**INTRODUCTION**

This case illustrates the importance of environmental awareness, the long-term prospect of product development, and the resourceful use of an acquisition strategy to achieve organizational objectives. It opens with anoverview and history on the Fisk brothers and Fisk Alloy Wire, Inc. The case then provides an in-depth explanation of the wire production process and the difference between pure copper, copper alloy, and high performance alloy materials. The development of Percon, the changing needs in major commercial wire segments, the use of an acquisition strategy to satisfy production requirements, and the introduction of new market opportunities are all featured in the case, leading into a discussion of decisions facing the Fisks as the company moves forward.

This case study is structured to emphasize the tools and value of external environment analysis. It also effectively demonstrates strategic uses of acquisitions and the successful employment of strategic entrepreneurship. The following steps can be used to define Fisk Alloy Wire, Inc.’s industry status and then to evaluate the strategic challenges of a company poised to take advantage of emerging environmental conditions and market opportunities.

* Build a profile of the copper wire industry, and pinpoint Fisk Alloy Wire, Inc.’s distinct position within the industry. What tools did the company use to shape its strategic perspective?
* Describe the company’s acquisition of Strandflex and how it fits into Fisk Alloy Wire, Inc.’s overall strategic plans.
* Given Fisk Alloy Wire, Inc.’s current market position, outline the market opportunities available to the company, and explore their strategic potential.
* Identify the leading strategic priorities that are supported by the analysis. Explain your recommendations, and conclude with a statement of the key strategic issues facing the company.

**ANALYSIS**

* ***Build a profile of the copper wire industry, and pinpoint Fisk Alloy Wire, Inc.’s distinct position within the industry. What tools did the company use to shape its strategic perspective?***

The metals industry distinguishes between commodity ore producers and specialty alloy manufacturers. In the copper and brass industry, high volume copper strip and wire is recognized for its conductivity qualities. 87.5% of this $4 billion market (in 2005 values) is copper wire, which bears the mechanical loads that carry electronic, telecommunication, and data signals. Easily processed and readily available, commercial copper competes on price and offers limited functionality. Many large competitors, including raw material producers, compete in this commodity space. Within this broad umbrella, a small sliver (perhaps 1%) is specialized copper alloy, which incorporates other elements to enhance the performance of the metal in different ways. The majority of tonnage in the commercial copper alloy market is strip product. With its expanded alloy development capability and integrated manufacturing operations, Fisk Alloy Wire,Inc. inhabits the remnant wire portion of the copper alloy segment. The very narrow market position within the metals and copper industries maintained by the company is even further focused in the tailored high performance copper alloy market – which is driven by emerging demands in electronics, but represents only a small portion of total demand for commercial copper. Here, at the top end of theconductor trade, copper wire is used for circuits, connectors, and terminations and in the operation of electrical components. Fisk Alloy Wire,Inc. has a core competency in developing and producing high performance wire and cable applications that require advanced metal performance in terms of strength, integrity, conductivity, flex-life, surface electroplating, fabrication, and price-to-performance valuation.

Observing and interpreting forces in the external environment that have a potential to impact one’s business can be challenging. However, the greater the understanding of a firm’s general, industry, and competitor environments, the more likely the firm can position itself for success. Fisk Alloy Wire,Inc. has demonstrated how the tools of external environment analysis can successfully poise an organization to take advantage of emerging opportunities. In particular, Fisk’s targeted awareness of long-term trends in the general environment, where data can be incomplete and ambiguous and predictions can be wildly inaccurate, is precisely the source of its seemingly prescient ten-year investment in a cadmium-free high performance copper alloy, Percon24. Scanning a cross-section of the political/legal, sociocultural, technological, global, and physical environment segments of the general environment, Fisk Alloy Wire, Inc.was able to identify early signals that called for eliminating hazardous chemicals and increasing the eco-efficiency of input materials. The company is at the leading edge of paradigm shifting forces in the external market due to its ability to detect the meaning, develop projections, and determine the timing and importance of environmental changes. Furthermore, its assessment of industry and competitor threats has provided Fisk Alloy Wire, Inc. with a strong understanding of the external factors that can be a powerful guide in making the strategic choicesnecessary to support its growth and excellence objectives.

* ***Describe the company’s acquisition of Strandflex and how it fits into Fisk Alloy Wire, Inc.’s overall strategic plans.***

Fisk Alloy Wire, Inc.’s motive for acquiring Strandflex was unique and situationally specific. Rather than acquiring the older steel wire stranding mill for common purposes of increasing market power or accessing new capabilities, the company was singularly interested in adding capacity to process its own newly-developed specialty product. Faced with lengthy and unfeasible options for new equipment to process Percon24, the Fisk brothers devised a clever plan to recondition, reconfigure, and increase the speeds of the old mill’s tubular stranders. Moreover, selling unusable equipment to overseas outfits defrayed 40% of the purchase price of Strandflex. Consequently,

Wire Inc.’s alloy and process technology development capabilities and itspool of qualified mechanics are also key strategic issues. With regard to the firm’s rate of growth, manageable growth is more suited to Fisk Alloy Wire, Inc.’s quality and excellence objectives and its focus on long-term profitability above overall size. It is more important for the company to sustain its reputation for excellenceand technically-based competitive advantages than it is to adopt an aggressive growth strategy. Managed growth precludes the need for an aggressive acquisition strategy, but identification of a strong target that satisfies strategic objectives and the conditions described during the analysis should be strongly considered.