

# Management planning – tyco flashcard



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| [Year]| | NAME | Management : Theory, Practice and application| MGT/330 – University of Phoenix| Management Planning (Tyco) Week 3 Management Planning (Tyco) Week 3 Tyco was founded in 1960 by Arthur J. Rosenberg, PH. D who opened a research laboratory to conduct experimental work for the U. S. government. Over the years the company began working with high-tech materials science, but after going public eventually shifted focus to manufacturing industrial products.

In this paper we will evaluate the planning function of Tyco management and the impact that legal issues, ethics and corporate social responsibility have had on the companies' management planning. Lastly, this paper will analyze at least three factors that influence the company's strategic, tactical, operational and contingency planning. Planning is an essential function to be considered by all companies, young and old as well as large and small. Planning helps to establish a foundation for the other functions of management; organizing, leading and controlling.

During the planning phase, management focuses on setting organizational goals, defining high level tasks to accomplish these goals and understanding blockers which would prohibit these goals from being met. Tyco as a company has defined 6 major goals. 1. Governance – Adhere to the highest standards of corporate governance by establishing processes and practices that promote and ensure integrity, compliance and accountability. 2. Customers – Focus on strategies to achieve organic growth targets and deploy cash for growth and value creation. 3.

Teamwork and Culture – Build on the company’s reputation and image internally and externally while driving initiatives to ensure Tyco remains an employer of choice. 4. Operational Excellence – Implement best-in-class operating practices and leverage company-wide opportunities and best practices. 5. Financial Strength & Flexibility – Ensure that revenue, earnings per share, cash and return on invested capital objectives are met. Tyco Laboratories was incorporated in 1962; still a relatively small operation the company did not have the same legal, ethical and corporate social responsibilities as it does today.

Fast forward to 2002 and we find Tyco in a bit of trouble with shareholders when their stock collapsed. Despite this hiccup, Tyco recovers under the new leadership of Chief Executive Officer Edward D. Breen and his management plan. Not only did he clean up the scandal left by his predecessor Chief Executive Officer Dennis Kozlowski, but he also managed to more than double Tyco’s once crumbling stock price. We find that today, legal, ethical and corporate social responsibility plays a key role in Tyco’s management planning.

For the company not to fall into similar legal troubles as their 2002 stint, it is imperative that employees at all levels adhere to the company’s rules and regulations that govern legal, ethical and corporate social responsibility. In August of 2002 Congress passed the Sarbanes-Oxley Act to hold companies accountable to their financial decisions by establishing and enforcing strict accounting and reporting regulations for management to adhere to. Had SOX been implemented earlier it could have arguably prevented the Tyco financial scandal that occurred under CEO Kozlowski in early 2002.

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Corporate social responsibility is the continuing commitment by a business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. Recently Tyco launched its corporate responsibility program; “ Tyco Electronics Responsibility Advantage (TERA). ” This program includes: \* TE has continued to make significant reductions in greenhouse gas emissions and energy consumption by implementing energy savings recommendations.

TE achieved an 8 percent reduction in greenhouse gas emissions from 2009 to 2010 – a year when sales revenue grew 18 percent. \* TE’s health and safety total recordable incident rate in 2010 was 0.52 incidents per 100 employees, a 28 percent improvement compared with the 2009 rate and a 37 percent improvement compared with 2008. \* TE is progressing in its implementation of water and wastewater reduction plans in its manufacturing operations. For instance, TE’s Menlo Park, California site implemented process improvements to save 16,000,000 gallons of water annually. TE continues to contribute to the communities in which it operates. For example, TE employees in China volunteered with the Wheelchair Foundation’s Red Chair program to assist physically handicapped and elderly citizens touring the World Expo 2010 in Shanghai. The TERA program brings all of Tyco’s chains, workplaces and related programs under one corporate social responsibility umbrella. Thus allowing them to leverage all of their properties worldwide for the sake of corporate social responsibility.

Analyze at least three factors that influence the company’s strategic, tactical, operational and contingency planning. There are many factors that

can influence a company's strategic, tactical, operations and contingency planning. The most significant influencer was the strategic placement of Edward Breen as Chief Executive Officer of Tyco in 2002 after financial scandals tainted the previous administration. Breen had a long road ahead of him, yet by 2006 his management plan had fiscally recovered the company from a downward spiral.

Breen recognized that there were “ minimal synergies among [Tyco's] businesses” and that the three major units all faced different challenges. Because of this in 2007 Breen made a major tactical decision to split Tyco into three publicly traded companies; Covidien, Tyco Electronics and Tyco International. Tyco has proven that they are a leader and even an innovator in management planning. They have set forth goals and guidelines to govern all aspects of their business from legal and ethical to operational and social.

Tyco managed to recover more than gracefully from unethical and illegal practices. Furthermore, strategic moves by the company's management team has ensure that Tyco will continue to thrive and produce quality materials. References Tyco Company (2012). Tyco – A vital part of your world. Retrieved from <http://www.tyco.com/wps/wcm/connect/tyco+who+we+are/who+we+are/history>

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