

Kodak's New Focus

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SYNOPSIS

This case describes the strategic management change at Kodak and the subsequent changes in the company. The new CEO, George Fisher, wanted to make many changes at Kodak to keep the company competitive and powerful. These changes included: moving into new markets, selling off some businesses, developing new products, and changing the corporate culture. The case describes the project of making these changes and the challenges involved. It also describes management and the management of large projects from a corporate perspective.

LEARNING OBJECTIVES

Through the study of this case and the discussion questions, students should gain a better understanding of:

- the importance of recognizing a corporation's culture
- the challenges of a change in leadership
- the importance of a mission and clear vision when taking on a project
- the differences in management style
- the strategic management of an enterprise.

DISCUSSION QUESTIONS AND POSSIBLE ANSWERS

1. Since George Fisher was named as the new CEO of Kodak in 1993, many changes have taken place. Is there any resemblance between a new administration taking over a company and the undertaking of a new project?
 - a. *PMBOK Guide's* description of a project is: "A temporary undertaking to create a unique product or service." From this perspective, a new administration with new goals and with the desire of transforming a company is undertaking the project of trying to create a new organization. Thus, the transformation of a company by new leadership could in fact be considered a project.
2. Many symptoms of poor management can be identified from the case including large debt, slow decision-making, multiple reorganizations, avoidance of risk taking, disjointed efforts, etc. However, what was the real problem Kodak was facing before 1993?

DISCUS
 Poor MGT
 slow Decision Making

No
FEEDBACK!

- a. Projects are the building blocks of the future of a company. Kodak had compromised itself with a wide range of business interests. They were not capturing the market for several of their research projects, due mainly to their lack of marketing orientation.
 - b. The cultural and hierarchical matrix organization prevented Kodak from moving into new markets. The non-accountable management style found in its culture, with no true feedback mechanisms, also discouraged motivation.
3. New Kodak CEO George Fisher is described as taking a slow approach to reorganizing Kodak. He claims that he is doing this in order to preserve Kodak's successful business segments. By doing this, the scope of the reorganization effort is controlled and focused. Draw comparisons between this method of change and *PMBOK Guide's* section 5, Project Scope Management.
- a. In *PMBOK Guide*, section 5, project scope management is described as the process required to ensure that projects include all work required and only the work required. By focusing on Kodak's less successful business segments, especially research and development, and not needlessly pressuring their successful business segments, Kodak is keeping the turnaround of the project in proper focus.
4. How are the use of Kodak's new measures concerning project progression and completion going to affect these projects and their management? What are some of the intangible or cultural effects? What guidelines can be used to ensure that this is done effectively?
- a. The projects will be run more strictly, with defined schedules, causing more concentration on the bottom line. The intangible or cultural effects may be that the company in general will also be run more strictly. All of the methods within the company will change, with an effort to become more lean as a company.
 - b. Guidelines concerning this project time management are included in *PMBOK Guide*, section 6. For instance, by viewing the project as a series of tasks with associated predicted duration, project schedules can be developed allowing project managers to adhere to a standard.
5. Kodak has obviously had many successful projects, but are described as bad at developing products aimed at the less costly consumer market. How might its project management be focused to address these markets?
- a. By focusing on scope management and improving the initial focus of a project, it is easier to assure that the final developed project will meet the desired characteristics, especially in terms of market desires. Guidelines regarding this can be found in *PMBOK Guide*, section 5, Project Scope Management. These guidelines will cover such areas as scope change control, which assures that changes are beneficial and that those changes are facilitated as they occur.

Focus
on
SCOPE

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6. Fisher's managerial style is described as rather informal, resembling that of a coach or parent. How do you feel about this type of leader?

DISCUSS →

- a. In *Successful Project Managers: Leading Your Team to Success* by Jeffrey Pinto and O. P. Kharbanda, "ten keys to leadership" are listed: show the way, have a compass, give due credit, take risks, keep faith, act the part, delegate, be enthusiastic, be competent, and thrive on change. Fisher seems to be embracing several of these characteristics, especially giving due credit and acting enthusiastic. Again, this style may not always be the most effective, but in a well-established, successful company pursuing change, it may well be the best method.

ADDITIONAL DISCUSSION POINTS:

DISCUSS ↙

Kodak's new focus can be stated as: Quality, customer needs, and shorter product development to reduce costs and create a more dynamic corporate culture. How could Kodak CEO Fisher find some of the project management principles such as the use of interdisciplinary teams helpful in this endeavor?