## ORGANIZATION STRATEGY A Marketing Approach

E. RAYMOND COREY
Professor of Business Administration
STEVEN H. STAR
Assistant Professor of Business Administration



## DIVISION OF RESEARCH GRADUATE SCHOOL OF BUSINESS ADMINISTRATION HARVARD UNIVERSITY

Boston • 1971

## TABLE OF CONTENTS

1.	Introductory Comments	1
	The Matter of Terminology The Distinction Between Programs and	
	Businesses Emerging Themes The Plan of Study	
2.	Defining the Product/Market Scope of the Business	7
	Defining Integrated Business Units Resource Size and Efficiency:	
	Economies of Scale; Resource Organization and Specialization; Resource	
	Integrity; Summary Market Scope: A Qualifying Note; Market Decen-	
	tralization; The Business as a Framework for Planning and Measuring Per-	
	formance; Summary The Need for Program Managements	
3.	PROGRAM STRUCTURES	17
	Unilateral and Bilateral Program Structures Simple and Complex Pro-	
	gram Management Units Program-Attached Resources Market	
	Segmentation and Program Organization Segmentation Schemes and	
	Phases of Growth Summary Significance of Program Organiza-	
	tion Design	
4.	RESOURCE STRUCTURES	27
	The Role of Resource Management The Delineation of Resource	
	Structures Program-Specialized Resource Units The Positioning	
	of Specialized Resource Units Field Sales Organization: Sales Man-	
	agement Functions; Field Sales Specialization; Specialization of Individual	
	Sales Representatives Summary	
5.	PROGRAM-RESOURCE RELATIONSHIPS: PLANNING, OPERATING, AND	
	Growing the Business	37
	Planning: Annual Planning Processes; The Program-Resource Balance in	
	Strategic Planning; Summary Program-Resource Coordination Func-	
	tions: Coordination Through Product Management; Interface Managers in	
	Resource Departments; Independent Scheduling Functions; Summary	
	New Product Development The Dynamics of Interaction	
6.	SURVEY RESULTS AND SUGGESTIONS FOR FURTHER RESEARCH	52
	Results of the Questionnaire Survey Toward Further Research: The	
	Concept of Scale Economies in Organization; The Concept of Power in	
	Program-Resource Relationships; The Utilization of External and Internal	
	Resources; Organizing for Multinational Business Operations; Resource	
	Structures	
	CASES AND COMMENTARIES	
,	CHOLS THE COMMENTALIS	
Lo	OCKHEED AIRCRAFT COMPANY: LOCKHEED-GEORGIA COMPANY	61
	Development of Gelac's Organizational Structure Gelac Matrix Or-	
	ganization The Programs The Corporate Steering Committee	
	The Branches	
$\mathbf{C}$	OMMENTARY ON LOCKHEED-GEORGIA COMPANY	102
	Factors Leading to a Matrix Structure Role and Authority of Program	
	Directors Role and Authority of Branch Heads Projectizing	
	Resources Resource Allocation Organizing for Commercial and	
	Military Markets Summary	

