

A Lesson in Corporate Ingenuity – Imaginary Case Study

A Japanese company (Toyota) and an American company (General Motors) Decided to have a canoe race on the Missouri River. Both teams practiced long and hard to reach their peak performance before the race. On the big day, the Japanese team won by a mile.

The Americans, very discouraged and depressed, decided to investigate the reason for the crushing defeat. A management team made up of senior management was formed to investigate and recommend appropriate action.

Their conclusion was that the Japanese team had 8 people rowing and 1 person steering, while the American team had 8 people steering and 1 person rowing.

So American management hired a consulting company and paid them a large amount of money for a second opinion.

They advised that too many people were steering the boat, while not enough people were rowing. To prevent another loss to the Japanese, the American's rowing team's management structure was totally reorganized to 4 Steering Supervisors, 3 Area Steering Superintendents and 1 Assistant Superintendent Steering Manager.

They also implemented a new performance system that would give the 1 person rowing the boat greater incentive to work harder. It was called the "Rowing Team Quality First Program," with meetings, dinners and free pens for the rower. There was discussion of getting new paddles, canoes and other equipment, extra vacation days for practices and bonuses.

The next year the Japanese won by two miles. Humiliated, the American management laid off the rower for poor performance, halted development of a new canoe, sold the paddles, and canceled all capital investments for new equipment. The money saved was distributed to the Senior Executives as bonuses and the next year's racing team was outsourced to India.