

# Change management (ebay case study) essay sample

[Business](#), [Marketing](#)



## 1. 0 COMPANY BACKGROUND

### 1. 2 Company Profile

Rising from the ashes of one man's (Pierre Omidyar) vision the world's largest online market place (EBAY. com) has been created, with it been nurtured in a creative, strategic, innovative manner puts it at the level which it resides today. EBay Inc is an American internet company that is wholly responsible for the management of eBay. com a worldwide auction and shopping website that different categories of people and businesses buy and sell a broad variety of products and services, in today's market this community has gone on to span into tens of millions and also with an ever growing popularity making it the most popular shopping destination on the internet.

Millions of buyers and sellers have made eBay Inc. the world's largest and most popular Internet site for individuals and businesses to exchange goods. By 1999 eBay had 5. 6 million registered users and listed over 3. 1 million items for sale; by 2004 there were an estimated 65 million registered users from 150 countries, 971 million items for sale, and gross merchandise sales hit \$15 billion. eBay owns local sites in 19 countries, has stakes in another eight foreign nations, and provides users with its own online pay service, PayPal Inc (eBay Inc, 2010).

The current most powerful online marketplace created in 1995 as a result of a vision that was aided through the seeking of funds from venture capital investors at the world's technology hub (Silicon Valley) this quest happened

to be fruitful with investors been fairly confused of it been a good investment.

eBay pioneered online trading by developing a web-based community in which buyers and sellers were brought together in an efficient and entertaining format to browse, buy, and sell items, such as collectibles, automobiles, high-end or premium art items, jewellery, consumer electronics, and a host of practical and miscellaneous items. In early 2002, the eBay trading platform was a fully automated, topically arranged, intuitive, and easy-to-use service that supported an auction format. Sellers listed items for sale and buyers bid on items of interest in a fixed-price format in which sellers and buyers traded items at a fixed price established by sellers (eBay. com, 2010). eBay maintained a worldwide platform that consisted of Billpoint, Half. com, eBay International, eBay Motors, eBay Stores, eBay Local Trading, and eBay Live Auctions.

With eBay been the enabler of trade on local, national and international scale around the world and having on its site on any given day millions of items which runs across thousands of categories for sale does nothing more than help eBay's revenues continuous growth, the sky is seemingly the limit for the company despite opposition from competitors such as Yahoo!, Amazo. com and its increasing number of imitators.

### 1. 3 Company Structure

Sprung up from a simple ecommerce company on Wall-Street to now been a

giant e-commerce conglomerate that has completely changed the way the online market is perceived

### eBay Organisational Structure

This sort of structure promotes specialization of labour into distinct tasks, encourages the use of managerial and technical skills efficiently, and allows decisions to be made faster.

Refer to appendixes for the list of positions held by the names in the organization chart.

### 1. 4 Company Culture

Build on a platform of entrepreneurship which harnesses the spirit of creativity and innovation in a technical sense that transformed the world of commerce, due to the fact that eBay tries as much as possible to differentiate its business model through the creation of a form of an abode for the coming together of different people to share their personal experiences and also exchange ideas being possessed, this sort of community has embedded in the spirit a sort of culture that gives back to the community, with eBay making clear its focus on not centred on building cars or others but more towards building communities through the act of commerce which is highly quite usual if been compared to other sites.

eBay has been sort of loss with no fixed and systematic way of doing things, gives the chances for spurs of creativity in the minds of the employees and this does provide the challenge for them to work harder and smarter. With a culture pump up towards the refinement and change of commerce like we

know it every passing day, the culture encourages a manner of training that pushes for the retaining of fun in the working environment and retain the community and family feeling eBay is focus on that drives for its unique and special culture. Basically the organization has an open and cooperative culture with employees not just working as staff but also with them having a sense of ownership which puts in them the willingness to strive for more towards making the company better and finally as a result of this culture the company exceeds well in achieving business objective.

### 1. 5 Organizational Change

Over the years eBay has ran a very successful business strategy of been the most popular and recognize auction site around the globe through means of its wholly and partly owned subsidiary that takes its business engagement to new heights even with its diversification, for ensuring best business practice and profit optimization in an ever changing dynamic business environment.

eBay has been known to be synonymous with nothing higher than internet auctions, going back in time to its humble beginnings as a start up auction site to a now gigantic electronic market place acting as host to well over 532, 000 online storefronts all over the world. Equating its monetary value from its market place puts its revenue to about at 77 billion dollars as at 2007, the company goes on to boast of 83 million active users.

