The Case Study Sigma Skis is undergoing an unplanned, unanticipated and a sudden change. Sigma Skis was formed to manufacture fiberglass products and components of the recreational industry. Until this year, they had been very successful. But with the economic downturn business has been dropping. There have been layoffs in the organization, morale is dropping. The executives are not sure what to do. They feel they need to change their fundamental business direction. This is where you come in. They are hiring you as an outside consultant.

Here is some background on the organization. The Sigma Corporation was founded in 1990 by 4 graduates of Southern California University. The four individuals Norman Keller, Donald Early, Paul Ivory and Lee Thomas. They all were avid skiers. They all had degrees in engineering. All had previous work experience. The company was formed, and a small plant was built in Los Angeles to manufacture high-quality water skis under the "Sigma" name. They prided themselves on maintaining an informal environment in the organization with a family type environment where the company took care of its employees. The skis sold well and production expanded rapidly. Within two years the company decided to investigate the production of fiberglass fixtures for the boating industry such as control knobs and seats. During the economy of the 90s, the company took off. They had revenues of over 25 million per year. They quickly grew from the 25 employees to well over 500.They expanded, opened a new plant in Los Angeles and added another shift. Even though major decisions were made jointly, by this time they had a formal organizational structure for day to day issues. Norman became the President, Donald was appointed to V.P of Advertising and Marketing, Paul was VP of Administration, which included HR and Lee was V.P. of Engineering. By the end of 2000, things begin to change. The economy started to decline. There were new competitors who entered the market. Profits declined, Sigma begins to lay off employees, and they went from 500 to 350 employees. Sigma began to investigate several new markets.

The company quickly purchased a series of repair shops, with a plant headquartered in San Francisco specializing in fiberglass body work for automobiles. They also purchased another plant in Tijuana, Mexico and began to manufacture fiberglass components for racing bikes and light weight fiberglass insulation for several mobile home manufacturers. They did this in addition to staying in the ski manufacturing business in L.A. the headquarters remained in Los Angeles, where all of the major decisions were made. Each plant is run by the previous owner of the San Francisco plant , as well as the previous owner of the plant in Mexico. They function as the Plant Managers and reported to directly to Lee Thomas. Within 2 years, the company size increased to over 900 employees with approximately 300 employees in each location. From the start, the company started experiencing problems.

The 3 manufacturing plants in San Francisco, Tijuana and L.A. found it difficult to maintain quality. The standards were different for each of these industries. The marketing headquartered in L.A. department was finding it difficult to establish contacts in these new industries. There are also numerous Human Resources issues in all locations because of the rapid growth.

Managers are promoted from within and they are trained on an as- needed basis. Managers didn't have time to properly train the employees. The company is experiencing several problems from “bad hires”. Brief job descriptions exist for each position, but procedure manuals are very brief and are outdated. Policies are not consistent in all of the locations. Managers are begging for help. Last, profits continued to drop. So this is where we are now, the four original owners still run the business, but they are not in agreement as to what direction to go into. The company knows they are going through a change, but they're not finished. They want to put the pieces together. The company needs to manage its change effectively. **This is where you enter in.**

**QUESTIONS** Consider yourself as an outside O. D. Consultant.

 1.How would you address the issues Sigma is facing? What would be your approach as a consultant?

 2. While you have not had a chance to do any detailed analysis, at this point what do you think some of the problems are? What type of information and what will you need you need to implement an effective change intervention and make a detailed analysis?

3. How would you approach this from an action research approach?

4. Are there any change management theories, training concepts or organizational development models we have read about or been presented that would be useful in this situation? If so, which ones and why?

must sufficiently support this conclusion with the articles, lectures, class discussions, or any other source we have covered thus far". This is what an effective Organizational Development consultant would do.