

## Summer Analysts Case Study – WIDGET INC

### Overview

Your name is Homer Simpson and you are the Chief Operating Office of Widget Inc., a manufacturer of machine tools for automotive firms with a workforce of around 800 people and annual sales of \$90million. As the COO you are a company director, answer directly to the CEO, and control all the manufacturing operations of Widget Inc. These are split between four factories, which each employ around 200 people, and have their own individual factory managers. You have been at the firm for 10 years and have a good understanding of operations and how the place runs. You are good about answering questions and easy with interviewers.

### Question Answers

#### **Lean Management – score 1/5 - bad**

“When process problems arise we make every effort to fix them. So the guy that finds is told he must fix them – our people are good so they do make a big effort to fix them”

“Well no-one actually monitors whether he actually fixes them but every worker is expected to fix them and be responsible. We train our people are there is a good firm atmosphere.”

“Well no we don’t set aside any training for this or reward people for fixing these things, but I’m sure they do fix things”

“For example, last week the *acceleron* broke in the *jubbilator* and the guy that was nearest the machine reported this to the engineer who was called out and within three days had fixed this”

“The *acceleron* doesn’t normally break down suddenly so I expect it had been getting worse for some time. This regularly happens, the *acceleron* starts vibrating, gets worse and worse and then breaks. I think its because we use the wrong type of lubricator”

“I guess it would be sensible to change the lubricator but there is never any time for thinking about this kind of them, certainly not for doing it. Now I think of it maybe we should ask all the other sites to check their *accelerons* as they all use different types of lubricators so maybe some work much better than others”

#### **Performance Management – score 3/5 - OK**

“Well performance targets are based on the P&L and thing that you can influence – like the percentage of production runs produced on schedule. The targets are pretty stretching but should be achievable for good managers – these are set through discussions with all managers, looking at past performance (particularly the best guys), and by comparison to our competitors”

“About 25% of managers do not make their targets and about 75% do, so its tough but not impossible. If we make our targets it is clear that this will help improve profits, although some of them seem a bit strange like all the emphasis on health and safety – haven’t had any major accidents here for 10 years (at least not since the nuclear meltdown)”

“Well, the motorcycle division does seem to get off easily. They were the division that Mr Knevil founded the firm with, and no-one wants to shut them down so they seem to have it easy”

“Overall most managers find it stretching to make their targets, but if they work hard they make them, and this does work to improve firm profitability”

#### **Talent Management - score 1/5 - bad**

“Our system is great - we are industry best practice for this. This firm promotes on merit”

“Well after 4 years you get the chance to be promoted to manager and after 8 years to senior manager”

“Good people do well here, but to maintain consistency we promote them like everyone else. Very important for standardisation – you can’t just have some people promoted before others because they are better as this would cause resented amongst some staff”

“Bad people – we don’t have any bad people. This is a great firm”

“Well yes everyone does get promoted at 4 years and again at 8 years, but this is all based on merit. Anyway everyone else does this in the Widget Industry”

“You sound really great – are you free for a quick drink after this interview is over”