

General motorss

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

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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

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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

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