

Managing small business

Business



Masaood John Brown (MJB) is a Joint Venture company between Al Masaood of the United Arab Emirates and Turbine Services Limited based in Glasgow. MJB is a total service provider to owners and operators of industrial gas turbines throughout the Middle East, Africa and the Indian Sub-Continent. In addition, through its partnerships with affiliate companies in Glasgow, Australia, India and Thailand, its component repair facility serves clients all across the world. MJB has an employee skill base that equates to over 1500 man years of OEM experience in industrial turbine maintenance solutions, an annual turnover of over \$100M, and a full time staff of 162 personnel. MJB has been a presence in the UAE for over 25 years, and has grown significantly in staff, turnover and profits since it began.

1. 1 History ; Heritage Like many of its competitors, MJB is a direct competitor of General Electric, the Original Equipment Manufacturer (OEM) of Industrial Gas Turbines. MJB gained much of its proprietary knowledge of GE turbines from its heritage, when in the latter part of the 21st Century it was owned by John Brown Engineering (JBE), who, like many others, manufactured GE design turbines under license. When JBE was the victim of several successive takeovers by the Trafalgar Group, Kvaerner Energy, and then GE, its principle operations in Clydebank, Glasgow were closed down. GE however were not fast enough to close down MJB in Dubai, who were able to go into partnership with a large US Gas Turbine corporation; Chromalloy (who are now owned by Sequa, part of the Carlisle Group).

1. 2 Overview This report will be a critical evaluation of MJB's strengths, weaknesses, capabilities and resources, and an assessment of the external environment in which it currently operates. The results of the

organisation will be evaluated in terms of Financial, Process, people and customers. An analysis of the key success factors for the industry will be presented along with the opportunities and threats within the external market in which MJB operates. The report will conclude with a series of strategic recommendations and initiatives to further develop and grow the business.

As such, MJB is considered a Small business enterprise in the UAE, due to the fact that it operates within the Jebel Ali freezone which was primarily setup to cater to this segment of businesses. Secondly it is also physically located within the Oilfield Supply centre which is a unit setup within this zone specifically for Oil and Power related SME companies. By EC definition, it would be classied as a medium enterprise (between 100-499) employees. Within the UK it would be classified as a small manufacturing company, as per the Bolton Committee definition. Furthermore, the company carries all the following characteristics:

1. Has a relatively small share of the marketplace
2. Managed by Owners or part-owners although trough a formalised structure
3. It is an independent company (Deakins ; Freel, 2006)

Products ; Services MJB's principle area of expertise is for maintenance services for General Electric's 'Frame' fleet of industrial gas turbines. These engines represent approximately 30% (MJB Market Data, 2009) of all heavy industrial gas turbines in operation across the world. There are a number of products and services offered by the company, including sale of new and refurbished capital and consumable spare parts, field services, component repairs, and complete refurbished gas

turbine packages. The characteristics of each of the services offered are as follows:

2. 1 Capital Spare Parts Sales of items with high capital value to the customer. These parts are typically complex and with a limited supply chain. Reverse Engineering of these parts is a source of significant competitive advantage. 2. 2 Refurbished Spare Parts Sale of refurbished capital spares to clients as an option at a reduced price to that of new, with the benefit of being available at much reduced lead time. Refurbished part sales can be lucrative, but are unpredictable in nature.

2. 3 Consumable Spare Parts Routine commodity business of selling consumable spares is most successful when sold within a Long Term Service Agreement (LTSA). Consumable spare parts are less successful when sold independently due to MJB's suppliers providing direct at lower cost to end users.

For identifying the stages of Development, The " Greiner Curve" is a useful way of thinking about the crises that organizations experience as they grow. MJB may not have used this model to its fullest but we believe that similar initiatives unknowingly may have been used to tackle problems during the growth of the company.

Greiner's Growth Model describes phases that organizations go through as they grow. All kinds of organizations from design shops to manufacturers, construction companies to professional service firms experience these. Each growth phase is made up of a period of relatively stable growth, followed by

a " crisis" when major organizational change is needed if the company is to carry on growing.

Through internal analysis, we believe that MJB is currently in the growth through collaboration phase (Phase 5) as they are aggressively seeking partners around the globe to streamline their sales operations and turn-around times for service contracts. Although the head office is based in Dubai, it still relies on partners to deliver quick solutions to its remote customers. We also feel that it is reaching another crisis point, where the demand in growth is far outgrowing their current capacities. It is at this point where they will be required to move into Phase 6.