

O'Neill & Preigh

Overview of the Business Situation

O'Neill & Preigh is an 800 year old manufacturer of church equipment. Originally established in a small village on the outskirts of Rome, they now operate out of their corporate offices in Lancaster, Pennsylvania. They clearly are recognized as the market leader in both stock and custom built furnishings for churches of all denominations. Their quality and craftsmanship are undisputed as the best in the industry. They sell their products in international markets through their own sales staff as well as distributor channels in major cities around the world. All is not good however. For the past six quarters business has dropped off dramatically. It is generally agreed that their problems are internal as well as external.

Internally they have always operated rather loosely. Operating budgets are held at the officer level so that department managers have not been involved in operational level details. Their long history as an organization is to focus on the highly skilled craft of building custom furnishings for which they are very proud and for which they are world class. One could say that they are more an organization of artisans than an organization of business managers. An obvious consequence is poor cost control. Until recently they never had to worry about efficiency and effectiveness. In keeping with that culture, the computer has made little inroad into business operations. Their accounting office has computerized payables, receivables, payroll, and inventory, but little else.

Externally their market is changing and they are concerned. Their president, Del E. Lama, has just concluded the quarterly "State of the Business" meeting of the senior officers at which he reported that part of their problem is the result of the aggressive pricing strategies of a Southeastern Asian conglomerate that recently introduced their product into the American market. While the Asians do not compete on quality, it seems that the American market is more price-sensitive than in the past. Del exhorted his management team to take a good hard look at the business. "Leave no stone unturned," were his exact words. He went on to talk about a likely re-engineering effort. (He attended the Chamber of Commerce breakfast that week at which the speaker was a re-engineering consultant from a large Philadelphia firm.) There would also be a good hard look at the information systems that support the business. Here his concern was that the few computer applications they have were developed in the decentralized, laissez faire style of the company. Maybe it was time to look at information as a competitive weapon and see what could be done to increase its impact on their future. Del has also heard much about information technology and automated manufacturing that he wonders whether the company, in its zeal for craftsmanship, hasn't overlooked opportunities to remain competitive without sacrificing quality. To spearhead this computerization effort he hired his grandson, Sal Vation, to join the firm as Director of Information Resources. Sal had just graduated from a prominent New England business school with an MBA in Information Systems.

Needless to say, the management team was taken aback. They certainly used computers, but only as a backroom tool. It ran their accounting functions and that was just fine. Del was talking about a whole new way of doing business. Many would find that uncomfortable.

Gold Medallion Organ Project

Hal E. Lewya is the Vice President of Manufacturing for O'Neill & Preigh. He has been with the company only a few years, having been aggressively recruited away from a leading manufacturer of church musical instruments. Hal has always been the champion for new and innovative instrumentation. In fact, after only a few weeks on the job he presented an idea for a new line of church organs. He believed strongly in using current technology and had devised an idea for replacing the usual pulls and stops with a touch screen. The performer could easily configure the organ with a few quick finger moves, rather than the physical process heretofore required. The old guard did not receive his idea very well. They saw it as a compromise of the traditions for which O&P had been known. Somehow computers and craftsmanship didn't mix very well in their minds. Dels' proclamation changed the game, however, and Hal was preparing to resurrect his idea once more. Surely they would buy it this time.

Before going forward with his proposal, he decided to take some time to polish it up a bit. After all, there have been a lot of technology breakthroughs since he first put his ideas on paper almost two years ago. He began by listing the features and functions he saw in his new organ:

1. All stops and pulls would be replaced with a touch color screen menu.
2. The touch screen would have to be physically integrated into the design of the organ. It would have to be as inconspicuous as possible.
3. The screen would use graphic interface. There would be no text to read.
4. Once the performer had set the configuration, the screen would display a description of the configuration that had been input. This was a final check that the correct data had been entered.
5. The organ should be online to the O&P offices for remote diagnostics and tuning.

Hal knew that his proposal would not be enthusiastically received. O&P was a company of craftsman not of technologists. He expected that an outside contractor would have to be hired to develop the touch screen application. The contractor would have to work with the craftsman to create the integrated look that he envisioned. That as going to be a big challenge.

One thing in his favor however, was that the Del E. Lama was open to new ideas. The fact that the company was in trouble may be just the thing that he could draw on to sell his idea. His initial proposal would have to be very carefully crafted and worded.