

Solectron case study

Education



The key player in this case study is a solar energy products manufacturer turned supply chain integrator called Solectron Corporation that falls under the electronics manufacturing services (EMS) industry. This is an industry that caters largely to the demands of original equipment manufacturers (OEMs). Due to the boom in telecommunications and networking technology in the 1990s, demand for the type of products and services that Solectron Corporation supplies grew to a large extent, that is, until the economic slowdown of 2001.

Solectron as a billion-dollar business is now faced with challenges in terms of inventory management, expense management as well as people management. The main challenge for the company in this economic and financial situation is how to produce a significant turnaround for the business given that it has had to cut workforce and capital. On the other hand, this serves as an opportunity for the company to seek out new business via innovative products and services they never offered before to different markets.

They can now work on previously untapped markets such as large original equipment manufacturers situated outside the continental United States. One way to enter those markets is by staying ahead of competitors in terms of technological savvy and workforce know-how. In an industry that changes so frequently, the company must ensure that it does not remain stagnant in terms of product development so that quality and efficiency are not sacrificed.

This ability to adapt must also extend to how they develop the workforce that remains. The loss of 20, 000 people means that the remaining human resources must now take up the workload of those removed workers.

Associates should then get proper training in order to be as efficient as if there were still 80, 000 associates working with Solectron.

If Solectron continuously focuses on its technology and the quality of their services, the long-term vision for the company is that it will be able to penetrate OEM markets that are still developing and therefore will be in need of the expertise of a company like Solectron.

References

Hoyt, D. , (2001, November 2). Solectron: From Contract Manufacturer to Global Supply Chain Integrator. Stanford Graduate School of Business, Global Supply Management Forum, case GS-24, 1-21.