

IBM case study analysis

Business



In order to accomplish this, the team started the planning process by inducting a thorough analysis of the external environment, scanning for potential clients and competitors, as well as looking internally for highly motivated and skilled staff. King put great emphasis on finding out and understanding their clients' needs, which added to their early success. Therefore prior to the crisis, there was smooth sailing with a clear direction, but it's always good to have some lifelikeness onboard, something that King seemed to have forgotten.

Nevertheless, King wasn't at fault for the turn of events, as she found herself in a very difficult and challenging situation of having to manage the increasingly rapid rate of demand. Managing growth is never an easy task, thus implementing solid strategic plans is a very useful tool in facilitating the process. By "solid" meaning that they're all encompassing, taking into consideration the impact of the external environment and Porter's five forces on the company, a SWOT analysis, review of the internal situation, construction of clear mission and vision, a contingency plan, etc.

All these aspects help formulate a coherent and thorough plan, which should enable the company to achieve a sustainable competitive advantage with room for long term growth. In King's case the absence of any form of contingency plan, unfortunate circumstances in the market with the bursting of the Internet bubble and insufficient preparedness in terms of production – all accounted for the critical situation.

Managing such rapid growth, especially when it's unexpected, is even more difficult than failure.

When one fails, they can learn from their mistakes and try again, whereas experiencing unaccounted for growth puts a strain on multiple aspects: the resources, the personnel, client-company relations, and the future of the company. Moreover, the source of this rapid growth is always external therefore can't be controlled, which only allows the company to try and adjust. There is time pressure and a lack of resources, which acts as a chuckhole for the company. Thus it's clear that without proper planning unsustainable growth of a given company can be highly detrimental.

In IBM case however, due to the dedication of its employees and the ability to mobilize resources the unit managed to not fall victim to this. Managing Growling and her team seemed to do everything right from the very beginning, when they set out their targets and actually began achieving them, with their somewhat aggressive and ambitious approach. The turn of events was not really underestimated by Day ten unit, as even Llanos expected ten Internet Diddle to grow so rapidly.

However, some of the mistakes made by the team could have been avoided if their initial plan had been more detailed and considered all the various possibilities of the impact that growth could have on the unit.

Therefore, the crisis that King and the unit found themselves in was due to a combination of unexpected market circumstances as well as lapses in planning on behalf of the team. In order to fully understand what it was that went wrong and why we need to walk through the mistakes that led to the stressful situation in 2000.

Initially the spotlight is likely to fall on King when blaming for the shortcomings of the units performance. Due to her ambitious and driven personality Chris King often had her own way of doing things. More often than not it seemed to work, however the heading of the Network Technology Business unit was like nothing she had done before and was a real challenge. She seemed to have the necessary interpersonal skills, the drive and the ability to build strong relationships with clients who were somewhat outside the box for MUM, whilst also being a talented engineer with extensive knowledge of the business.

Nevertheless, she lacked some critical skills such as being systematic, detail oriented, methodical – basically the key skills needed to construct a solid working plan. King was result oriented, therefore once the preliminary research was conducted and the team had a clear idea of who to target, they had the green light to aggressively achieve sales any way possible. The driving dead was the audacious goal of becoming the leader in the business, whereas the exact route to how this would be reached wasn't clearly outlined.

The first of the line of mistakes was the proposition to the client that with IBM anything was possible. King promised products that hadn't even fully been developed yet and agreed to supplying shipments that the company had no capacity for.

This for one created some internal discontent as manufacturing couldn't come to terms with King's requirements. Communication became an internal

issue between the departments. Moreover, the clients became accustomed to the unit considering ND providing for their every need.

In reality these promises weren't backed up and functioned solely due to King's persuasive powers and the ability to maintain strong relationships in and outside the company. Another prominent flaw was lack of structure within the team and its inability to consistently plan its work and then follow through with the plans – “ The division of labor among members of the top team was informal and the only rule was that the group would do whatever was necessary to accomplish its goals”.

This result orientation led the team to focus entirely on their client needs and omit some crucial recesses that needed to be implemented along the way in order to meet these client needs. As the business began to grow King and John Kelly, the general manager of the division, had decided to split the unit into three subunits based on three main types of technology that they were producing. It was only then that King brought in David Balkan to head one of the divisions and implement new processes to track and control sales and production.

These crucial systems could have been put in place earlier Ana for growth. Tune eased ten Utter strain on ten null AAA t n teen Militantly planned The inability to meet demand was exacerbated by the client companies caught in a frenzy of what seemed like exponential expansion, as the bubble grew some tripled their orders – a turn of events that King and her team couldn't have expected, had they even had a contingency plan. Although if the unit

had planned for things to go awry, constructing a “ what if” scenario would help offset some of the damage.

