaguar suggest that heavy investment and process competence would allow it to focus on its customer base also

allow for the provision of supplying more variety of vehicles to the customers.

Although this clearly highlights w