Good case study about general motors: packard electric division

Business, Company

General Motors acquired the Packard Company to provide a differentiation to its products. Packard Electric became one of the major divisions of the General Motors (GM). It is responsible for all the cabling and electrical wiring for all GM automobiles. In the 1990, under the leadership of Chief Engineer, David Schramm, the division came up with a new method for moving the wires and cables through the firewall between the passenger compartments and the engine. RIM (Reaction Injection Molded) grommet, the new technology, received a lot of support from the product development group since it was easier and simpler to design and enhanced the leak seat. The new technology was as a result of the deliberations of the Product, Process and Reliability (PPR) Committee. However, the Process development section considered it to be more costly, and the manufacturing process looked complicated. Additionally, they argued it provided insignificant developments to the leak resistance (Wheelwright & Gill, 1990).

The PPR Committee wanted Schramm to conduct an analysis on two issues. First, he was to determine whether Packard Electric should commend the use of RIM grommet in the 1992 model year. Secondly, Schramm was to investigate the effect of the suggested four-phase development process to the product development effort. Schramm had to consider the available options to ensure that the final product was efficient and effective. In my opinion, the need for a new technology in the 1992 model year was imminent. While the new technology faced challenges like failing to pass the five-and-five-test, the design engineers were confident that they could improve the performance and pass the test. Moreover, the risk of failure and repairing current harnesses were also major concerns for Schramm’s team

(Clark & Wheelwright, 1993).

Another similar case to the above is Fisker Automotive failure in implementing battery-powered cars. Fisker came into the industry on the backdrop of utilizing breakthrough technology. Their main failure resulted from their inability to implement the technology carefully. Apart from the technology, the company had problems in their production quality. It resulted in most of their products coming out more like a prototype rather than a production-ready vehicle. Additionally, the firm's biggest impediment was in manufacturing the vehicle named Fisker Karma at a production site they did not own (Smith, 2013). It meant that the company had to outsource almost each and every component that required for the production of Karma. The shortage of supplies and the inability to control quality were major issues. The major failure occurred in the faulty batteries from A123 Systems (Bullis, 2013).

The failure was as a result of Fisker failing to focus more on the production stages, and outsourcing virtually everything that was needed in the production process. Fisker relied solely on the look of the vehicle and technology produced by its suppliers. The concentration on the design relied on the idea that most people are fascinated by beautiful cars, and they would buy the Karma. To mitigate these problems, Fisker introduced an in-house technology, where all the components of the vehicle were manufactured and assembled under one roof (Bullis, 2013).

Both the companies discussed above handled their situations differently. In the GM scenario, Schramm made some recommendations to the company. The first option was to adopt the RIM grommet that was the riskiest. The

second option was to undertake parallel development which combined IHG to minimize leakage (Clark & Wheelwright, 1993). These options would ensure an efficient final product. On the other hand, Fisker took the route taken by other automobiles. They bought custom-designed batteries from A123 Systems that they designed using their in-house team. Hence, the two businesses took different approaches but the aim was to improve efficiency (Bullis, 2013).

References

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