Kirkham instruments case analysis essay

Food & Diet

You will undoubtedly wish to add/subtract to this paper. I received a high grade on this but it was early in the course and so less analyses were expected. Meaning, you will want to apply those course concepts that suggest alternatives that actors in this case could choose, as relevant to where you are in the course. Kirkham had a ‘ strategy’ on paper, but it was too vague to help select which New Product Development to fund/cancel. The Harvard professors presented tools to help structure these decisions, but division leaders did not want to see their projects cut, so they criticized the list and delayed action, resulting in no development or implementation of a strategy.

Kirkham Instruments was a manufacturer of laboratory analytical equipment with turnover of £450M in 1995. The company was organized into four divisions: the Mass Spectrometer Division; the Chromatography Division, a manufacturer of gas and liquid chromatographs; the Optical Equipment Division which manufactured optical comparators, microscopes and related equipment; and Waterloo Instruments Ltd., which was acquired in 1992 and was a Belgian manufacturer of electron microscopes and x-ray diffraction equipment. The turnover of Kirkham from 1989 – 1996, with 1996 being estimated, shows that approximately 41% of its turnover was attributed to the Mass Spectrometer and Chromatography divisions. Additionally, approximately 40% of the total turnover was attributed to customers in the United Kingdom, where it was the dominant manufacturer of laboratory instruments. Another 25% of turnover was attributed to countries in continental Europe and 30% from the Middle East and Asia, mainly India, Saudi Arabia, and China; the majority of that coming from rapidly growing chemical companies. Prior to the early 1990's Kirkham had left decisions on new product development and funding to the sole discretion of the product divisions themselves. However, in growing response to customers' desires to link the functions of the laboratory equipment into integrated systems, Michael Donaldson, Kirkham's Chief Executive, decided to centralize new product decisions. Kirkham Instruments needed to become more closely coordinated between each division with regards to the design of new features and the market introduction of the products while also coordinating the development of new equipment with the analytical software features desired by the customers

Kirkham's strategy was to integrate the different systems of each division into an " all-inclusive" product and also to involve all the divisions together with regards to product development, instead of letting each division be responsible for just products within that division. Mr. Donaldson chose Kathleen Quinn, Vice-President of R&D, to be responsible for coordinating the development of new products. This proved to be quite a challenging task considering that each managing director (of each division) still retained responsibility for the turnover and profitability of their respective decisions and also for the strategies to achieve the goals of their divisions. In addition, regardless of the trend of their customers in purchasing integrated systems, the majority of each division's turnover came from the sale of stand-alone products.

Again, Mr. Donaldson was instrumental in developing a plan to move forward. He had read a report of three Harvard Business School (HBS) professors who had been studying the problems of managing new product development for nearly a decade and instructed Ms. Quinn to invite them to conduct a seminar at Kirkham for Mr. Michael Donaldson, Ms. Quinn, and Mr. Geoffrey Donaldson (CFO) and the managing directors and board members for each division. At the end of each day's seminar, Quinn coordinated a three hour discussion with all Kirkham employees in attendance of the course to discuss how each day's concepts could be used in their situation and also to devise an action plan for implementation of these ideas when they all returned to their regular work the following week. In addition, each division's managing director presented their action plan to Mr. Michael Donaldson at the end of the final day of the seminar.

The action plans from each of the four division's managing directors had three key concepts First, the directors pointed out that Kirkham Instruments' technology and product development system was functioning far past its abilities; most marketers and engineers were overburdened as they were assigned to three to six projects on which they worked concurrently. It was agreed that a workload reduction of approximately 50% would be necessary.

Second, everyone agreed that Kirkham needed to adopt the HBS trio's aggregate project plan, presented as a typology of projects-breakthrough, platform, derivative, and support-defined by the type of technological change (none, incremental, next generation, radically new) vs. the impact of the product on the market (new category, new benefit, improvement in existing benefit, variants). Each division manager had concluded to some point that there was need in focusing more resources on projects of breakthrough or platform character, since these made up the basis of future growth.

And the third concept related to the way the divisions introduced and developed projects, assessed their progress, and made decisions about whether projects should be started, discontinued, or continued.

Once the key concepts were developed, Michael Donaldson convened a special executive committee meeting attended by Ms. Quinn, Mr. G. Donaldson, and the four division managing directors. The only agenda for this meeting was the implementation of the new development system. Ms. Quinn passed out a sheet of all the projects currently underway at Kirkham Industries so that the group could collectively eliminate about half of them. Ms. Quinn received a list of projects from each division and presented it to the meeting for discussion of which projects should be eliminated. Immediately, she was met with resistance regarding the accuracy of the lists to which she reminded all that the lists were generated by each department themselves. From this meeting it was concluded that everyone in the company who had anything at all to do with new product development should attend a condensed one day seminar of the HBS course to build upon a bottom up approach to develop more thorough ownership of the project selection process. Ultimately, this seminar was scheduled approximately three months later, which from an employee point of view, was a success.

Following the Hambrick Diamond Model, it is shown that Kirkham Industries' Arenas were instrumentation and laboratory analytical equipment as well as foreign markets. Kirkham utilized integration of its products as a Vehicle to come up with stand-alone products that combined all the functions of available instruments versus a customer having to purchase several different individualized products. And, the differentiators employed for this overall concept were in the HBS methods employed. However, the major issue with Kirkham's strategy is that they failed to come up with a Staging timeline. Actually, it appears as though Mr. Michael Donaldson does in fact have a timeline but doesn't seem to share it with Ms. Quinn whom he has put in charge. Also, Ms. Quinn was put in charge of directing this process of coordination of all the divisions but it doesn't seem that she has any real " teeth", as it were, to get her goals accomplished. A good year plus after the initial HBS seminar there were still disagreements on how to eliminate projects. In fact, the divisions couldn't even seem to get an accurate list of what was an actual project, for that matter. I believe that Mr. Michael Donaldson had a good plan and, most likely, chose the right person for the job, but I don't' see the necessary follow up by allowing Ms. Quinn to actually direct the process.

Also, Kirkham appeared to try and involve the employees and align them to the strategic plan as outlined by the McKinsey Survey of 2006. But, because there was inadequate follow up at several levels the employees (and managers) lost enthusiasm for the effort and, worse yet, the credibility of management had been damaged. In the end, the problem was outlined to the whole organization, a strategy was implemented, but it lacked proper follow through prompting employees to take the " wait this one out" approach as they had done in the past with other strategy changes.