Total Quality Management In AOL-time Warner

Introduction

Total quality management which is commonly abbreviated as TQM is identified as the structured and extensive organizational management approach. The approach is largely focused on continuous quality improvement of both services and products through the use of continuous feedback. TQM also deals with the achievements of goals and other objectives in a given organization. This paper seeks to discuss the failed time warner merger where it will highlight some of the problems that occurred during the merger process. It will also present a summary of how the TQM initiative looks like in an information technology perspective and how much IT support total quality management in the Aol-tIme warner organization hence providing a better and more vivid understanding of what entails the total quality management. The paper will use the Deming approach on TQM to identify the accomplishment of the organization. Here, Deming management points will be used to provide an overview of how people can apply them in solving most of the organization problems

Problem Statement

In any business merger, there is always an aspect where the merging business may be faced with risks of flopping, business disaster or catastrophic occurrence that may lead to eventual doom. The time warner and AOL are identified as one of the worst mergers of all times. Before the merger people through that, the decision to merge the two companies was an informed brilliant move. During this time AOL was a domain t player in the market which was shown by its stock market valuation. On the other hand time, warner companies had in time and again tried to make an online presence but repeatedly failed before the merger. The act of merging with AOL would have offered time warner a solution which made the strategy to look more appealing and compelling Van Vliet, V. (2009). Through the use of AOL time, warner projected a footprint of more than ten million new subscribers while in turn, the AOL would have access to time warner’s cable network and content with a user-friendly interface (Rogers, 2000). The merger was seen and through to be a major transformative deal which only proved to be problematic.

Every business has its own unique organizational culture; therefore the act of merging two different cultures was problematic. It is evident that the companies professionals who were in charge of the merger failed to conduct due diligence on both cultures. AOL was made up of arrogant and aggressive personnel while Time Warner was made up of corporate and staid workforce. Having the two groups of people who were totally different in almost every aspect more so in the workplace was challenging. The promised cooperation and synergies failed to bear any fruits due to mutual disrespect that materialized shortly after they started working together Van Vliet, V. (2009). .

After the deal was signed, the infamous dot com bubble burst went into recession. The occurrence made the advertising funds to evaporate which forced AOL to take a goodwill write-off of about $99 billion in the year 2002. The company was also losing its subscribers and its revenue at an alarming rate. The AOL stock value went from $226 billion to about $20 billion which was more than a 200% drop in price. The business that AOL had largely depended on

was slowly replaced by better and advanced technology. The company could not be able to keep up with the competition. The business model of payment of usage and monthly subscription was nearing imploding was a recipe for an eventual divorce of the two businesses (Rogers, 2000). The time warner failed to test the assumptions that it took to be facts, not considering the dynamic market conditions. The business merger was highly characterized by uncertainty and a sense of pressure.

The main problem with the merger is that it was expected to be one of the best business deals that would see both companies generate more revenue and also capture a larger market share. Due to an increased internet presence by the AOL, Time Warner had a project to have an increased internet presence through AOL. On its part, AOL would benefit from the cable infrastructure that the company possessed by then. The merger failed to realize the dream from both companies making it one of the worst business deals of the recent past. There was a gross lack of initiative and business innovation, which made the problem to erupt.

How Deming and TQM Would Have Dealt With or Avoided the Problems

William Deming, a statistician, was a total quality manager in japan who was instrumental in assisting japan to recover after World War 2. He was an advisor to the census in Japan when the USA was leading in terms of both military and economic power. During this period, products from the USA were envied by the global world which made his ideas of quality management look as obsolete. However, Japan was unable to afford any wasted in raw materials that were produced by the post-production inspection process, which would then address the solution and also address their problems. Through his work as a union scientist and engineer and a lecture, Deming was able to influence the quality of Japan and also bring the idea of total quality management (Rogers, 2000).

Based on Deming’s points, it was important for both AOL and Time Warner to be able to create eternal purposes for the improvement of the services and products in any organization. AOL precisely lacked any measures and methods to use to improve the products and services that it offered in the market. This led to products and services. Due to the gross lack of innovation and creative thinking, AOL failed to have a continuous improvement, which led to their broadband and internet presence to lose most of its subscribers. It is important to ensure that businesses are focused on developing a higher level of quality (Hackman, & Wageman 1995). Since AOL was largely associated with high-quality products, it was important for the company to fund its research and development department hence ensure effective and better use of its resources, which could have made the company remain relevant in the market. Connectively the organization should also be able to institute a modern method where both companies should have undergone training. Modern methods should be instituted within the company to ensure that the companies remain relevant more so due to the dynamic technological world we are living in. Ignoring the market changes and customer preferences and tastes can result in total failure of a government (Rogers, 2000).

Connectivity, the merged company should have instituted how operations and management were to be carried out. According to the points made by Deming, it is important for any organization that is operational to have high growth rate skills and goals. This acts as a road map that guides the workforce in the provision of better services and products. Advanced skills

are instrumental in leadership and innovation. AOL lacked a sense of innovation, which could have brought downtimes warner with it. Its once superior services and product were slowly becoming obsolete, and nothing was done to rectify the process Van Vliet, V. (2009).

According to Deming, there is always a need for the organization to drive fear; mutual respect should be allowed and enforced for mutual respect. Deming also argues that organizations need to break down the barriers that exist between the staff also optimize their efforts by working as a team. Working as a team helps in ensuring people can effectively encounter any challenge that they may be able to solve when working as a team. Additionally, organizations also need to be able to eliminate any set numerical goal that may be set for the workers (Hackman, & Wageman 1995). The approach of avoiding such a situation is instrumental to the organization since it enables them to be able to ensure a better approach to the organizational workforce hence ensure they are better and focused on the delivery of good results and also ensure they perform well.

