

Management essays - corporate skeleton closet



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Corporate Skeleton Closet

In a world of competition, reputation is very important to a company. It tells the customer and the world that it produces the very best products. General Parkelite Company, founded by Hudson Parker, prides itself on the quality of work his company produces. In 1920, Parker invented and patented the formula for Parkelite. Parkelite is a dense synthetic polymer that can be easily molded or extruded. The advantage of using Parkelite is that it cannot change shape after it has been mixed or heated. Parkelite was used for many things such as parts for engines, radio boxes, switches, and inexpensive dinnerware. This product was the “bread and butter” of the company for two full decades (Kirby 2003, pg 576). In the case of *Skeleton in the Corporate Closet*, the reputation of General Parkelite Company (GPC) is subject to question. Should a company be completely honest when such discoveries are uncovered or should it be kept from the public?

For the strategic analysis of this case, the SWOT analysis is used to analyze the internal and external environment of General Parkelite Company. When using the SWOT, the internal and external environment provides “raw material”- a basis listing of conditions both inside and outside and surrounding the company (Dess, Lumpkin, & Eisner 2007, pg 49). The SWOT analysis gives the pros and cons of a company. It allows a company to make wise decisions about the well-being of a company and everything it that is included in that company.

In the internal environment (strengths), the company takes great pride in the products they produce. The integrity of Hud Parker was of great respect from

business leaders within the industry. He was a fair-dealing businessperson, philanthropist, and community leader (Kirby 2003, pg 577). General Parkelite Company is regarded as a company that is well known for its honesty as well as for its integrity. The culture of the company is strong because employers feel a good sense of work ethics within the company. This may be to biggest strength of General Parkelite Company. This good sense of strength is felt throughout the company.

The weaknesses of the internal environment of General Parkelite Company was the discovery, invention of Parkelite was actually the invention of Karl Gintz and not by Parker (Kirby 2003, pg 577). This newfound information could damage the reputation to the company and to Parker. The idea of this discovery was troubling to the managers and executives of the company. They had no idea of how to go about handling the problem. They were face with the idea that their founder was a thief (Kirby 2003, pg 576). The ethics of the company were in jeopardy. Ethically, they should go public with the discovery, but know what would happen if they did. They knew by going public, it would hurt the reputation and image of the company. At the same time, they knew it would the right thing to make the company look good. The managers and executives were in a tight spot when it came to doing the right thing. The ethics of the company was at the core of the dilemma. Find out how our expert essay writers can help you with your work...

Like all companies, General Parkelite is competing with others who produced similar products. The competitive environment is fierce and demanding. The main threat against General Parkelite is the bad publicity that would produce because of the discovery. The name of the company could be damaged

along with its image. If people were to find out, they may think twice about General Parkelite and their products. The sales of General Parkelite may decrease causing the possibility of lay-offs of valued employees and the end of the company. This may give their competitors the advantage of increasing their sales and gaining new customers.

The opportunities of General Parkelite are that people may overlook that fact it happened a long time ago. Since better materials have long replaced Parkelite, people may disregard the fact that someone else invented Parkelite. Loyal customers of General Parkelite may continue to stay with the company because they trust the name and the company.

The SWOT analysis allows one to compare the advantages and disadvantages of a situation for a company. In this case, the pros of were General Parkelite took pride in the products they produced. The founder of General Parkelite Company was a well-respected man in his field of business. The work ethics were strong among the employees. The loyal customers of General Parkelite stay with a trusted name. The cons of General Parkelite Company were the invention of Parkelite was actually the idea of someone else and the bad publicity of the discovery. The reputation was at stake and jobs of many employees. In my opinion, General Parkelite Company should not go public with the discovery of the inventor of Parkelite. They should keep quiet about the discovery to protect the name and reputation of the company.

In the business environment, there are many choices to make a business to stay successful. Managers must decide what is good or bad for the company.

They take in consideration the needs of their employees, shareholders, and the company itself. They also do what is best for the company. What is best for the company, may not always best for others. In the case of *The Skeleton of the Corporate Closet*, this situation is put to the test. The discovery of the true inventor of Parkelite causes management to think about what is best for General Parkelite Company.

Skeleton in the Corporate Closet is a case that questions the ethics of General Parkelite Company. The discovery of the true inventor of Parkelite may put the company and its image in jeopardy. Management faces many challenges of what is ethically best for the company and what is ethically wrong for the company. The choices made can affect the outcome of a company or benefit a company. The use of the SWOT analysis shows the pros and cons of General Parkelite Company. These pros and cons are use to help General Parkelite in making wise decisions about the well-being of the company. It also helps management to make ethical decisions for the company. Although ethics plays a big part in this case, the leveraging of core competencies also plays a big part in General Parkelite.

In conjunction with the SWOT analysis, the strategic formulation used in this analysis is the core competencies. Core competencies allow a company to create value and provide a viable basis for synergy among businesses in a corporation (Dess, Lumpkin, & Eisner, 2007 pg 203). Core competencies are what holds and sets apart companies from each other. The three criteria for core competencies include:

- The enhancement of competitive advantage(s) by creating superior customer value
- Different businesses in the corporation must be similar in at least one important way related to the core competencies
- Must be difficult for competitors to imitate or find substitutes for

General Parkelite's strong competitive advantage was the invention of Parkelite. Since the inventor of Parkelite was also the owner of General Parkelite Company, the competition was scarce. Companies in the same business as General Parkelite may sell the same type of dense synthetic polymer, like that of Parkelite. They do not have the same formula or patent that General Parkelite has. This is an advantage that General Parkelite has over other companies that are competing against them.

The question of the discovery of the true inventor of Parkelite and the ethics that arises from this discovery could harm these core competencies of General Parkelite. The integrity of these core competencies is critical for the company competing with their companies. Ethically, managers of General Parkelite Company should go public with the discovery but at the same time, they should not say anything. If they were to go public, they could risk the chance of ruining the image and the reputation of General Parkelite Company. The public view could change, causing many to go to their competitors to go elsewhere. This could cause a decrease in revenue for the company. As a manager of a large corporation, it is their job to make sure that everything in the company is running smoothly. In addition, the reputation of the manager is also affected. As a company with a history of producing quality goods, like Parkelite, managers are quick to protect their company and its

good name. In addition, to keep their long time customers, managers will do anything to keep those customers. Even if they have to keep a secret such as the one that General Parkelite's manager have are faced to keep from the public.

In conclusion, core competencies give a company a competitive advantage and synergy with other companies. They allow companies to compete with each other with similar products. Like the SWOT analysis, core competencies allow a company to make decisions that will make things better for everyone in the business world. In this case, core competencies and the SWOT analysis give General Parkelite a competitive advantage over other companies in the same area of business. Ethically, it may not be right for General Parkelite to not go public with the discovery, but at the same time, its saves General Parkelite from ruining the image and reputation of the company.

Work Cited

- Kirby, Julia (2003). Skeleton in the Corporate Closet. Harvard Business School Publishing Corporation. 576-578
- Dess, G. Gregory, Lumpkin, G. T., & Eisner (2007). Strategic Management 3e. McGraw-Hill.