

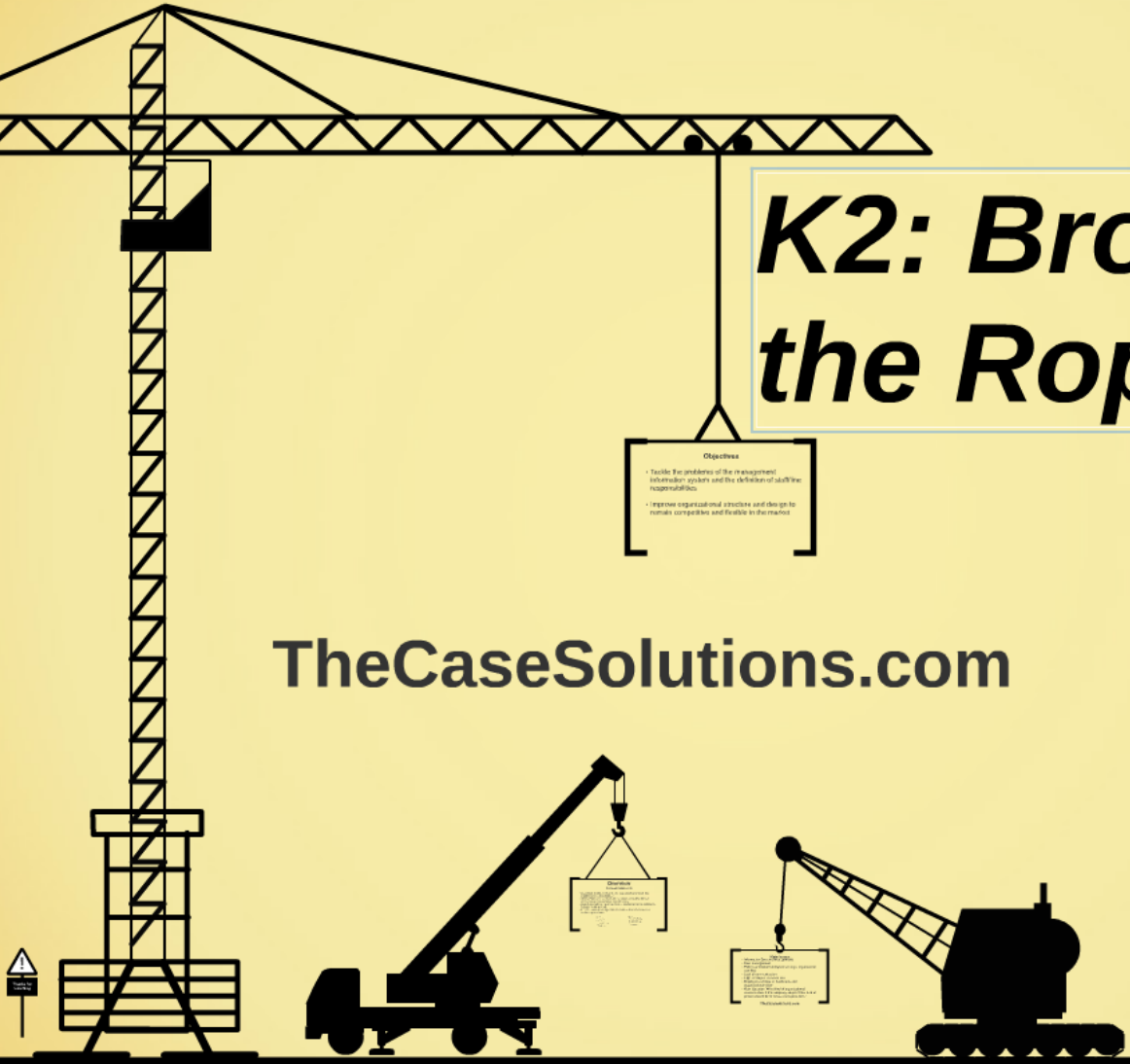
K2: Brotherhood of the Rope (C)

Objectives

- Tackle the problems of the management information systems and the definition of staff's responsibilities.
- Improve organizational structure and design to remain competitive and flexible in the market.