The unit wasn't prepared and had insufficient knowledge of other plants that had the capacity and could potentially produce their chips. In addition, it wasn't till the crisis as full on their hands that King found a specialist who could bring the sales and manufacturing systems together to understand how much capacity the company actually possessed, as this remained unknown all the while. It was quite a fortunate find when an IBM plant in France turned out to have sufficient capacity to help it meet the overwhelming demand.

All the while the employees were working under time stress, they would listen to the customer needs, take time to understand the complexities of their problems, and tried to act fast to address them, but they were often distracted by other issues before the customer problems were fully solved. This lack of detail orientation and distractedness made some processes difficult, as key issues weren't addressed and problems weren't always effectively solved.

Chris had failed to include in her team people whose skills and qualities were associated with what IBM called “ Horizon 1 “(mature) business, people with the ability to manage processes that would repeat over and over, to ensure stability and incremental innovations.

She said “ I definitely felt I should have more Horizon 1 people on my team, I tend to hire people who are just like me, I needed to hire people who were completely different. ” This meant that these processes that would ensure

stability or growth simply weren't in place as there was no one to implement them.

The Network Technology Unit was becoming a high volume producing business. This had been desired by King and her team as they projected billion dollar sales, yet there were no systems in place to track production and capacity, take care of bottlenecks or allow for such a transformation in such a short period of time. This incompleteness of planning and a time of rapid and somewhat chaotic change in the external environment created the perfect setting for failure, therefore King and her team could be congratulated for coping relatively well considering the circumstances.

Improved Planning Processors main fault of King as a leader was her lack of organization and structure, which was thus also absent in the Network Technology unit.

Chris managed to intensify an opportunity for the business to grow and find new clients, however she didn't set out an adequate path to facilitating this growth. When starting the unit King assessed the capabilities of IBM and scanned the external market for competitors and potential clients. King then, with a very tongue, critically assessed analysis which proved IBM strengths in the production of microchips and allowed King to identify the key clients.

It seemed that this would be sufficient to go ahead and create bold forecasts that would act as a final target, giving a sense of direction as well as a motivational tool. Unfortunately this was only part of what is considered a thorough strategic plan as it's missing a number of key steps. In order to have been better prepared for the feeble market conditions and the rapid

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Roth King would have needed to sit down with her team from the onset to establish their mission and clear goals, which would enable them to then formulate their tactics.

The analysis of IBM capabilities should have also looked at their weaknesses and limitations as well as strengths, as the team had to be well aware of manufacturing capacity before placing any orders.

A more thorough analysis of market trends would have also been a helpful indicator of the internet bubble that was growing, and would have given the team a better understanding of their clients and eliminated the element of surprise as they doubled demand.

Moreover, the team would know to plan for growth, which would mean the hiring of necessary expertise to set up systems that would allow the unit to become a high volume producer. For actually implementing the strategy that would be clearly set out based on the goals, the management should've assigned responsibility, allocated resources and demanded results. King was somewhat liberal with assigning responsibility, surrounding herself with alike people, and not recruiting key specialists to handle crucial processes that would facilitate growth.

Resources had to be studied and thus appropriately allocated, whereas King's sales team often operated with resources they didn't actually have. Whilst demanding results was perhaps King's strong suit, as everyone on the team was driven and very result oriented.

Nevertheless, the first two aspects are more important than being demanding as they allow the organization to function together in unity where every individual knows what he does and what he has to do it.

Ensuring continual improvement would be the next important step in their process, as IBM worked hard towards understanding their clients' needs and each time offering a superior product. For this there would need to be established a monitoring system that would control the unit's performance called the Plan Do Check Act (PDA) problem solving process. The first planning stage would align the final objectives with the processes necessary to achieve them, thus it would give King and her team a clear idea of how to manage manufacturing and product development effectively in order to meet customer needs.

The second Do stage would be the actual implementation of a given decision.

The third Check stage means comparing achieved results against those planned looking for any vast differences and lastly the Ruth Act stage is an analysis of why these differences exist and how this can be improved. These last two steps especially would have improved communication between the sales team and manufacturing, and would have enabled the unit to discover the grave problems it was facing far sooner.

Despite the lack of any valuable AT tense important planning tools the Network Technology unit seemed to have made it through the crisis and eventually achieved its forecasted sales. None of it would be possible, however, without the dedication of those working for the unit and the help of <https://assignbuster.com/ibm-case-study-analysis/>

others in the company. King was fortunate to have assembled a driven team of people who may not have had everything set out on paper, but somehow instinctively got the job done as each had a very clear idea of the work that had to be completed.

Nevertheless, many of the problems could've been avoided had the team set up a contingency plan that would provide a set of tactics if things were to go wrong.

This could indicate the possible turns of the market, the way to deal with clients and suggest where to find resources, what other plants could be producing the chips – if the research had been conducted in the ginning the team wouldn't be struggling for a choice during the crisis itself. A lack of this simply made the situation as stressful as it was.