

Allentown materials corporation

[Business](#), [Company](#)



The analysis of the Allentown Materials Corporation case study reveals a number of issues mostly related to the untimely death of a respected leader, the subsequent change in leadership, and also the management style of the newly appointed upper-level managers. This paradigm shift in operational management strategy is one of the root causes of the conflict between departments, absence of teamwork, and low morale. Additionally, radical changes are required to bring Allentown Materials Corporation into a new era of manufacturing and ensure their continued success in the marketplace.

The willingness to change is critical in a manufacturing organization where the means of maintaining a competitive advantage change frequently. (ReVelle) The former General Manager of the Allentown Materials Corporation Joe Bennett was very authoritarian in nature, preferring to make all nearly all important decisions by himself, and no decisions at all were made without Mr. Bennett's approval. Many of the managers reporting to Bennett were considered political and manipulative by their employees, and as a result few were willing to challenge his operational management style.

When Don Rogers took over Joe Bennett's position as general manager the aggravating factors of a major down turn in business were already present, but the effects were not necessarily being felt throughout the organization. A revolutionary change should have been implemented under Bennett when the business shifted from primarily military applications to private sector uses, however manager's perspective may cause them to overlook important organizational changes or respond to these changes inappropriately. Both general managers are at fault for the current situation at Allentown; Mr.

Bennett for overlooking when change was required and Mr. Rogers for responding to the need for change inappropriately. The military market revolved around highly reliable and consistent components for crucial military equipment; and the military was willing to pay a premium to acquire such components. In contrast the consumer and private sector market also demands high-quality products, but at the lowest cost possible. (ReVelle) The secondary consequence of this shift from military to consumer markets is an increased presence in the extremely competitive Japanese market.

Japanese manufacturing firms had long since developed and implemented their own manufacturing methodologies such as Just-in-Time (JIT) manufacturing and Total Quality Management. Allentown Materials Corporation is essentially attempting to compete in a market that has already seen revolutionary change at the hands of new methodologies and techniques. Changes do need to be made to ensure a manufacturing organization has the competitive advantage, and selecting the appropriate change methodology is equally crucial.

The Six Sigma quality management program was originally developed by Motorola in 1986 and as a business strategy focuses on improving the quality of outputs by removing the causes of defects, unacceptable variability in the manufacturing process, and discontinuing practices that do not add value to the final output. (CIT) One method in which Six Sigma accomplishes this is through improving processes already in place or creating new processes when the existing ones fail to meet business objectives. (CIT) Motorola reported over 17 billion in savings in 2006 since the start of their Six Sigma initiative, and many other manufacturing companies have also

achieved success with their own implementations of Six Sigma. (CIT) These tangible effects are the results of training in quality improvement methods, rearrangement of business processes to make them more efficient, initiation of projects that improve production or save money, and improved communication between management and employees.

For a company to achieve Six Sigma any single process must not produce more than 3.4 defects per million opportunities. (CIT) This in turn means increased profit for the company and potential bonuses or incentives for employees. We can also make comparisons between Six Sigma and the different Japanese methodologies and draw a number of conclusions... Six Sigma addresses half of the revolutionary change required for Allentown Materials Corporation to remain competitive in the ever-changing manufacturing marketplace.

The second component of the change required involves giving the entire organization a shared vision for the future which plays strongly on the core competencies of the Allentown Materials Corporation. The strength of Allentown Materials Corporation lies with its research and development, and manufacturing divisions. Part of this change will come about as Six Sigma is adapted and implemented at the Allentown Materials Corporation.

Employees at all levels of the organization will recognize the potential benefits and rewards including increased job security, new opportunities with the company, and better performance evaluations and pay increases. Additionally, employees will be aware that if the company is deriving benefits from Six Sigma these benefits will eventually trickle down to them. (CIT) All of the new rewards and incentives will lend themselves to a shared

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vision within the company. One aspect of particular importance of the Six Sigma methodology will be the effect of training and teamwork on the various divisions.

When a sense of teamwork is lacking the employees have a tendency to focus on the productivity of their particular department or division and fail to realize the impact of their actions on the entire operation. (CIT) For these changes to take hold at Allentown Materials Corporation a vital member of upper management must assume the role as the change champion. Don Roger's seems like the clear choice to take on this position due to his position with the company and the fact that he has an established history of involving people in issues with the company and consulting them on decisions.

The change champion at Allentown will have a number of new responsibilities related to ensuring the success of Six Sigma and simultaneously being the driving force behind the entire business revolution. In order to show demonstrable commitment to the program and the new shared vision the champion will need to be heavily involved in the change process, ensuring that it moves swiftly and that the change is real and positive. Encouragement, motivation, involvement with projects, removing the barriers to project success, celebrating successes when they occur, and recognizing achievements are all ways the champion can demonstrate commitment.

In the course of implementing change the change champion should consider naming a steering committee consisting of him or herself, key managers from all the functional areas including the newly separated sales and <https://assignbuster.com/allentown-materials-corporation/>

marketing functions, and a new position; training manager. The steering committee would serve to enact the changes, but would also provide crucial feedback from lower managers and employees about the practical implications of their changes.

Among the responsibilities of the steering committee would be developing a new team handbook that clearly states the policies and goals of the company and a training program emphasizing teamwork, team interaction skills, and The issues effecting Allentown Materials Corporation may very well lead to its ultimate demise. It is therefore essential for Allentown Materials Corporation to institute a fast and positive change to ensure its long term viability and retain its competitive advantages in the marketplace. Six Sigma when implemented properly by a committed change champion can usher in a new era for Allentown Materials Corporation.