TheCaseSolutions.com

- Question 1**
What strategies would you recommend management to use to ensure a successful integration?
- Question 2**
Do you think the company should diversify? If so, why not?
- Question 3**
What are the challenges that will the company face in expansion and what steps should it take to overcome them? What are some of your suggestions to improve its performance?
- Question 4**
What kind of technology can the company use to improve its performance and how can it be implemented?



<p>SWOT Analysis</p>	<p>Key Decision Criteria</p> <p>What are the criteria for success? What are the key decision criteria? What are the key decision criteria?</p>	<p>Action and Implementation Plan</p> <p>What are the key steps to implement the plan? What are the key steps to implement the plan?</p>
<p>Quantitative Analysis</p> <p>TheCaseSolutions.com</p>	<p>Alternative Analysis</p> <p>What are the key alternatives? What are the key alternatives?</p>	<p>Missing Information and Assumptions</p> <p>What are the key missing information and assumptions? What are the key missing information and assumptions?</p>
<p>PEST Analysis</p>	<p>Alternative Assessment with Predicted Outcomes</p> <p>What are the key predicted outcomes? What are the key predicted outcomes?</p>	<p>Recommendations</p> <p>What are the key recommendations? What are the key recommendations?</p>
<p>Porter's Five Forces Model</p>	<p>Selection of Preferred Outcomes</p> <p>What are the key preferred outcomes? What are the key preferred outcomes?</p>	<p>Conclusion</p> <p>What are the key conclusions? What are the key conclusions?</p>

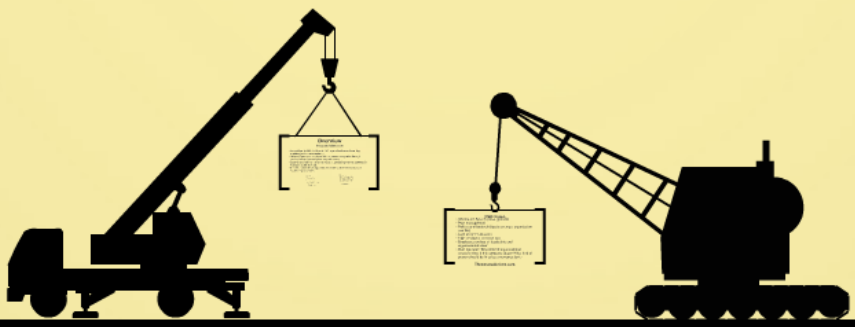
K2: Brotherhood of the Rope (C)

Objectives

- Examine the problems of the management information system and the definition of outline responsibilities.
- Improve organizational structure and design to remove bottlenecks and facilitate the flow of information.

TheCaseSolutions.com

- Question 1**
What strategies would you recommend management take in order to enhance a second management?
- Question 2**
Explain the importance of the relationship of the two companies.
- Question 3**
What are the strengths and weaknesses of the management information system and what are the solutions. Also, you should give suggestions regarding the MIS in the industry.
- Question 4**
What are the challenges you should face as a general manager and what are the solutions?



SWOT Analysis The Case Solutions.com	Key Decision Criteria • Cost & Value • Risk • Quality • Time • Flexibility	Action and Implementation Plan
Quantitative Analysis The Case Solutions.com	Alternative Analysis	Missing Information and Assumptions
PEST	Alternative Assessment with Predicted Outcomes	Recommendations
Porter's Five Forces Model	Selection of Preferred Outcomes	References

Overview

TheCaseSolutions.com

- 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

TheCaseSolutions.com

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

TheCaseSolutions.com

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

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

TheCaseSolutions.com



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?

TheCaseSolutions.com

- 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

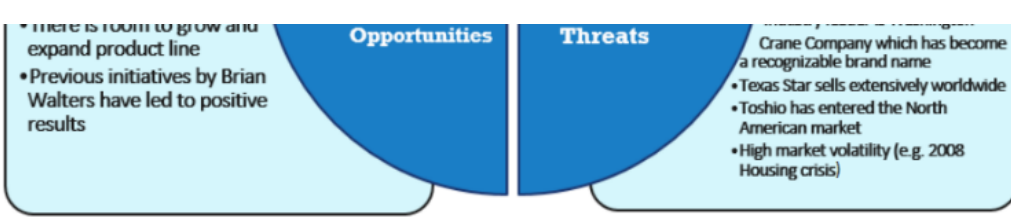
Weaknesses

- 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

TheCaseSolutions.com

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