

lbm

Business, Marketing



IBM Discuss the opportunities and risk concerning IBM's vision in changing the company's business design to move away from hardware and technology services.

IBM's vision to move away from hardware and technology may provide both risk and opportunities to the company. For years, IBM has been in the practice of hardware and technology which has made it record huge successes on its ventures. However, the vision of the company is aimed at increasing its market relevance as well increasing the profit made. The technology and hardware business has numerous competitors that require a lot of resources spent on promotion strategies (Monahan 56).

One opportunity that may arise from this vision is that the company would be expose the company to fewer competitors thus having the ability to minimize the resources required for marketing and promotion. Additionally, the change of design will increase the company's market relevance. This is based on that the company has spent many years practicing in technology and hardware production. Regardless of the fact that it has become the company trademark, it would be beneficial for the organization to create make their customers have a new interest in it. However, this quest may be disastrous for the organization (Kerzner 44). The transition to switch its business operations may not be well perceived in the market. This is based on that the company has been in the hardware industry for numerous years thus making it a reliable practice in the industry. The market acceptance of a new venture may not be positive. Additionally, technology and hardware creation industry is developing significantly. Exiting from the industry may not be a great strategy considering the high consumer consumption level.

On an internal basis, the transition may require major internal changes to ensure effective and comfortable move to a new business design plan (Kerzner 49).

Discuss the implications and risks to IBM in providing business process outsourcing services.

Outsourcing refers to the ability of seeking an external source for partaking of company practices. For instance, a company may seek marketing services from another company. In regards to IBM, provision of outsourcing services would change the organization's exposure and approach to risk. When an organization seeks outsourcing services, they seek to minimize their exposure to risk as well as means by which they share the risk (Kerzner 66).

For an organization providing the services, they would be required to share the risks presented to them. In addition, risks experienced when conducting business on behalf of the organization may not be shared by the customer. This would be the same in IBM. The organization will be exposed to numerous risks on business it does not own.

However, outsourcing would be a beneficial practice for the organization.

Outsourcing requires the consumer to provide all resources needed or compensate the cost incurred when accessing resources by the outsourcing company. For this reason, an outsourcing organization incurs no costs in either of the processes of production. Addition, the practice to entitled risk sharing, resource compensation as well as provision of the required business plan. From this argument, one may point out that outsourcing only requires the provider for its services and minimal resources. In an argument by Monahan outsourcing service providers requires fewer resources and

business strategies to operate thus increasing their profit margins (76).

Works Cited

Kerzner, Harold. Project Management: a systems approach to planning, scheduling, and controlling. NJ: John Wiley & Sons. 2013. Print.

Monahan, George. Management Decision Making. Cambridge: Cambridge University Press. 2000. Print.