In recent times its growth strategy of expansion and diversification from innovative product development and purchase that has gone to encompass all the activities people perform on the internet, has not really created the

desired effect that was intended by top management. All its various diversification moves has led it to stray from its core business objective (Auction), but still not willing to go back an organizational transformation change is on the verge with a change in business model from a fully based auction to the creation of a fixed price model, which has gone on to account for about 40 percent of marketplace revenue.

With this part of the business growing more than the auction one requires the organization to employ an appropriate change management approach for its necessary stakeholders to determine what effect this business change will have on the long run as par it now bringing large sellers to its site straying from its previous focus on auction business, with this change dilute the company's brand reputation as a dynamic flea market? Or will it steer eBay towards the fastest part of e-commerce growth? The e-commerce world is watch (Kenneth, C. L., Jane, P. L., 2010).

## 2. 0 INTERNAL ANALYSIS

### 2. 1 SWOT ANALYSIS

| Strengths | Weaknesses | | Market Leadership | Illegal activity | | Brand Name | Market Penetration | | Business Model | Litigation | | Global reach | Technology malfunctions | | eBay University | Product Quality and Description | | Intellectual Property | Product Shipment | | | | | Opportunities | Threats | | New Markets | Competition | | Acquisition | Seasonality | | international expansion | Consumer Security | | Internet Usability | Increasing

number of online stores | | Expand community services | 1/3 of internet users already registered on eBay | | Theft | | | Consumer Confidence |

## STRENGTHS

### Market Leadership

eBay been the world's largest online auction site draws a tremendous amount of strength from its market leadership using as a sort of leverage to continue to grow its dominance in the market place and increase profit, with its capability of attracting a wide audience and catering to the diverse nature of their needs and also been a major dominant player allows it to reduce the number of new entrants wanting to troop into the market.

### Brand Name

With a reputable, well establish and recognizable brand name it helps with the coverage of reasonable amount of grounds in the mind of consumers on a local and international scale as to help promote the business and ensure its profitability, also it been the market leader and the brand name has gone on to been a great sort of differential tool due to its uniqueness.

### Business Model

The auction trading giant maintains a pretty substantial business model that acts as part of the organizations biggest strengths; this model is seeing in its ability to driver now cost with it not holding any of their inventories and this still maintained in its initiation of the fix price method, here by removing threat in the area of possible liquidation and increasing gross profit margin while keeping customer acquisition costs to a fairly low price.

## Global Reach

Having a global reach second to no other in place does add up to whatever sort of needed strength graced by the organization, with it win the preference of customers on a globe level as opposite to its possible competitors puts its ability to reach customers on a virtual bases around the world on a highly successful leave providing the product they are interested in.

## WEAKNESSES

### Illegal Activities

The company still has a weakness when it comes to issues patenting to illegal activities performed on the site with customers complaining about the company doing a very bad job of controlling this activities, with customers call upon eBay to be more strict when it comes to other registered users who their main aim is to scam others or perform illegal auctions. But hopefully the company would be compensating in a sort of way with its fix pricing technique.

### Litigation

Given the size and position of the company it would suffer great scrutiny when it comes to how it handles the affairs of its business in regards to the market because possible business decision could be looked at as a monopoly move and taking away rite to fair competition, this would translate legal action been taking against the company by its competitors in terms of



infringement and other possible charges, if not handle proper could go on to affect its earnings.

### Technology Malfunction

With technology playing a crucial role in the operation of the organizations business it must try hard to keep the technology malfunction has to be kept to a minimal level has it tends to pop up when it comes to dealing with web technologies so as to help retain and keep a customers happy and satisfied at all levels possible, also keeping hackers out of PayPal and eBay accounts.

### Product Quality and Description

The company's inability of not given full descriptions of merchandise to be sold which could be seeing as a possible factor in the case of the selling of counterfeit and wrongly identified products to customers, while in the case of its fierce competitors the case is reversed. And also there is the problem of content regulation as to the quality of product been sold on the site, with the only regulation check in place is done after contents are posted and its short coming in this area has lead to facilitation of copyrighted and not for resale items to exchange hands.

## OPPORTUNITIES

### New Markets

Having such great accomplishment under its belt the company can seek to diversity across or into more new markets which it does not currently operate at present, looking preferable into markets where it can leverage its

already existing technological know-how and brand name to its advantage, this diversification could go on to generate an increase in revenue and profits.

