

# [General motorss](https://assignbuster.com/general-motorss/)

[Business](https://assignbuster.com/essay-subjects/business/)

General Motors al Affiliation General Motors A. Position ment General Motors acquired Packard Company and the company started experiencing product differentiation that the new company was offering. General Motors was experiencing slow growth but the new acquisition recorded significant growth that satisfied the manager at GM. In 1990, the Product, Process and Reliability Committee asked the chief Engineer in charge of Cable and Component Design, David Schramm to give his opinion regarding the RIM grommet. The committee wanted to know whether Packard Electric could use the grommet for its 1992 car model. The committee expects David Schramm to come up with a viable option that he can recommend to the managers (Nishiguchi, 1994).
B. Decision Options
1. Continue the production of IHG for the 1992 models
IHG leaks: Keith Turnbull sent a memo expressing his dissatisfaction with the IHG grommet on grounds that it was experiencing water leakages
Requires lengthening
Is already functioning and could be costly to discontinue its production
Has low exposure to risks such as breakdown
Implies that the company will forego the adoption of new technology
2. Exclusive production of RIM
Discontinuation of the production of IHG
RIM is highly costly
Faces the risk of the production system processes failing
Involves the use of hazardous material
Requires repairing of existing harnesses
3. Parallel development: Schramm could consider developing the IHG and RIM simultaneously
IHG still has significant demand from customers
New technology
Inventory challenges
The company promised RIM to customers
C. Decision Criteria
Technology is at the heart of the success of vehicle manufacturing thus technology is the primary decision point for this case study. The success of General Motors relies on the adoption of the latest technology because it presents the company with a competitive advantage in the marketplace. The automotive industry is highly dynamic and companies that acquire the latest technology sustain their competitive position or even acquire competitive advantages (Lesser, 2013). The following are other decision points that the company may consider:
Training: the option of choice must complement the company’s capacity to deliver excellent and quality products
Marketing
Customer review: the product must have positive reviews from customers
Product evaluation: the product of choice must have the best quality in terms of cost and quality
Determine the 1993 plan: the product of choice must assure the success of the company’s 1993 plan in terms of meeting market demands
I think that the company should consider the option of parallel development for various reasons.
D. Proof of Recommended Options
The final option enables the company to capitalize on the strengths of the first two options to ensure that company delivers the best product in the market. For instance, the company will deliver what it promised its customers with the option of the customers getting the latest technology in the market (Austin, 2008).
References
Austin, J. (2008). Strategic Management in Developing Countries. New York: Simon and Schuster.
Lesser, B. (2013). Intelligent Manufacturing: Reviving U. S. Manufacturing Including Lessons Learned from Delphi Packard Electric and General Motors. Chicago: CRC Press.
Nishiguchi, T. (1994). Strategic industrial sourcing: The Japanese advantage. New York u. a: Oxford Univ. Press.