

The Right Data

Topic: Variance Reporting

Characters: Arnie Armstrong, Director of Manufacturing Computer Services
Willy McClean, Manager, Manufacturing Department 207
Kathy Cleary, Supervisor, Manufacturing Department 201

Arnie Armstrong has been with Pierce Auto Parts Manufacturing Company for 23 years. Recently, he was appointed Director of Manufacturing Computer Services. In just six weeks in this new position, [he] has moved to reduce the amount of information provided to manufacturing department managers by 60 percent. He argues that excess data is distracting, unused, and expensive to provide.

Willy McClean has been department manager for 12 years. During a coffee break with some of his department production supervisors, Willy is quite vocal about the change. “Who’s this guy Armstrong to tell us what data we need? He needs to be out here for a few weeks to find out what it’s like. Keep it quiet, but I’ve got a contact in Computer Services who’ll get me all the data analyses I want for just a \$20 bill each month. It’s a good deal, and Armstrong will never know. How does he expect us to make good decisions about those variances without enough data? This guy in CS can get any of you data if you need it.”

Kathy Cleary, overhearing Willy, is shocked. “Is that ethical, Willy? Do you really need that extra data? Can’t you get the information without going around Armstrong? I sure don’t want to pay for anything Mr. Armstrong doesn’t want me to have.”

“Kathy, you’ve only been a supervisor six months,” Willy replies. “It’s just how the firm operates. Try it, and you’ll see it’s worth the \$20. You can’t make good decisions with the stuff Armstrong gives us now.” Kathy doesn’t respond, and the coffee break ends with people returning to their jobs.

Later that evening Kathy begins to think about what Willy said. She knows that he is a good manager, but she does not want to have to buy information to do her job correctly. Tomorrow she is scheduled for a staff meeting with Mr. Armstrong. She is uncertain about what to do or say, if anything.

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