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February 13, 2010
Assignment #1, Case #1

Daft, R. L. (2001). *Taking the Lead: Rowe Furniture Company*. Organization theory and design (7th ed., p. 145). Cincinnati, OH: South-Western College Publishing.

Concepts Applied: Environmental Change Change Agent Decentralization
 Integration Boundary Spanning Culture

Summary:

In the 1990s, the Virginia-based Rowe Furniture Company responded to increased demands from customers for customized products by undergoing significant organizational change. Rowe executives installed computers in their showrooms with software to allow customers to select custom designs, and then promised delivery within one month. Charlene Pedrolie, a newly hired manufacturing chief, flattened the hierarchical structure of the plant by eliminating supervisory positions and creating “cells” of workers from different functional areas. She gave each cell responsibility for “the processes, schedules, and routines for a particular product line” (Daft p. 145). This new structure, in combination with a policy of “open information” between workers, eventually reduced production time for each custom-designed piece to ten days. In 2006, Rowe’s parent corporation filed for Chapter 11 bankruptcy, and the company was acquired by Sun Capital Partners (Colbert 2011). The new CEO, Stefanie Lucas, continued to connect with customers, especially women, through “emotion” and reduction of Rowe’s environmental footprint as a manufacturer (Perry 2008).

Analysis:

Rowe Furniture Company succeeded in responding to the **environmental change** of shifting customer demands. Pedrolie acted as a **change agent** by introducing new ideas, practices, and **cultural** norms within the manufacturing plant. She **decentralized** the organizational structure, placing more responsibility on the workers, and increased **integration** between departments through the “cells” and open information initiative. The executives and new CEO Lucas played a **boundary spanning** role by observing and responding to consumer trends.

References

Colbert, C. (2011). Rowe Fine Furniture, Inc.: Company Description. Retrieved February 12, 2011 from the Hoovers database.

Perry, D. (2008, December 14). Female execs connect with consumer by putting themselves in her shoes. *Furniture Today*. Retrieved February 12, 2011, from http://www.furnituretoday.com/article/160823-Female_execs_connect_with_consumer_by_putting_themselves_in_her_shoes.php?intref=RelatedArticles.

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February 13, 2011
Assignment #1, Case #2

Daft, R. L. (2001). In Practice 4.3: Toshiba. Organization theory and design (7th ed., p. 151). Cincinnati, OH: South-Western College Publishing.

Concepts Applied: Interorganizational Linkages Threats Uncertainty
Resource Dependency

Summary:

Since its founding in the early 20th century, the Tokyo-based Toshiba corporation has taken advantage of partnerships and joint ventures to become one of the world's largest manufacturers of electronics, with almost \$70 billion in sales in 2010 (Daft 2001, Dorsch 2011). The company engaged in a joint venture with Motorola to produce memory chips, and in the early 21st century entered partnerships with NEC, SanDisk, NSK Ltd., and others. An agreement with Sharp ensures that the company will supply 40% of Toshiba's LCD panels in return for the purchase of system LSI chips. Executives have also entered agreements with direct competitors in the industry. In 2010, they cooperated with "archrival" Fujitsu to create the largest cell phone production business in Japan, with the aim to compete with Nokia. In the late 1990s, Toshiba shared the \$1 billion cost of developing a memory chip factory with IBM and Siemens. They later worked with Fujitsu and NEC on semiconductor development. Yasuda & Iijima (2005) tallied 46 strategic alliances between Toshiba and other companies in the period between 2000 and 2002 alone.

Analysis:

Toshiba has strengthened its position in the international electronics market through extensive **interorganizational linkages**. Communications and partnerships with companies like Fujitsu have eliminated **threats** by turning relationships of rivalry into collaborations. These partnerships also reduce **uncertainty** in the competitive market. Partnerships with companies like Sharp reduce **resource dependency** by giving Toshiba more control over the sources of their supplies.

References

Dorsch, J. (2011). Toshiba Corporation: Company Description. Retrieved February 13, 2011 from the Hoovers database.

Yasuda, H & Iijima, J. (2005). Linkage between strategic alliances and firm's business strategy: the case of semiconductor industry. *Technovation* 25 513-521.