#### Acquisition

Accessibility to need resources gives it the capability to make acquisition to further strengthen its hold on the market through acquiring more weak competitors and reducing the number of competitors to contend with as long as it pass the proper evaluation criteria to add to the company's cash flow not vice versa, making acquisition would further go on to increase / broaden its customers base.

#### International Expansion

After tremendous success in its business what's really left on its page is world dominance before the economic down turn took its toll but even with that it has to break into more international market to help generate more revenue given the fact that it has clearly dominated its local market, so as to tap properly into markets that are untapped with high profitability potential in the international arena.

#### THREATS

##### Competition

Succeeding so well and making something look so lucrative does have its consequences as that's the case with eBay making the industry so attractive has brought about new competitors not just small scale competitors but competitors with a huge pull of resources to make their business objective

successful in the industry and cause the loss of shares for eBay just like what's currently happening with the Google's check out payment system against eBay's PayPal.

### Theft

Theft always been on the rise poses a huge threat to eBay, despite precaution been taken by eBay to put an end to all activities computer hackers and thieves are performing that puts the company's customer at whatever risk, this fraudsters still seem to succeed and in turn has lead to many eBay and PayPal users to become distrusting to services provided by the company and to some extend never coming back.

### Increasing number of online stores

Over time e-commerce has grown and has now come a long way with the internet having a huge impart in how we live in today's world and changing the way we now make purchases, with the current commonality perception of how online shopping is been viewed and approach has led to more stores store's becoming click and mortar given eBay a huge run for its money and market share with this shops trying to still customers from the online auction world, which is only detrimental to eBay and would tend to drive its profit margin low. With its focus on the fix price section of its market place should held patch up whatever hole is been created in that sector.

### Political

The external environment does go on to affect the organization with it not having any particular control against it but only chose to how it will handle

and react it so as to affect any negative outcome on the business and with eBay it's likely to suffer in terms of influences from political developments, in the sense of some countries in which the organization has dealings would enact policies that is most likely to affect the organization and its ongoing globalization quest which ought to initially be a process that eBay is to use to find new lucrative markets to aid profitability.

It still is faced with problems likely to result with its business process having to conform with the regulatory systems of different countries set by its regulatory body to ensure the protection of its people through setting standards in regards to certain level of security in an online market place, which ensures security of customers but comes at a price costly to the business (eBay). But in the past about from regulatory body the national governments has had a tendency of not meddling in the affairs of e-commerce companies.

### Economic

Seeing the waver nature of how the economic has been swing accompanied with the recession, this had a significant impact on the company with its decline in its quarterly earnings, about from the reduction in purchase of its customers, there was the problem of the heavy effect the instability in exchange rate went on to have on the company, basically the company had to go through a bad phase due to the instability in the general economic causing bad business times for the company.

And the huge decline or crash of Wall-Street didn't go on to help things at all this had direct impact on the organization's good performance, but despite this devastating incident when the economic does go to take a turn for the better resulting in a boom of the e-commerce world eBay's profit would go to sky rocket.

The government does go to affect the eBay in an economic impact because of its control of the taxation policy; whatever policy is enacted tends to have an effect on the organization all higher taxing of their profit might be possible by in inter revenue services (IRS) and further more if taxation for every sale in online auction houses would be introduced this would be seriously detrimental in the light that it would damage eBay.

#### Social

Looking at where the internet is heading as to its integration into the very fabric of our daily life would given room for an opportunity bases for eBay to positively affect the organization, this integration is looked at to having a tremendous effect on the buying patterns of consumers so as facilitate the concept of them having to make most of their purchase online and getting it delivered to them and with such development eBay could capitalize on it as in having to find new markets.

In respect to the ongoing change and it not been properly managed would tend to have a catastrophic effect on the organizations brand image and it suffering over time and having its competitors out stage it and taking its position as market leader. Demography does have a role to play in the social

effect of the environment on the organization with the aging of certain citizens around the globe and the younger generation coming of age, creates a market gap with the older generation losing a relative amount of interest in services been provided by eBay here causing a reduction in its customers but on the other it does go on to capitalize on the interest of the more young generation. Basically mean the older generation isn't so marketable for eBay. Technology

In the hope of the improvement of the consumer buying mechanism for the future in accordance to online purchases, eBay should be able to take advantage of this by finding new markets complement it with technological advancement to help it increase market share and profit margin.

