

Alliance design analysis of alternatives

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Alliance Design Analysis of Alternatives Alliance Design Analysis of Alternatives Issues of the Case Alliance Design Concepts has three strategic problems that need to be resolved as effectively as possible. Since they affect the strategic dimension of the business, the company should act fast to ensure that it is not adversely affected by these challenges. The first problem involves the price quotation and equipment acquisition processes, and the second problem entails fluctuations in the exchange rate, especially when converting from Canadian dollars (CAD) to US dollars (USD). The operations manager understands that a strategy for managing the risk posed by the exchange rate will be required.

Analysis

The industry Alliance Design Concepts is involved in is quite lucrative, and the company seems to be doing well, but it can do better. The challenges faced by the company are not new. In fact, they are common in all companies that conduct any form of purchases and that deal in different currencies as part of their operations. The crux of the matter lies in the strategy used to manage these issues, and not the fact that they exist. From the information provided, it is clear that the company is struggling to stay abreast of fluctuations in exchange rates and avoid the risk created by fluctuations in exchange rates. Looking at the processes and mechanisms the company uses in price quotation, equipment acquisition, and exchange rate management is not as effective as it should be. If they were effective, the company would not be experiencing the challenges it currently faces. It is safe to say that poor management is at the heart of Alliance Design Concept's struggles. Better financial and management, together with efficient and effective operations management, is sufficient to get the <https://assignbuster.com/alliance-design-analysis-of-alternatives/>

company out of the rut. The company's profit margins are good enough to give it a clean bill of health financially, but this will not be sustained for long if it keeps losing money through exchange rate fluctuations. In fact, since it has been stated that the company's profit margins are affected by monies lost to the unpredictability of exchange rates, the profit margins may start reducing gradually until they reach worryingly low levels. Effective management, in any business, involves blocking all avenues through which funds are lost, and reducing expenditure as much as possible. Alliance Design Concepts' failure to apply this fundamental business principle has significantly contributed towards the dwindling of its fortunes.

Recommendations

The best way for Alliance Design Concepts to manage its issues is to streamline its processes and reduce any form of pillage. This includes aligning its objectives with its processes so that efficiency is optimized, and financial wastage is limited. The company can involve clients in its efforts to manage the exchange rates. It can also revise its internal processes in order to make them direct, purposeful, and results-oriented. Finally, the company should use more cost-effective foreign exchange services that will help it cut down on losses and reduce the risks faced as a result of foreign exchange fluctuations. These recommendations are justified because in the first instance they relate to the situation at Alliance Design Concepts. Secondly, they are part of the strategic toolkit recommended by professionals to support firms in their daily operations.