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Solutions Paper for Expeditive Software Corporation

Joseph C Thomas

Nicholas Whittall

Regent University School of Leadership Studies

Abstract

This paper proposes research to facilitate organizational transformation at Exeditive Software Corporation. This fictional company was founded about twenty years ago with the successful launch of Exeditive, its flagship product. Since then, the company has acquired several smaller organizations and has experienced both success and failure in product releases. For organizational transformation to occur, the company needs to obtain information about the nature of the problems it's facing: product quality problems—gathered from a random sample of customer complaints drawn from the company's problem tracking database; intra-organization communication problems—drawn from employees through questionnaire surveys, interviews, network analysis, communication experiences, and communication diaries; and customer satisfaction problems—drawn from semi-structured customer interviews and internet surveys.

Solutions Paper for Expeditive Software Corporation

The concept of organizational transformation refers to the need to make far-reaching fundamental changes in the operations of an organization (McNamara, 1999). Such change is usually “provoked by some major outside driving force” and carried out so that an organization can “evolve to a different level in their life cycle” (What provokes “organizational change” section, ¶ 1). Significant change requires a vision, and “the course to a vision, like all navigation, starts with a known position” (Bradford and Duncan, 2000, p. 33). This paper first outlines a scenario for a fictional company that has several operational problems that require organizational transformation: product quality deficiencies, intra-organizational communication shortcomings, and customer satisfaction problems. The paper then proposes research designs that collect data for each of these three problem areas. These research designs provide the basis for understanding the current situation and establishing the vision for change to move the company into the next chapter of its existence.

Explanation of the Scenario at Expeditive Software Corporation

Two entrepreneurs with a vision to produce easy-to-use accounting software for the average consumer founded Expeditive Software Corporation about twenty years ago. Their flagship product, Expeditive, first launched shortly after the formation of the company and quickly became the “killer app” of personal finance products—thrusting the company into nearly twenty years of substantial and unabated growth.

The founders of the company were not only the original programmers of the product but initially marketed the product over the Internet, secured capital financing, and provided the leadership and vision to make the company what it is today. The founders frequently joke that the company became successful despite their many mistakes.

The original product targeted the consumer market, and since its launch, the company has expanded through the successful release of products aimed at small businesses and accounting

professionals. Additionally, several smaller companies have been acquired over the years providing additional software products that include tax preparation software for individual consumers, small businesses, and tax preparation specialists.

Two years ago the company fumbled a complete product redesign to integrate the accounting and tax preparation software by missing the target date of its initial launch—resulting in bad press in industry and consumer news periodicals. The company was eventually forced to rush the product onto the market to meet the upcoming tax preparation season. Unfortunately, the premature release of this product resulted in several major problems that required emergency fixes so that customers could meet tax-filing deadlines. As a result, significant funds were expended correcting problems and attempting to ensure customer satisfaction. Customer complaints reached an all time high and it was only through the heroic efforts of key staff members that enabled the company to provide timely maintenance releases.

Last year, the company was much more successful in getting a major update delivered to the marketplace on time. The product launch was relatively smooth, but the company is still experiencing the highest volume of customer complaints about product problems in its history. Product quality problems have resulted in increased support costs as the company has had to expand its product support staff and issue an excessive number of product updates.

After formation of Expeditive, the founders of the company established four departments to organize operations. The operations of acquired companies over the years were simply molded into this organizational structure. Recently, company leadership has begun to recognize the existence of problems in the way these departments work together. These problems manifest themselves through a growing sense of frustration among the department managers and their employees. Marketing complains that Software Product Development is unable to deliver all the features that customers are demanding. Research & Development complains that Marketing is requesting features that are beyond current technology. Software Product Development

complains that requirements and schedules are unrealistic. Accounting complains that budgets are too excessive and are being exceeded. Company leadership believes that these problems indicate poor inter-departmental communication and are symptoms of deficiencies in the nature and flow of information within the organization. Leadership recognizes that growth has occurred haphazardly over the years and that perhaps the time has come for significant changes in the organizational structure of the company.