International Business Machines Corporation: Data Processing	
Division  Development of the IBM Corporate Structure Data Processing Division: Organizational Development Data Processing Division: Organization in 1966 Applications Development in the Data Processing Division Setting Quotas Sales Support The GEM Region	108
Commentary on IBM Data Processing Division	
Structuring a Business The Evolving Structure of the Resource Functions The Emergence of Industry Programs The Product Programs Organization The Field Sales Organization Future Organizational Developments Summary	
MOBIL OIL CORPORATION: NORTH AMERICAN DIVISION	156
Historical Background Case Organization The Marketing Department in 1967 The Commercial Marketing Department The Resale Marketing Department A Field Marketing Division Headquarters Staff Departments Marketing's Role in Planning and Forecasting Product Supply Product Planning and Development	
COMMENTARY ON MOBIL NORTH AMERICAN DIVISION	179
Definiton, of the Business Defining Marketing Programs The Planning System and Product Allocation Summary	
E. I. DU PONT DE NEMOURS AND COMPANY: TEXTILE FIBERS	
DEPARTMENT 1051	187
Organization of the Textile Fibers Department in 1951 Consolidation of the Five Fiber Divisions Further Organizational Changes Controlling the Operations of the Sales Divisions	
COMMENTARY ON DU PONT TEXTILE FIBERS DEPARTMENT	197
Strategy and Organization Understanding the Organizational Structure	1,
GENERAL FOODS CORPORATION: POST DIVISION	201
Development of the Post Marketing Organization Marketing Organization as of August 1966 The Marketing Plan Sales Planning Relations with Advertising Agencies Marketing-Manufacturing Relationships Product Development	
COMMENTARY ON GENERAL FOODS POST DIVISION	225
Program and Resource Structures Planning: Form and Process Program-Resource Relationships The Product Development Process Summary	
GENERAL ELECTRIC COMPANY: HOUSEWARES DIVISION	231
The Old Product Department Organization Proposed Reorganization	
The New Organization after September 1964 The General Elec-	
tric Marketing and Distribution Operation The Product Design and	
Production Operation Universal Manufacturing Company General Electric Distribution Company	25.
COMMENTARY ON GENERAL ELECTRIC HOUSEWARES DIVISION.  The Case for Consolidation Structuring the New Business Organization of Field Sales Product Development Processes Summery	254
mary FORD MOTOR COMPANY: NORTH AMERICAN AUTOMOTIVE OPERATIONS	261
Evolution of the Ford Organization, 1957–1967 Case Organization The Development of North American Automotive Operations North American Automotive Operations in Early 1967 The Ford Division The Ford Development of Development of Development of North American Automotive Operations in Early 1967 The Ford Division The	201

Autolite-Ford Parts Division North American Automotive Operations in Late 1967 Organizational Changes in Other Ford Operations  COMMENTARY ON FORD NORTH AMERICAN AUTOMOTIVE OPERATIONS  E Pluribus Unum The New Product Development Group — Concept and Structure Program-Resource Structure in the Sales Group Strategy and Organization An Evolving Structure Ford of Europe and Ford Tractor as "Businesses"	289
SEARS, ROEBUCK AND CO.  Organization Recent Developments Merchandising Four Buying Departments The Field Planning, Logistics, and Product Development	296
COMMENTARY ON SEARS, ROEBUCK AND CO.  An Interpretation of History Understanding Sears Today A Concept of the Sears Organization Resource Allocation Procedures The Buying Departments The Roles of Parent and Field in Formulating Marketing Strategy Product Development Strategy and the Implications for Organization An Overview — and the Future	326
MONSANTO COMPANY: ORGANIC CHEMICALS DIVISION  Organization in 1967 The Plasticizer Product Group Division Reorganization	336
COMMENTARY ON MONSANTO ORGANIC CHEMICALS DIVISION  Program-Resource Structure Planning Product Development Processes Division Reorganization Summary	354
Monsanto Company: Agricultural Division.  Organizational Structure International Sales Product Development Pricing Scheduling Planning and Budgeting	358
Commentary on Monsanto Agricultural Division	367
Agricultural Division Organization	
Monsanto Company: International Division	370
COMMENTARY ON MONSANTO INTERNATIONAL DIVISION	385
CHAS. PFIZER & CO., INC.: PFIZER INTERNATIONAL  Product Lines Geographical Location of Pfizer International Activities Historical Development of Pfizer International Organization Organization in Early 1965 1965 Organizational Changes The Future	390
COMMENTARY ON PFIZER INTERNATIONAL	409
By Way of Prediction	412
FORD MOTOR COMPANY: TRACTOR DIVISION  Organization Product Development Manufacturing Equipment Operations Sales and Marketing Tractor and Implement Operations — U.S Ford Tractor Operations — Europe Overseas Tractor Operations	412
COMMENTARY ON FOOD TRACTOR DIVISION	432
INDEX TO COMPANIES AND COMMENTARIES	435