



Case study no. 1

Title of Case study / Good practice	A Step forward for JJ Electronics
Keywords (meta tag)	Decision, problem solving, finding solution
Provided by	Institute for Financial Research and Analyses/University of Information Technology and Management in Rzeszow
Language	ENGLISH
Case study	
<p>John Smith is a CEO of JJ Electronics. His company is a monopolist in producing parts for standard cassette and tape recorders. Smith was afraid observing a digital technology revolution which hit the market of compact disc players, and he had to solve the problem whether to lead JJ into the digital age.</p> <p>From the one hand, digital tape players had legal obstacles in the American market, on the other hand Japanese and European market started to growth.</p> <p>The whole JJ Electronics team was involved in solving the problem. Firstly, Smith met with the company's marketing department. Some of people forecasted that every audio element would be digital by the end of the century. In turn, others believed the fame of even compact disc players will be a thing of the past. Everyone agreed that company will need in depth market research included: conducting surveys, gathering data, and finding out what kind of products are really desired and what kind of price is acceptable for target group.</p> <p>In turn, staff from research and development had a completely different approach. They were exhausted of making small improvements in products. They had been reading technical material about digital tape. In their opinion it is an exciting new technology that would give a chance for dynamic development. Time was the crucial factor. If JJ Electronics was to become an significant supplier of fragments for the new sundecks, it had to have the machineries ready.</p> <p>A meeting of the CEO's produced a scenario with which Smith was all too familiar. Previously, these executives had revealed that they could not claim one another, but they had faith in their staffs' abilities to succeed where they had failed. Before Smith even came into the room, he knew what kind of recommendations he would get: to make a committee of representatives from each department and let them thoroughly explore all features of the choice.</p> <p>Intellectually, Smith thought he was right. The previous thirty years had revealed that Americans had an greedy appetite for electronic devices. Quadraphonic sound and video discs were the only exclusions he could imagine of to the regulation that if someone created an enhanced way of duplicating images or sound, someone else would want to buy it.</p>	



But naturally, Smith was not so sure. He had a bad feeling about this new technology. He supposed the record firms, which had misplaced the battle to tape producers, might become collected with compact disc producers and audio device manufacturers to break the digital technology from inflowing the American market. So far, no American corporation had capitalized significantly in the technology, so no one had an curiosity in funding the legal fight to eliminate the fences to the new machines.

Case Questions:

1. Define the characteristic of the problem (simple, complex or complicated)?
2. What kind of steps should be taken into account in order to find possible solutions for the problem?
3. Determine possible positive and negative outcomes of decision.

Reference Link (if any)

Type of material

CASE STUDY

(Suggested answers on the next page)



Suggested answers

1. The problem under consideration can be classified as: complex. The problem of entry with a new technology should be viewed individually. Although the solution of one problem provides experience, it does not guarantee success in solving another problem. Experience is not enough. In the case of introducing a new technology at JJ Electronics, intuition and knowledge of market forecasts are important. Thus, the results of measures taken to solve it remain highly uncertain.

2. Considerations should include the following steps:
 - a) Identification of the problem and its causes
 - b) Consider the effects of a defined problem
 - c) Brainstorming
 - d) Verification of the impact of the proposed solutions
 - e) Choosing the optimal solution to the problem

3. Positive effects of the decision:
 - a) Increase in sales of the company's products after the introduction of the new technologie
 - b) Increasing customer loyalty
 - c) Building a strong brand
 - d) Increasing sales revenues
 - e) Being a pioneer and market leader by JJ Electronics

Negative effects of the decision:

 - a) Investing a large amount of money and in case of failure, their loss
 - b) Economic, legal and political barriers
 - c) in case of failure, loss of customer trust