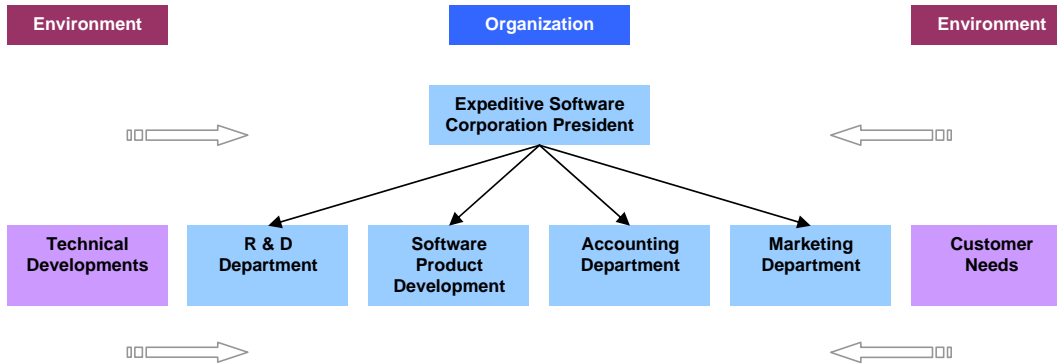


Figure 1. Expeditive Software Corporation's Organizational Design

Although the company currently retains its market leading position, growth has slowed and market share has slipped. The number of repeat customers purchasing upgraded and new products is declining. There is anecdotal evidence from customer support staff that previous customers are not happy with Expeditive products and are purchasing competitor's products. New customers making first time purchases are also declining. Marketing and Research & Development are reporting that competitive products are shipping with increasingly more features, but disagree about the reasons customers seem to be moving to the competition.

The company is approaching a critical time as its competitors develop and release product offerings with significant new features. The company must prepare new releases of their products, but cannot afford to have another misstep in product launch. Time is of the essence to determine and implement a course of action to introduce meaningful change into the

organization. Toward that end, the company has hired organizational change consultants to evaluate the current market position and operational effectiveness of the company. The following section describes the recommendations of the consulting firm to assess organizational performance and acquire the knowledge basis for developing organizational change initiatives.

Plan for Accomplishing Research at Expeditive Software Corporation

Cady, Dannemiller, and Eggers (2003) state concerning the nature of a system: “A system is comprised of a set of parts or components that are related or interconnected in such a fashion as to form an organic whole that focuses on performing a function” (System section, ¶ 2). In order for any system to function correctly, interdependence between the parts is crucial. This section proposes three research initiatives to provide insight into Expeditive Software Corporation’s operational systems, with the intent of pin-pointing flaws—that once corrected—will significantly increase the capabilities of the company. The first research initiative relates to product design, the second focuses on the flow of communication and information, and the third examines customer satisfaction and retention. The description of each research initiative includes the nature of the data required as well as how the information will be collected and analyzed.

From a broad perspective, the entire project design fits the profile of a *combined quantitative/qualitative case study*, which “advocates the use of as many different sources of information on the topic as possible with a view to obtaining convergence on an issue” (Brewerton and Millward, 2002, p. 55). Access to both qualitative and quantitative data will assist the researcher in accurately identifying the real organizational problems.

Step One:

Step one of the organizational performance assessment is to ascertain the exact nature of the problems that customers experience with Expeditive Software Corporation’s products. In order to accomplish this objective, the researchers will perform quantitative analysis of a *simple random sample* of ten percent of the customer complaints drawn from the company’s problem

tracking database. According to Brewerton and Millward (2002), once the domain for quantitative analysis is identified, the next task “involves the selection of some unit of analysis” (p. 152). The domain in this situation is the problem tracking database, and the unit of analysis is a categorization of software problems to identify themes. These problem themes are determined as part of the research effort. Subsequently, problems are grouped into these themes from which a distribution can be observed. The highest-ranking themes provide a starting point for tracking the emergence of problems. Due to the fact that content analysis is “heavily reliant on the multiple judgments of a single analyst” (p. 153), more than one researcher will collaborate in this effort.

At this point, the first step is complete. The research results provide insight into the nature of the problems that customers experience with Expeditive’s software products and the process of root cause analysis can begin. Is the Marketing department establishing the wrong requirements or not listening to customers? Is Research and Development choosing premature and/or inappropriate technologies? Is Software Product Development providing poor designs, stumbling in their programming efforts, or failing in their testing and quality assurance efforts? Is there adequate provision of financial resources?

Step Two:

Step two of the organizational performance assessment is to ascertain whether any problems exist with regard to communication and information flow between departments within the organization. Both horizontal and vertical linkages providing communication and information flow within the organizational structure are necessary for Expeditive Software Corporation to improve its operations. In this regard, if the company’s structure inhibits the proper flow of communication or information, then a reduction in organizational effectiveness is likely to occur (Daft, 2001).

Goldhaber (1993) identifies several types of data useful for identification of the sources of communication and information flow problems. First are the actual communication pathways as compared to the formal pathways represented by the organizational structure. Second is the relationship between the levels of the organization and the amount of information received at each level. Last is the effect of the timing of information dissemination on employee productivity and organizational efficiency.

This data will be collected through the International Communication Association (ICA) audit ~~(which is available in the public domain)~~. According to Goldhaber (1993), ~~the ICA audit is~~ comprised of five instruments—a questionnaire survey, interviews, network analysis, communication experience analysis, and communication diaries—which can be used “independently, or in any combination depending on the needs of the organization” (p. 359). The ICA ~~audit~~ uses these five measurement instruments “in order to establish a normed data bank to enable comparisons between communication systems of various organizations” (p. 358). Due to the fact that Expeditive Software Corporation stands at a critical crossroad, this comprehensive audit makes use of each of the five instruments.

