

Risk - de havillands

Business



The article, ' de Havilland's Falling Comet' raises highly pertinent managerial issues that significantly impact business outcome and influences its marketing image amongst the public. de Havilland was a leading British Aircraft company that was known for its innovative and high performance designs of the aircrafts. After the WW2, its entry into the commercial market was crucial factor for widening its business scope. Its assumptions that speed would be an important issue along with leading edge technology was correct to a great extent. It also had the edge over others in the industry with its expertise in the field. Its jets had many advantage vis-à-vis high speed, quieter and more comfortable interior, distinctive design etc. But management's decision to launch its first commercial jet ' Comet' was fraught with many mistakes and lacked proper and comprehensive risk management plan.

de Havilland management's hurry to be the first to launch jet aircraft commercially was important because it saw the launch of Comet as setting of the standards for the aircraft industry. It also wrongly assumed that because it was leading aircraft company and known for its high performing designs, it could repeat its success in the commercial market also. The lack of proper research and its apathy for the security of the customers was key managerial issue that was overlooked or not properly researched. The development of new products need to be well research and well tested before bringing it to the people. Though de Havilland had introduced innovative changes in its commercial jet, Comet, the changes were not tested extensively and the jet was launched in hurry. The faulty design of the jet had resulted in three massive crashes which ultimately discredited the company in the eyes of its various stakeholders.

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The various perspectives of de Havilland case are important ingredients because they help to execute projects successfully. In the Havilland case, priorities were set wrongly. Passenger safety was overlooked in order to become the first one to set standards for aircraft industry. Moreover, the new designs were not tested and risks were not identified from different perspectives and outcome. This was a major blunder especially as it put to risks the lives of the people or its passengers. As a project manager, the case study helps to identify the flaws in the project. In the highly competitive business environment, while gaining leverage in the market greatly facilitates business outcome but sustaining the performance and market credibility becomes more important in the long run (Barkley, 2006).

Could the risk matrix have averted the catastrophic outcome of Comet series of jets? Risk matrix help to critically evaluate projects and paradoxes are extensively researched to identify anticipated and unanticipated risks. Moreover, risk management is vital aspect of new product development which is assessed from various perspectives. In the case of aircraft, the design is critical technical aspect of aerodynamic processes that is hugely important for the safety for its various stakeholders. The various stages of product development should have been stringently followed so that any setback or defect in design could have been identified earlier. The strategic initiatives in the area of risk management should have been on the priority of the project (Glendon & McKenna, 1995). The various strategic issues like risk management, financial risks and alternatives, research etc. were either overlooked or under developed. Thus, readings help to understand the issue from different angles and help broaden the scope of product development.

(words: 570)

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Reference

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