Innovation in our world today is growing on a highly rapid scale and organization that its able to catch up and see the direction the dynamic market is heading technological wise would suffer for it because it tends to create way for its competitors to take over where eBay currently resides as market leader.

eBay suffers legality issues in the case of its having technology patents infringement problem and if it continues along this line in the coming future it would be paying the price heavily having its earnings cut down in large percentages going into the hands of patent owners.

The organization resides in a technological competitive industry its only right that it innovate and come up with more creative ways to cater to its

customers and potential customers and leaving its mark on the e-commerce further more and changing the way business is done.

#### 4. 0 PORTER'S FIVE FORCES

##### Rivalry among Competitors

In respect to competitive rivalry in the industry its respectively low approaching it from the perspective of eBay been the market leader puts its relative direct competitors to not fewer than five with regards to the auction industry but with its suppose relative high focus on the fix pricing methodology could heat up competition a bit with major players with that business model feeling threaten to eBay wanting to increase its focus to this model more, but the rivalry is prompted by different factors such competitors are of different sizes hereby been endowed with different capabilities as to how they compete and gain market share, the cost to switch is also low and the performance of different services.

##### Threat of Potential Entry

In the case of entry threat into the industry its quite low for companies such as eBay hereby controlling the pool of entrant and making it somewhat small due to its size and other organizations such as its self earning the substantial portion of profit in the industry and leaving as much as dog crumps for others despite the fact that buyers demand is growing rapidly, existing competitors and dominant players are taking advantage of this and also trying to expand into other geographic markets. At the end potential competitors who have the proper resources can still penetrate market and

do relative damage to existing competitors making the threat of potential entry to be strong from that view point.

#### Threat of Substitutes

In this case it is high due to good substitutes been readily available and the cost to make the switch is really low and not even making things favourable the prices are on a comparable base for substitutes. For the highly competitive company, the market penetration for the existing product and the existing market tends to be massive in aggressive advertising as well as providing the promotion of the new existing products.

#### Power of Suppliers

With great powers comes great negotiation capability but in the case of suppliers in relation to this industry that it's the case as the posses by then is weak, which is mostly due to items or products been readily available from a broad span of different suppliers, and supplier loyalty is a choice for the sake of switch cost between suppliers is low, with a range of suppliers available to substitute one another. From what is worth given the relative weak power of suppliers they are very unlikely to carry out any form of forward integration into the online auction industry.

#### Power of Buyers (Moderate)

Even if customers are always part of the key to determine an organizations success and the organization should treat them rightly always trying to keep them happy and satisfied with purchase made, their buying power is still on a moderate bases due to factors such as buyers options of



having to switch in respect to cost is low and their demand for product is strongly increasing, in this situation eBay has to maintain brand name and reputation to keep its buyers and making readily the availability of information about products and their sellers are available to the buyer.

eBay and its competitor are in the maturity stage as represented in the graph. Based on the rapid growth or boom of the dot com era this online market place has created a whole new era in the world of ecommerce in respect to how shopping is done online, through the help of technology advancement the online market place has been transformed on a great scale and making the market more acceptable among its users or consumers, and also making it consolidated and efficient for the companies to run best business process more effectively. Given the stage in which the market is at could be referred to as a saturated one and buyers tend to be more fixed in design, style, easy and convenient, with consumers wanting to repeat purchase in accordance to quality and performance expectation its likely get in return. Due to this state eBay is highly fighting for expansion and change of business model with this been the case in recent times

With eBay maintaining market leadership, the tendency for rapidity of growth is hardly visible with fierce competition in play, the organization really needs to work at its expansion plans into new market, bringing out innovative product and not holding back on advertising launching a campaign like no other waging war against its competitors and capturing their market share, there is still the promotion of products, franchising, strategic alliance and others. These methods ought to be put in place to

increase its customer base and keep retrieving market share from competitors.

### 3. 0 STRATEGY

Despite all diversification detours for growth, profit optimization and enhancing best process in an ever competing and technologically changing dynamic business environment, eBay's organizational strategy and its strive for continuous dominance of the online market place comes to one simplified term " Differentiation" the organization's ability to differentiate itself from other competitors in the industry has been its key business strategy which is been approach from a global perspective due to the nature of its international and domestic business sequence. The organizations overall strategy is approached from a corporate and business perspective to achieve optimal success and clearly outline its goal and objective.