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The *questionnaire survey* is designed to collect employee perceptions of the current state of the communication system and potential improvements. All of the company’s employees will participate in the survey. The analysis of the data occurs by generating a mean score from the five-item Likert response scale. These scores are then compared to the information available in the normed data bank (Goldhaber, 1993).

The semi-structured *interview* provides insight into the nature and flow of communication and information at Expeditive Software Corporation. To conduct the interview, a *stratified random sample* of twenty percent of the employee population will be taken—ensuring that “the number of elements sampled in each subgroup is proportional to its representation in the population” (Mark, 1996, pp. 114-115). With the permission of each interviewee, the

interviews will be recorded to assist in the qualitative analysis of the data. The inclusion of several interviewees throughout the study will reduce the effects of: social desirability biases, experimental demand, careless or mindless responding, positivity biases in interpersonal evaluations, and acquiescence biases (Roese and Jamieson, 1993).

The *network analysis* groups each department together to ascertain the extent to which individuals within a department typically communicate with each other, and the extent to which a person communicates with key individuals outside his/her department (Goldhaber, 1993). The qualitative analysis of this information highlights the formal and informal channels of communication, as well as the strength of communication between departments, which assists the researcher in locating areas of congested and deficient communication.

The *communication experience* draws a random sample of ten percent of the individuals from each department, who describe communication episodes within their department that reflect either successful or unsuccessful communication incidents. According to Goldhaber (1993), these descriptions provide a platform for the development of a set of examples “to help illustrate why a given unit or department experienced good or bad communication” (p. 362).

Lastly, the *communication diary* requires each employee in the company to maintain a record of communication activities over a one-week period. The data acquired from these logs indicates the actual communication behaviors of each employee (Goldhaber, 1993).

At this point, step two is complete. The comprehensive communication audit enables Expeditive Software Corporation to assess the nature and flow of communication within the company. This includes identification of structural deficiencies that can lead to poor communication and identification of work-flow interdependence (Daft, 2001).

Step Three:

The third and final step of the organizational performance assessment is a quantitative and qualitative study of the attitudes of customers toward Expeditive Software Corporation. The

purpose of this step is to engage the entire organization to develop and own plans for improving operations and securing customer satisfaction, loyalty, and future purchase behavior (MSImpact, n.d., p. 2).

Toward this end, a simple random sample of one percent of the customers from each of the company's key market segments, derived from the customer database, will be selected for participation in a semi-structured interview. This interview—based on the MSImpact assessment tool—will supply qualitative information to assist Expeditive Software Corporation in assessing the strengths and weaknesses of their products in conjunction with the market demand.

Furthermore, a random selection of ten percent of the company's customers will be selected for participation in an internet-based assessment. This tool, known as MSInteractive, provides necessary quantitative information that is “based on partial least squared analysis to create stable, consistent and predictive results for customer satisfaction, value propositions, and customer retention and acquisition” (MSInteractive, n.d., ¶ 2). Therefore, the interview and internet survey will not only assist the company in understanding the market needs and frustrations, but also in retaining their market leading position.

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Conclusion

Daft (2001) proposes a model for the process of successful organizational change that consists of idea generation, need recognition, adoption decision, implementation, and resource application (p. 358-359). In this model, the change process begins with ideas and needs. As exemplified by the scenario of Expeditive Software Corporation and the proposed research designs, organizational research can be an effective tool to understand the current situation which assists in creating a perception of the need for change and in generating ideas to establish a vision of the future. Understanding of the current situation, realizing the need for change, and establishing a vision of the future are prerequisites for successfully implementing organizational transformation.

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Appendix 1—Summary of Research Project for Expeditive Software Corporation

Stage in Research Study	Purpose	Target Assessment Group	What the Stage Entails	Nature of Analysis
1. Software problem identification	Ascertain the exact nature of the problems that customers experience with Expeditive Software Corporation's products	Customers	Simple random sample of 10% of customer complaints derived from the company's problem tracking database	Quantitative
2. Communication audit	Pin-point the source of any information or communication flow problems	Employees	<ul style="list-style-type: none"> • Questionnaire survey • Semi-structured interview based on stratified random sample of 20% of employees • Network analysis based on simple random sample of 10% of employees from each department • Communication experience • Communication diary 	Quantitative and Qualitative
3. Attitudes and expectations of customers	To accurately assess the company's complexity of customer satisfaction measurement activities, with the results engaging the entire organization to own plans for improving operations and securing customer satisfaction, loyalty and future purchase behavior.	Customers	<ul style="list-style-type: none"> • MSImpact assessment— semi-structured, in-depth interview based on a random sample of 1% of the customers from each of the company's key market segments • MSInteractive Internet survey based on a random selection of 10% of company's customers 	Qualitative and Quantitative