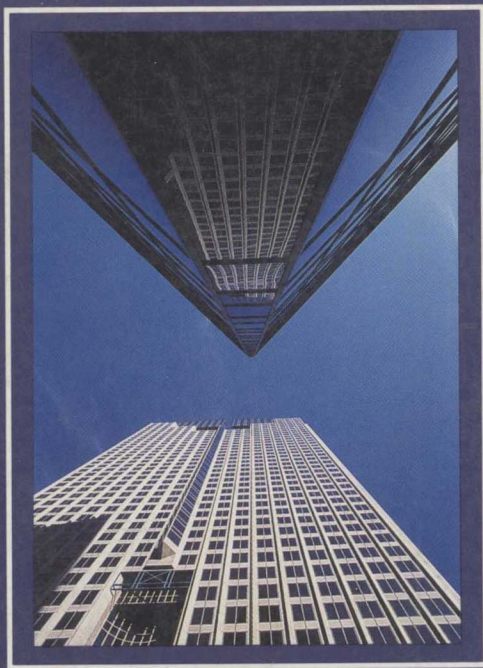


ISSUES *in* CANADIAN BUSINESS



*Mary K. Foster
& Linda Pickard*

APPLIED BUSINESS SERIES

ISSUES *in* CANADIAN BUSINESS

Mary K. Foster

RYERSON POLYTECHNIC UNIVERSITY

Linda Pickard

PICKARD & LAWS CONSULTING GROUP, INC.

DRYDEN

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Table of Contents

Preface 9

Introduction : *Background Issues* 13

CHAPTER 1 : *Innovations* 37

- High-Tech Heart, Lots of Sole 38
- A Trail of Broken Dreams 41
- How a Megaproject Became a Millstone 44
- A Crash Course in Virtual Reality 48

CHAPTER 2 : *The New Face of Manufacturing* 54

- How to Make a Small, Smart Factory 55
- The Factory Gets Focused 58

CHAPTER 3 : *Culture Shift* 64

- Hung Up on Service 65
- A Dreadnought Learns to Make Fast Turns 69
- Engineers with Attitude 73

CHAPTER 4 : *Organization Innovation* 79

- Virtually Ahead of Their Time 80

CHAPTER 5 : *Achieving a Customer Orientation* 86

- Ding-Dong, Avon Smalling 87
- Every Firm Needs One Tough Customer 90
- Zero Defections 93
- Who's Paying the Buffalo Bills? 97
- Fast Food Stuffed with R & D 99

CHAPTER 6 :	<i>Smart Marketing</i>	105
	• How to Win the Rubber Match	106
	• Serving a Captive Market	109
	• The Vaccine That Made a Mark	112
CHAPTER 7 :	<i>The Quality Challenge</i>	118
	• Stepping on the Quality Ladder	119
	• A Quality Teacher Gets Taut	122
	• Work Culture Gets Shock Therapy	125
CHAPTER 8 :	<i>Using Information Technology</i>	131
	• The Post Office and the Power of Information	132
	• They've Got Your Number	135
	• Supply and Command	140
	• More Than the Sum of its Parts	143
CHAPTER 9 :	<i>The Whole Employee</i>	149
	• Stitching Together the Family Fabric	150
	• Treating the Troubled Family	154
	• Breaking Down the Barriers	157
CHAPTER 10 :	<i>Competitive Environment</i>	162
	• All Quiet on the Factory Floor	163
	• The New Stamping Grounds	166
	• Peak Performance	170
CHAPTER 11 :	<i>Creating High Performance Teams</i>	175
	• Blood, Sweat and Gears: GM Reinvents the Factory	176
	• A Slaughterhouse on the Cutting Edge	179
	• The Solid-State Factory	182
CHAPTER 12 :	<i>The Learning Organization</i>	188
	• M'm! M'm! Good?	189
	• The Heavy Metal Band	194

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- A Dreadnought Learns to Make Fast Turns 69
- Engineers with Attitude 73

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- Virtually Ahead of Their Time 80