Connectively, there is also a need to remove any barrier that may hinder the hours of working. Here, the employees should not be traded in a way that makes them feel as commodities in the workplace rather than encouraging them to be more productive through motivation hence help them also engage to be best in their work.

Based on the points suggested by Deming, the merging companies need to ensure they focus on the quality of products that are being developed. Here, after the merger, it is evident that AOL realized their service delivery, which made them lose their customer subscriptions within the market. Instead of capitalizing on the newly acquired capital inform of cable and a better platform since the merger was covered in the local and international news. New exposure should have been used in attracting more and prospective customers who would then contribute to revenue generation. It is important to use any form of exposure in business as a form of marketing by letting potential customers be aware of the products that are being offered by the organization within the market.

There is a need to ensure continued and constant product and service improvement; being an online venture improvement of the system to have a better and faster service is instrumental. People tend to compare products and services from one organization to another (Hackman, & Wageman 1995). In a situation where one company is seen as if they are offering inferior customer, it is always common for customers to choose the better company. Therefore, the act of positioning the products and services as the best and leading products is instrumental since it always helps the company to be seen as the best within the market (Rogers, 2000).

Another step that the company should have taken before the merger is conducting market research. In most cases, market research is conducted through a SWOT analysis, where the researcher should have investigated how the merger will be instrumental in both companies both in the short and long run. Having prior information on the market helps in analyzing the situation based on the possibilities from one angle to the next in anticipation of the problems that may arise in the future (Kelly, 2013). In the merger, AOL was seen as the savior to the time warner due to its online presence. With fundamental research, time warner should have investigated the best way through which they would have created their online presence through the money that was used in acquiring AOL (Powell, 1995). Having an inbuilt organization is more effective compared to acquiring a new company that has its way of conducting business. Such differences tend to interfere with the smooth running of the organization, where, in most

cases, leads to problems.

Organizational culture is important to identify that people working in an organization have. Different organizations tend to have their own unique culture, which they hold and pass to new employees. When deciding to acquire a new company, it is always common that the employees of such a company will be joined together with those of the acquiring company. In such a situation, there is always a cultural conflict as the two cultures seek to co-exist. When time warner acquired AOL, there was no respect among the employee since the employees from AOL saw times warner workers as spineless while those from time warner saw their colleges from AOL as arrogant, uninformed, and unprofessional kids with no corporate maturity (Powell, 1995). The conflict led to disagreement among the employees, which delayed operations within the business. Deming suggests that cultural coexistence should be trained in an organization. This is because the world is becoming a global village where people from all over the world are now working together Van Vliet, V. (2009). Through cultural day which sensitizes others in learning about other people's culture hence growing to appreciate them is important. Being different is what makes people strong due to the ability to take different tasks with different abilities.

Another problem that faced the merger was the massive uncertainty where the meager was rather done speedily due to time pressure. Before committing to acquire or get acquired by a company, due diligence is required in all phenomena. This helps in ensuring every stop is left unturned and explore every avenue. Since a merger is considered a lifetime endeavor, it is important to ensure that time is spent in researching all and any corner of the merger hence ensure that no company is getting into the deal with hands held behind (Pearson et al. 2015).

How A TQM Initiative Look Like In an IT Department

Total quality management in the information technology department (IT) is identified as the process that is undertaken while developing information methods, systems, procedures, and the need to resolve them hence be able to maintain continuous and improved quality of management in an organizational structure. The use of IT in TQM within the IT department is commonly done to develop a system that is used to bring long term success. This is done by the use of a customer-friendly system that is developed to align the products with the services hence meet the customers’ expectations. Since TQM is largely interested in the improvement of services and products, it is used in collecting information and then helping to share it according to how the customer needs it. Additionally, IT is also used as a tool for assisting in customer satisfaction through effective communication and facilitating operations in an organization.

How IT Could Have Total Support Quality at AOL-Time Warner

In AOL-Time Warner, the application of TQM could be instrumental in salvaging the dire condition in the organization. First, it should explain the need to focus on the mission and vision of the company. The realization of the company goals helps in making certain that every person in the organization is working towards the achievement of the goal successfully. Secondly, the company executives and managers also need to be able to have a better and proper communication channel; hence, effective communication that should exist between the developments of the teams. It is through communication that projects are finished, without any

proper communication teams are bound to fail.

Additionally, IT in total quality management also an emphasis on customer review and feedback. The review of comments made by customers is important since it provides the organization with suggestions on how to improve the system (Hackman, & Wageman 995). Some of these comments are taken and implemented to the system to make it better and appealing to the customers who are the most important persons in the business since they are responsible for the generation of revenue in an organization.

The personnel who were in charge of the merger failed to conduct a worst-case scenario analysis where they would have found the risks that the two companies were getting into if the deal did not go as the plan. This could have been done to ensure that the components are working as per the prescribed manner while preparing for the worst-case scenario.

Conclusion

Based on the study above, it is evident that the merger between AOL and Time Warner was uninformed and led to the loss of capital in both companies. However, the loses could have been prevented and avoided if the managers and company executives in both companies would have followed the Deming point in total quality management. The paper has also discussed the way through which the problem would have been solved. TQM helps in providing a quality strategy plan that largely includes vision, mission, and goals hence achieve successful development and growth. It is, therefore, important to conduct a TQM test hence provide the desired achievement.

References

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