

# The Story of K2 and the Brotherhood of the Rope

**Objective**

- Tackle the problems of the management information system and Redefinition of staff/line responsibilities
- Improve organizational structure and design to remain competitive and flexible in the market

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- Question 1**  
What characteristics do you recommend manager's use in order to ensure a smooth integration?
- Question 2**  
Explain the primary stakeholder's role in the project.
- Question 3**  
Do you recommend that the firm or United Energy Corporation should acquire another company? If so, how? What are three other suggestions regarding this?
- Question 4**  
What kind of leadership style should Victor adopt in order to ensure a successful transition?



<p><b>SWOT Analysis</b></p>	<p><b>Key Decision Criteria</b></p> <ul style="list-style-type: none"> <li>Does it include the company strategy?</li> <li>Will it improve performance?</li> <li>Investment value, market share, return on investment</li> <li>Efficiency</li> <li>Reduce the number of organizational layers</li> <li>Organizational structure, to be improved</li> <li>Organizational structure</li> </ul>	<p><b>Action and Implementation Plan</b></p> <p>1. Identify the key stakeholders and their interests.</p> <p>2. Develop a communication plan to keep stakeholders informed and engaged.</p> <p>3. Assign responsibilities and resources to each stakeholder.</p> <p>4. Monitor progress and adjust the plan as needed.</p>
<p><b>Question Analysis</b></p> <p>TheCaseSolutions.com</p>	<p><b>Alternative Analysis</b></p> <p>Option 1: Acquisition of United Energy Corporation</p> <p>Option 2: Acquisition of another company</p> <p>Option 3: Acquisition of another company</p> <p>Option 4: Acquisition of another company</p>	<p><b>Missing Information and Assumptions</b></p> <p>1. Information regarding the company's financial performance.</p> <p>2. Information regarding the company's market share.</p> <p>3. Information regarding the company's organizational structure.</p>
<p><b>PEST Analysis</b></p>	<p><b>Alternative Assessment with Predicted Outcomes</b></p> <p>Option 1: Acquisition of United Energy Corporation</p> <p>Option 2: Acquisition of another company</p> <p>Option 3: Acquisition of another company</p> <p>Option 4: Acquisition of another company</p>	<p><b>Recommendations</b></p> <p>1. The company should acquire United Energy Corporation.</p> <p>2. The company should acquire another company.</p> <p>3. The company should acquire another company.</p>
<p><b>Porter's Five Forces Model</b></p>	<p><b>Selection of Preferred Outcomes</b></p> <p>Option 1: Acquisition of United Energy Corporation</p> <p>Option 2: Acquisition of another company</p> <p>Option 3: Acquisition of another company</p> <p>Option 4: Acquisition of another company</p>	<p><b>References</b></p> <p>1. Porter, M. E. (1985). Competitive Advantage: The Secret to Long-Term Success. New York: Free Press.</p> <p>2. Porter, M. E. (1985). Competitive Advantage: The Secret to Long-Term Success. New York: Free Press.</p>

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**Objectives**

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- Question 1**  
What strategies could you recommend management to use in order to enhance a brand's management?
- Question 2**  
Explain the importance of the brand identity of the company.
- Question 3**  
What are the main factors that can affect the brand identity of a company? How can you ensure your organization is ready to face the challenge?
- Question 4**  
What are the main factors that can affect the brand identity of a company? How can you ensure your organization is ready to face the challenge?

<b>SWOT Analysis</b> The Case Solutions.com Strengths: High quality of service, excellent customer support, wide range of services. Weaknesses: Limited marketing budget, high operational costs. Opportunities: Growing market, increasing demand for digital services. Threats: Intense competition, changing customer preferences.	<b>Key Decision Criteria</b> - Cost & value for company or client? - Risk & uncertainty? - Profitability, Return on Investment, Investment? - Ease of implementation? - Willingness to pay or to invest? - Main risk factor?	<b>Action and Implementation Plan</b> 1. Develop a clear strategy and mission statement. 2. Identify key stakeholders and their interests. 3. Set SMART goals and objectives. 4. Create a detailed action plan with timelines and responsibilities. 5. Monitor progress and adjust the plan as needed.
<b>Quantitative Analysis</b> TheCaseSolutions.com The Case Solutions.com is a leading provider of business case solutions. Our services include: - Business Case Development - Financial Modeling - Risk Analysis - Strategic Planning - Project Management Our team of experts is dedicated to providing high-quality, data-driven solutions to our clients.	<b>Alternative Analysis</b> Alternative 1: Focus on digital marketing. Alternative 2: Expand into new markets. Alternative 3: Invest in R&D for new products.	<b>Missing Information and Assumptions</b> - Lack of detailed market research. - Assumption of stable economic conditions. - Limited data on customer behavior.
<b>Porter's Five Forces Model</b> The Case Solutions.com 1. Supplier Power: High. 2. Buyer Power: High. 3. New Entrants: Low. 4. Substitutes: Low. 5. Rivalry: High.	<b>Alternative Assessment with Predicted Outcomes</b> Alternative 1: High growth, high risk. Alternative 2: Moderate growth, low risk. Alternative 3: Low growth, high risk.	<b>Recommendations</b> - Focus on digital marketing and customer experience. - Diversify into new markets. - Invest in R&D for new products.
	<b>Selection of Preferred Outcomes</b> Alternative 2 is the preferred outcome due to its balanced risk and growth potential.	<b>Conclusion</b> The Case Solutions.com is well-positioned for success in the current market environment.

