The Challenge

Vincent met with Mary Schrean to discuss the upcoming meeting of partners and managers, where they would present the results of the study and a proposal for action. Included in the report were proposed layouts for both shared and hoteling offices. Vincent and Gray were planning to recommend a hoteling office system, which would include storage areas, state-of-the-art electronic office technology for managers and administrative support staff, and centralized files. The rationale for their decision emphasized the amount of time that managers were out of the office and the high cost of maintaining the status quo and was built around the following points:

1. Royce's business is different: offices are empty from 40 to 60 percent of the time.
2. Real estate costs continue to escalate.
3. Projections indicate there will be increased need for offices and cost-control strategies as the business develops.
4. Royce Consulting plays a leading role in helping organizations implement innovation.

"It's still a go," thought Vincent as he and the others returned from a break. "The cost figures support it and the growth figures support it. It's simple—or is it? The decision is the easy part. What is it about Royce Consulting that will help or hinder its acceptance? In the long run, I hope we strengthen our internal processes and don't hinder our effectiveness by going ahead with these simple changes."

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- The Covington culture was not intensely focused on developing new customers.
- Each department did its job well, but collaboration across departments was rated low to medium.
- Price competition would probably intensify as the customer base grew smaller.
- The industry would continue to change toward fewer paperboard machines and toward higher quality imported machines.

Larisa scribbled a few notes on a pad:

How should we decide what strategy to pursue?
Who should have authority and responsibility for what?
How do we improve communications?
What criteria should we use to measure performance and ensure accountability?

Larisa knew that as soon as she or her team could determine some answers, she would sleep at least a little better.

NOTES

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EXHIBIT 3.24

Sociometric Index of Aquarius Personnel and Clients
F = Frequent—daily
O = Occasional—once or twice per project
N = None

	Clients	Account Manager	Account Executives	TV/Radio Specialists	Newspaper/Magazine Specialists	Copy Specialists	Art Specialists	Merchandising Specialists	Media Specialists	Research Specialists
Clients	X	F	F	N	N	O	O	O	O	O
Account Manager		X	F	N	N	N	N	N	N	N
Account Executives			X	F	F	F	F	F	F	F
TV/Radio Specialists				X	N	O	O	N	N	O
Newspaper/Magazine Specialists					X	O	O	N	O	O
Copy Specialists						X	N	O	O	O
Art Specialists							X	O	O	O
Merchandising Specialists								X	F	F
Media Specialists									X	F
Research Specialists										X

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alterations in the design would call for total disassembly and the unsoldering of several connections. Tyler told the supervisor to put extra people on the alterations first thing Monday morning and to try to finish the job by Tuesday. Late Tuesday afternoon, the alterations were finished and the missing components were delivered. Wednesday morning, the production supervisor discovered that the units would have to be torn apart again to install the missing component. When John Tyler was told this, he again "hit the roof." He called industrial engineering and asked if it could help out. The production supervisor and the methods engineer couldn't agree on how to install the component. John Tyler settled the argument by ordering that all units be taken apart again and the missing component installed. He told shipping to prepare cartons for delivery on Friday afternoon.

On Friday, July 31, 50 prototypes were shipped from Acme without final inspection. John Tyler was concerned about his firm's reputation, so he waived the final inspection after he personally tested one unit and found it operational. On Tuesday, August 4, Acme shipped the last 50 units.

Inside Omega

On Friday, July 10, Jim Rawls called a meeting that included department heads to tell them about the potential contract they were to receive. He told them that as soon as he received the blueprints, work could begin. On Monday, July 13, the prints arrived and again the department heads met to discuss the project. At the end of the meeting, drafting had agreed to prepare manufacturing prints, while industrial engineering and production would begin methods design.

Two problems arose within Omega that were similar to those at Acme. Certain ordered parts could not be delivered on time, and the assembly sequence was difficult to engineer. The departments proposed ideas to help one another, however, and department heads and key employees had daily meetings to discuss progress. The head of electrical engineering knew of a Japanese source for the components that could not be purchased from normal suppliers. Most problems were solved by Saturday, July 18.

On Monday, July 20, a methods engineer and the production supervisor formulated the assembly plans, and production was set to begin on Tuesday morning. On Monday afternoon, people from mechanical engineering, electrical engineering, production, and industrial engineering got together to produce a prototype just to ensure that there would be no snags in production. While they were building the unit, they discovered an error in the connector cable design. All the engineers agreed, after checking and rechecking the blueprints, that the cable was erroneously designed. People from mechanical engineering and electrical engineering spent Monday night redesigning the cable, and on Tuesday morning, the drafting department finalized the changes in the manufacturing prints. On Tuesday morning, Rawls was a bit apprehensive about the design changes and decided to get formal approval. Rawls received word on Wednesday from the head designer at the photocopier firm that they could proceed with the design changes as discussed on the phone. On Friday, July 24, the final units were inspected by quality control and were then shipped.