CHAPTER 5 : *Achieving a Customer Orientation* 86

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A NOTE *from the* PUBLISHER

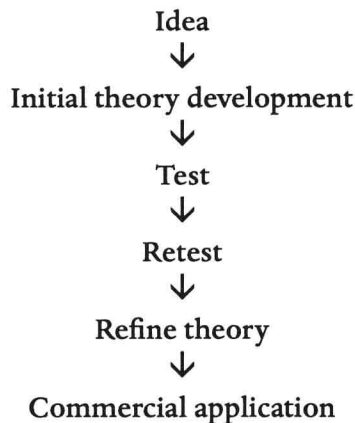
Thank you for selecting *Issues in Canadian Business* by Mary Foster and Linda Pickard. The authors and publisher have devoted considerable time and care to the development of this book. We appreciate your recognition of this effort and accomplishment.

We want to hear what you think about *Issues in Canadian Business*. Please take a few minutes to fill in the stamped reply card at the back of the book. Your comments and suggestions will be valuable to us as we prepare new editions and other books.

Preface

What differentiates business as a discipline from physics or mathematics is the source of knowledge development and innovation. In the latter two disciplines, the university is a major location for basic research. New ideas are developed and tested by scientists in an academic environment. The focus at this point is “pure” science. Commercial applications come much later, if at all.

Figure 1. TRADITIONAL EVOLUTION OF KNOWLEDGE



Business is different. New ideas and innovations in business practice develop from seeing and capitalizing on opportunities, and from solving real world problems. Much of the work of academic researchers focuses on gathering information about individual business initiatives, identifying and analysing consistencies among approaches, and, finally, developing and refining management theory and business practice

models from these data. This codification of applications has created a plethora of techniques for meeting the challenges and problems facing business today.

Figure 2. EVOLUTION OF KNOWLEDGE IN BUSINESS



This book presents the stories of a number of companies that designed and implemented their own solutions to business challenges. What is interesting about the initiatives described here are the common elements in both the problems and the solutions chosen. Each company was responding to changes in the external environment that necessitated a review of how they conducted business; that is, of how they marshalled and used their internal resources to meet the needs of their customers. Core themes include:

- *The changing nature of the market.* The slow growth of traditional markets means the size of the pie is not getting appreciably larger. At the same time the number of competitors has increased dramatically. Whereas volume growth was previously accomplished by attracting new entrants, expanding volume now means converting competitors' users.
- *How technology has changed business practice.* Technological innovations mean that smaller companies can compete effectively with large corporations in the global marketplace. New product categories and new product opportunities are being developed. "Knowledge" workers are the new skilled labourers and information is the new raw material.

- *How the economy is moving from the old mass industrial paradigm to a knowledge-value customer focus.* From mass production, business has moved to just-in-time production and small runs in order to be more responsive to different market segments. Mass marketing no longer works; niche marketing is more consistent with a customer orientation. Bureaucratic and hierarchical organizations are giving way to flattened organizational structures with more direct linkages between customers and decision-makers.
- *Why customers are more broadly defined.* Not only has the customer become more specific about needs and expectations, but also corporations have expanded their definition of the customer. With the need for a skilled workforce, the employee has become a “customer.” Business now works hard to provide a stimulating and creative environment in which the knowledge worker can be productive. Employees are the new means of production and a company’s most prized resource.
- *The competition as strategic partners.* Traditionally there has been a natural antagonism between competitors in the same market. The relationship has been adversarial and “win-lose.” Now, however, suppliers are partners, and long-term relationships are being developed that result in “win-win” situations. Likewise, competitors are being viewed as collaborators, not adversaries, in order to enhance industry-wide productivity.

These and other themes will be developed in this book. It has been organized to stimulate discussion, debate and reflection on the relationship between theory and application. The introductory chapter reviews current business trends and makes reference to some of the latest management literature. The succeeding chapters focus on individual topic areas. Each chapter has a summary of important issues, followed by one or several company stories that relate to its theme. Individual questions concerning the company stories and relevant theory have been included. These can be used as a framework for group discussion or as a preparatory exercise. The group questions are designed to be completed in a class or workshop setting. The projects’ section outlines in-depth work that can be done to gain a richer understanding of a particular topic area. The reading list relates to the topic and provides useful background material.