Your Name

Instructor Name

Course Number

Date

Title: Sigma Motion Inc. Case Study

**Response to Question 1**

Sigma Motion Inc. is a business that offers customized products and special products that are not available in the market generally. Sigma Motion Inc. is a company owned by a family and makes about 20M in revenues; however, according to the workers, the owner runs a business like a large business organization. The company culture and environment are admired by the higher management, most of which do not belong to the same family. In fact, many employees left their previous jobs to join Sigma Motion Inc. owing to its satisfying working environment. The majority of business operations are divided between the two boys Bob and Michael, though they were often at the conflicting positions.

The financial position of the company is also very well, and it managed to retain a healthy profit margin. The company has also made huge investments in added, which add to the value of the company. In my opinion, Sigma’s business strategy is effective, since they have made more investments in making customized products and quick delivery system to their customers. The financial goals set according to the strategic plan, also reflects on the vision of Ron Burton. However, large corporations are able to make these products on a very big scale attaining economies of scale, which will reduce per-unit cost. As a result, they will be able to sell the products on a lower price as compared to Sigma Inc. eventually disrupting their competitive position in the market. In addition, the business of the company seems to be vulnerable since the two sons have conflicts and lack faith in managing the business effectively in themselves (Astrachan and McMillan). Both of them have a different vision of how the business should take its approach to expansion. In addition, they feel they have always competed with each other for success and position. Mary was playing a great role as a mediator; someone whom both of sons’ could confide in for the business matters.

It can be anticipated that the conflicts of perspectives between both the brothers can result in the bigger conflicts in the later stages. In addition, both of them not have proper communication pertaining to business matters. The informal family gatherings are a common phenomenon, but no information about their communication about the business contemporary and future business strategies and the way they can collaborate to take over the business successfully. When it comes to family businesses, communication plays a vital role, and the inability to communicate effectively results in family business conflicts (Sundaramurthy). If the two boys are unable to communicate and collaborate, they will never be able to do this in the future as well. Moreover, looking at the current position, where one of the brothers wants to withdraw from the family business, on a leading role in the company seems to disrupt the operation of the company. The individual Michael is recommending as his replacement might not be very passionate about this business.

**Response to Question 2**

In my opinion, Michael has always been a high performer, and he had been struggling very hard to attain a leadership position. As he realizes that the business is going to be passed on to both of them, he decided to leave the business to spend his skills somewhere else. He earned an MBA, and thus he has the potential to anywhere else. He projected that both of them would also compete in the future, and it may disrupt the operations. Besides, leaving the organizations after taking over the leadership position would be more negative for the operations. He thought that the fight for leadership would create troubles for the company, and he does not want since he loves the company and aims for its success.

**Response to Question 3**

Michael is taking responsibility for providing the company with someone as his replacement as he held a very significant position in the company. He recommends John from marketing as his replacement and assures that he is dedicated to taking the flag of Sigma Inc. to the heights of success. In addition, he asked Ron for help to complete his role. He might have wanted to make some changes and believes that he will not be able to make the changes as per his choice in the company. Therefore he seeks other opportunities where he could fulfill his choices. In my opinion, the decision to leave the company abruptly is not something in favor of the company. He ought to help the next person taking over his role and wait unless he assures the succeeding person will be able to function efficiently.

**Response to Question 4**

As the family grows and the number of family stakeholders increases, business complications upsurge. On the other hand, when the family is relatively small, the complications are few, enabling businesses to operate without official documentation and planning (Morris et al.). When generations' pickup reins, next of kin take part in the business, a need for formal governing structure arises. There is a shift in priorities, and the younger generation is often not very passionate about heritage, values, and discipline. If Michael sticks to his decision to leave the family business, Bob might not be able to take over all the business operations efficiently. From the beginning, he has been dealing with the manufacturing aspect of a business, and the financial aspects were Michael's responsibility. Both of them could have made a better team, which will not happen in this case. I think someone else might take over the business because of Bob’s lack of experience and Michael leaving the company.

**Works Cited**

Astrachan, Joseph H., and Kristi S. McMillan. *Conflict and communication in the family business*. No. 16. Family Enterprise Publisher, 2003.

Miller, Danny, Lloyd Steier, and Isabelle Le Breton-Miller. "Lost in time: Intergenerational succession, change, and failure in family business." *Journal of business venturing* 18.4 (2003): 513-531.

Sundaramurthy, Chamu. "Sustaining trust within family businesses." *Family Business Review* 21.1 (2008): 89-102.