# Overview

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- Established in 1917 in Victoria, BC, to produce horse-drawn log skidders for the forest industry
- Victoria Equipment has been able to remain competitive through product innovation and price competitiveness
- Later diversified into the crane industry, producing the first commercial hydraulic crane controls.
- In 1977, company emerges into international market and focuses exclusively on cranes.

## Product Line

### LTM 1000

- bulk of crane sales in 1990s-early 2000s
- Mobile cranes of 5 basic sizes
- approx. \$750K price tag

### A 100

- Introduced in 2006
- 70 tonne capacity; could lift loads to heights of 61m
- optional ram-operated tilt-back cab to alleviate stiff necks
- approx. \$975K price tag

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## Brian Walters

- Board Chairman, major shareholder, and CEO
- Had successfully led the company to becoming the second-largest producer of mobile cranes in the world
- Concerned with his succession after he retired and who would be an appropriate replacement
- Implemented strategies to decentralize the organization
- Focused on maintaining flexibility throughout Victoria
- Michael Carter was selected in 2007 to temporarily takeover

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# Product Line

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## **Main Issues**

- Information System (misalignment)
- Poor management
- Politics and factional dispute amongst organization (conflict)
- Lack of communication
- High employee turn over rate
- Employees unclear of leadership and organizational vision
- Main Question: What kind of organizational structure should this company adapt? What kind of person should be hired as a new president?

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- Canadian company that has expanded to the U.S. Dominant in the Canadian market (60% shares)
- World's second largest producer of mobile cranes
- Very profitable single product line
- Competitive price for medium capacity and heavy capacity cranes

## Strengths

- Unclear and disorganized organizational structure
- Sales are growing but work is also piling up and not getting done
- No current profit sharing program for employees in place.
- Low employee morale and motivation
- No clear-cut plan if expanding product-line.
- Company might be too centralized

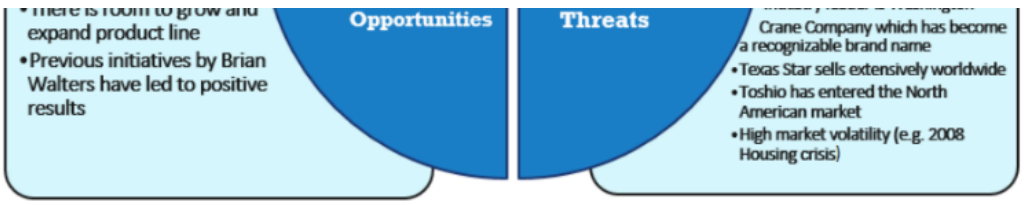
## Weaknesses

- There is room to grow and expand product line
- Previous initiatives by Brian Walters have led to positive results

## Opportunities

- Industry leader is Washington Crane Company which has become a recognizable brand name
- Texas Star sells extensively worldwide
- Toshio has entered the North American market
- High market volatility (e.g. 2008 Housing crisis)

## Threats



## Quantitative Analysis

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### Crane Market:

- Custom built and standard cranes are the two major segments
- World crane market judged to be \$945 million in 2007
- 15% share in \$360 million U.S market; 60% share in smaller \$66 million CAD market
- Washington Cranes had sales of \$600 million in 2007 and 50% world market share
- Victoria had sales of \$150 million in 2007 in over 30 countries

### 2008 Crisis:

- Decline of 10% in world crane sales; 30% decrease in North American Markets
- 75 employees laid-off at Squamish facility

### Important Numbers:

- 2003 Assets were \$56K and Liabilities were \$40K; 2007 Assets were \$69K and Liabilities were 47K
- 2003 Revenue of \$95 Million; 2007 Revenue of \$151 Million
- 2003 Net Income of \$2.3 Million; 2007 Net Income of \$2.45 Million