

Characteristics of business leadership

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Characteristics of Business Management The purpose of this paper is to show a comparison of two successful businesses. Borders Books and Amazon.com are two companies that both sold books but used different methods in operating their businesses. Even though they both were successful businesses, both companies had different leadership styles, visions and goals. Out of the two businesses, only one remain successful and present today.

In this paper, I will show how both businesses started, how the leaders differ in leadership styles and techniques, and how Amazon continues to be a great success today. Description of the Businesses I will describe each business and how each business started. I will also describe three main challenges each company faced while establishing or running the business. Amazon.com was founded in 1994 by Jeff Bezos as an online bookstore. As CEO he has built it into the largest retailer on the web, selling everything from groceries to electronics and shoes.

Jeff Bezos was working in a quantitative analysis group at an investment firm, when he saw an opportunity to sell books on the internet. In 1994 he went on a cross-country drive from New York to Seattle to start Amazon. He typed his business plan as he went. And he picked up \$300,000 dollars from his parents in Fort Worth, Texas. He set up his business in his garage and began selling books via the internet. His business became worth \$4.4 billion according to Forbes' latest billionaire rankings in 2009. Since the start of Amazon.com, Jeff Bezos came very close to failure. The company was on the brink of bankruptcy. Jeff Bezos lost a total of \$550 million in startup cost by November 1999. But in spite of that, Time magazine named Jeff Bezos "

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Person of the year" a month later. Borders Books was founded by Louis Borders, who was the leader of Borders Books and got his start in Ann Arbor Michigan in 1971. Louis Borders and his brother Tom Borders opened a used bookstore, according to the book eBoys by Randall Stross. Louis Borders had a degree in math from the University of Michigan.

In his store, he went to work designing artificial intelligence software for managing the inventory of a supersize bookstore, and by doing so made opening more bookstores possible. For fifteen years he and his brother operated Border Books in Ann Arbor and sold software to other stores. Borders started opening more stores. In 1988, Borders recruited Robert DiRomualdo to lead the company's expansion. Roberts DiRomualdo was later credited with leading the company's rise to national prominence in the 1990s.

In 1992, Kmart Corp; which bought Waldenbooks in 1984, purchased the 21-store chain for an estimated \$190 million , the New York Times reported at that time. Once sold, Border Books went through several changes including the name changing to Borders Group Inc. and changes in CEOs. Between January 1998 to January 1999 Borders expanded by adding 52 superstores. This was the biggest one-year expansion in its history. By January 1999, the company had 256 superstores averaging \$256 in sales per square foot. In May 1998, Borders launched an online presence for the first time.

Borders had several different CEOs until Mike Edwards became interim CEO in January of 2010. Leadership Styles This paragraph will explain the leaders' leadership styles and discuss how they have adapted to cultural differences

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and how they operate their businesses effectively in global markets. Mike Edwards became interim CEO of Borders in January 2010. This was a time when sales were already at a decline and the company had already been close to filing bankruptcy but avoided it by cutting costs and conserving cash. The company was already at an organizational decline.

Prior to him becoming CEO, Borders had already launched an online presence for the first time in May 1998. Since then, severing ties with Amazon, the company launched a new Borders.com. So after Mike Edwards was named CEO of subsidiary Borders Inc. in June 2010, Borders launched e-book store, started selling e-readers and set strategies to get 17 percent market share in e-books within a year. Doing this online business was with a hope to increase sales nationally and globally. But I believe a mistake was made by continuing to run the business somewhat the same, but just cutting cost. Mike Edwards didn't make the changes necessary to adapt to cultural differences and was not able to operate the business effectively in global markets. Previously Borders had business base in Australia, New Zealand and Singapore but had to sell off its business in those areas. Due to the condition Borders was in when Edwards came on as CEO, didn't allow for a great chance of bouncing back from their losses. Mike Edwards' style was to hurry and cut cost and to do quickly what he could to save the company. Really, he had no choice but to do this quickly. Jeff Bezos has a style of having a customer-focused culture and he continues to use the leadership methods they have used for years.

He makes it difficult for some publicly traded companies to have the right strategy. He makes sure that Amazon.com follows different strategies to <https://assignbuster.com/characteristics-of-business-leadership/>

acquire business but at the same time adapting to any cultural differences that take place. He operates the business by reaching out to different global areas through his web based business. Jeff Bezos make sure he keeps up with the competition by changing the company's strategies quickly to adapt to any changes in technology, customer needs and competition. He believes that experimenting different things will attract different cultures.

Jeff Bezos believes that cultures are very stable. New people who come to the company may stay or leave. But he states that overtime, you build up this momentum around a culture that is self-perpetuating. This is a way to adjust to different cultural differences as well. Leadership, Management, and Motivation Management is getting work done through others efficiently and effectively. Leading involves inspiring and motivating workers to work hard to achieve organizational goals. Jeff Bezos, who founded Amazon.com in 1994, states that his view is that every company requires a long-term view.

He feels that if you're going to take a long-term orientation, you have to be willing to stay heads down and ignore a wide array of critics, even well-meaning critics. If you don't have a willingness to be misunderstood for a long period of time, then you can't have a long-term orientation. He also states that you're also gonna have to have a willingness to repeatedly fail if you're gonna experiment. For some, this is an exciting and motivating culture. Also, he no longer makes all the plans. He has a group called the S Team that (Senior Team) which stays abreast of what the company is doing.

This team meets for about four hours every Tuesday. And once or twice a year the S team gets together in a two-day meeting to explore ideas. This is an example of group decision making. On the other hand, Mike Edwards' focus was to stick to the business plan that he said works. He stated that they were fighting to the end and hoping that a reorganization plan would be approved. By cutting back and closing some stores would help Borders to exit bankruptcy. He did state that Borders mistake was to open so many stores. He immediately took action and began an aggressive cost-cutting plan to close stores and lay-off workers.

Leader's Impact Jeff Bezos made an impact on the world by allowing customers worldwide via the web to purchase books, and everything from groceries, electronics and shoes and more. This allowed customers to shop from the comfort of their own home. This was a great convenience for customers around the globe. Also, Louis Borders vision had an impact on the world as well. When Borders and his brother Tom started Borders Books, Louis Borders took his knowledge and designed artificial intelligence that would later benefit other stores by selling them the software to use for their businesses as well.

Border Books stores allowed customers to purchase all types of books and also to have a peaceful environment to enjoy reading their books. Borders Books later integrated music and movies into some of their stores. Even though Mike Edwards didn't become CEO of subsidiary Borders Inc. until June 2010, he made an impact on the internal structure by taking drastic measures to save the company by closing a lot of the stores and laying-off employees.

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This not only affected the employees but the consumers who shopped at Borders as well. All these drastic actions also affected the morale of the employees and stores that remained until Borders announced its liquidation in July 2011. } References Bomey, Nathan (2011). Borders' rise and fall: a timeline of the bookstore chain's 40-year history. <http://Ann Arbor. com/business-review/Borders-rise-and-fall-a-timeline-of-the-bookstore-chains-40-year-history> Bomey, Nathan (2011). Exclusive interview with Borders