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Most Recommendations in the World. ” retiring, and the Fountainhead’s named it the While the mood at the annual meeting was clearly upbeat, some shareholders worried about Wheel’s intention to retire at the end of 2000.

The company he would hand over to his successors radically different from the GE he took over in 1981. The question on many minds was whether anyone could sustain the blistering pace of change and growth characteristic of the Welch era. It would be a tough act to follow. Exhibits I for financial summary of Wheel’s era at GE. The GE Heritage Founded in bobby Thomas Edison, General Electric grew from its early focus on the generation, distribution, and use of electric power to become, a hundred years later, one of the world’s leading diversified industrial companies.

In addition to its core businesses in power generation, household as appliances, and lighting, by teethe company was also engaged in businesses diverse as aircraft engines, medical systems, and diesel locomotives.

Long regarded as a bellwether of American management practices, GE was constantly undergoing change. In the asses, it was a model of the era’s highly centralized, tightly controlled corporate form. By the asses, GE had delegated responsibility to hundreds of department managers, leading a trend “ profitless growth” in the caucused Case study overview By sidereal Hey there! WOWS our app working for you? NEEDS WORK. “ M GREAT! Towards greater centralization.

But a consequent pergola AT Its corporate stars develop sophisticated strategic planning systems. He company to strengthen Again, GE found itself at the leading edge of management practice. When Erg Jones, Wheel’s predecessor, became CEO in 1973, he inherited the company that had Just completed a major reorganization. Overlaying its 10 groups, 46 divisions, and 190 departments were 43 straightforwardness’s designed to support the strangulations that was so central to Gee’s Research Assimilate Meg Way prepared this case made the supervision of Profs\*or Christopher A.

Bartlett.

HUBS creaser developed melee as tie basis for class admission. Cases are not intended to serve as endorsements, &)urces of primary data, or ill$transitions of aftereffect or ineffective ]]management. Copyright 0 1999 President and Fellows ofHarvardCollege. To order copies or request fem.$ion to reproduce retrials, call I-800-5th$-76th 5, No part of this Publication NV be write F{Arvada Bunnies Schism Publishing, B$ton, MA 02163, or go to http:/J www.

Hubs. Hived. Diametrical, reproduced, stored in a receivable system, used in a spreadsheet, or transmitted h my from or by my memos+electronic, the pension of Harvard Bunnies Schism. Photocopying, recording, or otherwise\*without 39+150 Gee’s Two-Decade Transformation: back Wheel’s Leadership management process. Jones raised strategic planning to an art form, and GE again became the bench-mark off hayseeds of companies that imitated its SW-based structure and its sophisticated and planning processes.

Soon, however, Joneses unable to keep up with reviewing “ the approving the review burden massive-refluxes information generated by 43 strategic pitas. Explaining that divisions, groups, and had to be carried on more shoulders,” n 1977 he capped Gee’s departments, “ sectors,” representing macrobiotics’s agglomerations such Subs with a new organizational layer of or technical products’ s consumer products, Power systems, In addition to his focus on strategic planning, Jones spent a great deal of time on government relations, becoming the country’s tending business statesman.

During the asses, he was voted CEO of the year three times by hit peers, with one leading business Communal dubbing him CEO of the “ management Decade n leg. When he retired in 1981 , The Wall Strenuously proclaimed Jones “ replaced a legend with a live wire'” legend,” adding that by handing the reins to Welch, GE had Wheel’s Early Priorities: Gee’s Restructuring en ten 45-year-olla Welch Decade n pr III, ten u s. Economy was In a recession.

High interest rates and a strong dollar exacerbated the problem, resulting in the country’s highest unemployment rates since the oppression. To leverage performance in Gee’s diverse portfolio of “ better than the best” and set in motion a series of businesses, the new CEO challenged each to be changes that were to radically restructure the company over the next five years’ #7 or #2: Fix, sell, Close Soon after taking charge, Welch set the standard for each business to become the #1 r #2 to disengage. Asked whether this simple notion represented