Part IV

Ten of Acme's final memory units were defective, whereas all of Omega's units passed the photocopier firm's tests. The photocopier firm was disappointed with Acme's delivery delay and incurred further delays in repairing the defective Acme units. However, rather than give the entire contract to one firm, the final contract was split between Acme and Omega with two directives added: maintain zero defects and reduce final cost. In 1993, through extensive cost-cutting efforts, Acme reduced its unit cost by 20 percent and was ultimately awarded the total contract.

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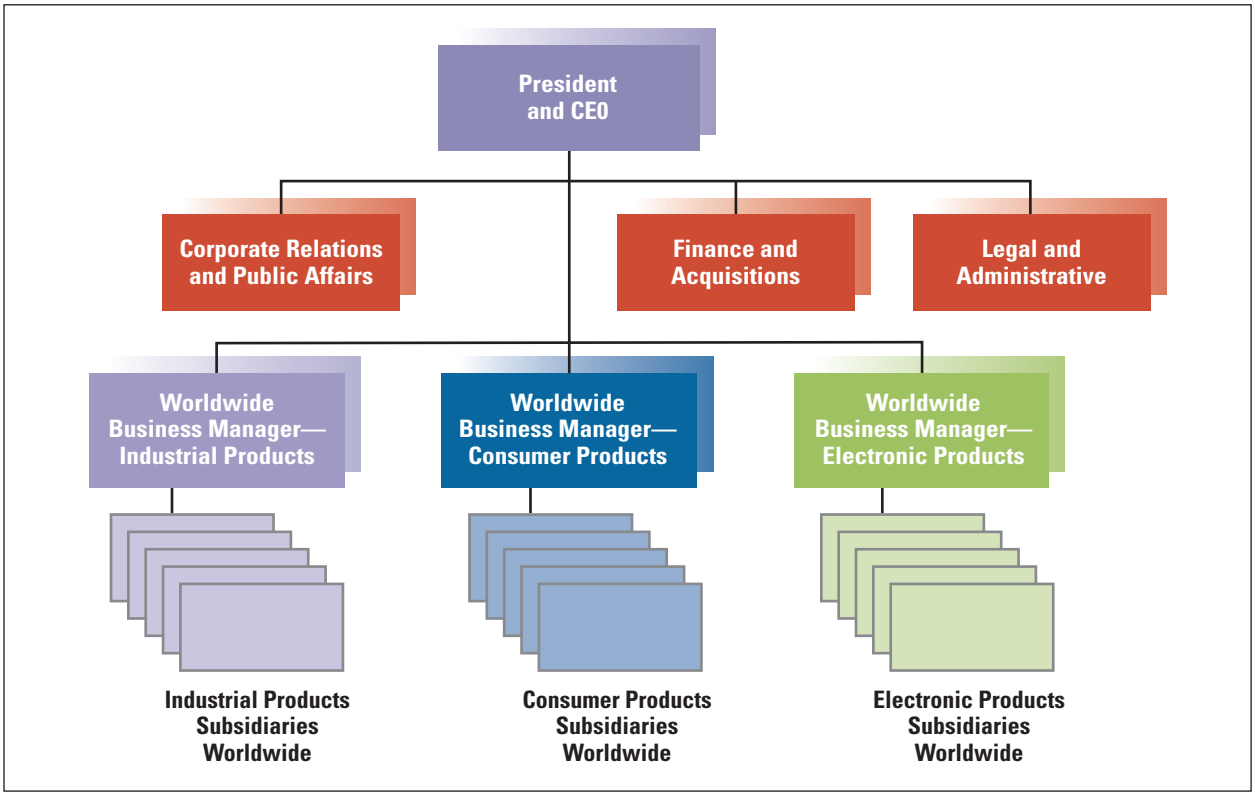
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EXHIBIT 6.14
Proposed Worldwide Business Manager Structure



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Download and Unpack– For Web and Email Analysis Services, the file is first downloaded then unpacked.

Automated Analysis– All Analysis Services require File Analysis if files are downloaded, however, only Web and Email Analysis Services require URL Analysis, Text Analysis and URL Correlation. All these services are typically handled by an automated system.

Manual Analysis– A behavior analysis is provided once all automated analysis is complete. This service requires an engineer to manually create behavior descriptions of the threat.

Author's Note

Manuel C. Manuel III is an Assistant Professor at and College Secretary of the College of Business Administration, University of the Philippines, Diliman.

This case study was developed in collaboration with Peter Michael Tongco, a recent MBA graduate (Class of 2011) at the University of the Philippines. The case is not designed to illustrate effective or ineffective handling of managerial situations. Certain names have been disguised.

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