#### 3. 1 Corporate and Business Strategy

The organization has grown over the years to become diverse in its business endeavour, with it providing appealing services to individual customers and corporate customers. In conjunction to this is also an array of a wide range of different product categories to serve its huge customer base at any given point in time, with such product array makes eBay product line really diverse as well. The organization's innovation, creativity and acquisition have gone on to contribute to the growth and diversification of the company for its market dominance.

eBay Inc competes viciously in the commerce industry using a broad differentiation strategy. Through which it determines the best way in developing its core competency for achieving sustainability in terms of competitive advantage over its rivals and has lead to customers preference over its services provide as oppose to other online auctioneers and retailers.

Corporate strategy: The organization's top management team incorporates a strategy corporate base that facilitates the ideas of service expansion, continuous creation of a top quality trade platform, market building, current service enhancement and a rigorous fostering process of community affinity within eBay. All this strategic component is aligned to fit well into the overall organization objective to achieve success and set the industry's standard.

The organization's business strategy runs with its strategic concept of the usage of a broad differentiation approach to attract customers, which s ultimately geared towards the organizations goal of standing out as a market leader in the industry, providing unique and highly comprehensive services and opportunities for its spectrum of customers.

According to Dena Waggoner, in the Encyclopedia of Management, " The strongest competitive advantage is a strategy that cannot be imitated by other companies. eBay ran a strategy that gave it the ability to keep pace with changes which could arise from industries driving forces (internet usage, globalization, technology) that help led to it having a broad range of product categories strong e-commerce capabilities, its services are well

known on a global scale, ability for building online trust and protection of community members.

### 3. 2 Information System Strategy

From its humble begins eBay has had to employ the usage of information system to help achieve the dream that once was of an online market place particularly focus on auction that helps facilitated virtual trading and with the aid of proper technology this dream became a reality. As the organization grew it saw an earlier need for it to properly align its information system capability with its business strategy to achieve the organizations goal but as time passed this strategic alignment started become its core competency, for been able to create a competitive advantage as the ecommerce industry grew crowd to ensure dominance and service deliverance efficiently and effectively. Through the wonders of technology under the umbrella of information system eBay's differential strategy is brought to fully blown working capability.

Operating a marketplace and payments platforms the organization utilizes a well suitable combination of proprietary and third party technologies and services, it has been able to develop a brilliant site, with unique customer tools, transaction process that aids users to securely and easily complete transactions on the sites. Automating its administrative process and ensuring its infrastructure is designed around industry standard architectures to reduce downtime in the occurrence of an outages and its strategy goes on to ensure the enhancement of technology to maximize customer experience and increase efficiency, scalability and security.

The platform for eBay goes through a time line that runs from its built on a FreeBSD/Apache/Perl/GDBM back in 1995. It ran on hardware that could be bought at Fry's. In 1997, the site migrated to NT/IIS/C++ with Oracle DB on Solaris. In 2002, everything was rewritten in J2EE. Now its system runs on custom developed architecture (Rand and Dan, 2006).

eBay with its move from one tier model to another show how it uses its technologic know how to initiate an amazing technical brilliance of its scaling in an architecture to provide customers the ultimate online experience and high satisfaction level. With the current platform the organization is been able to services its huge traffic flow that plays a role with how its differentiation strategy is been applied in the sense of how it carters to its customers on its site, having an ever increasing users expectation eBay gives its users the search ability of knowing what exactly is to be expected and an immediate data change to be swiftly integrated into searches at once when changes are made.

In respect to the organizations information system strategy it has come to understand how to properly harmonize its business strategy with that of technology not only for the fact of it been a technology company but for its management been able to understand how to amalgamate the two, whether is by creative, innovation or acquisition its information system strategy has been handle quite well to contribute to its best process, despite its poor management decision that wavers a bit from what the organization core competency is and how its vision for the future begin to diverge and its information strategy

#### 4. 0 CHANGE MANAGEMENT

The management of change has grown to become an important concept that needs to be handled out rightly to guarantee the desired effect rubbing off which mostly likely is in relation to the organizations development, with the management not dependent on the nature of change but rather more on the dynamics of the surrounding factor such as the peoples involvement who the change is mostly to affect directly or indirectly on the contrary, this basically refers to the stakeholders that have a say for the changes to be successful, also the necessary role technology is to play has to weighted against the organizations process and other factors, finally the risk assessment against the changes short and long term benefit is to be considered and the effect it would have on the organizations ongoing business operation and that of its overall objective in relation to its core competency, just like in the case of this report as eBay is beginning to fine tune its strategy that drastically moves focus from what its core business objective and revenue generating model has been to its new directional change of where the future of the organization is to be place to achieve its objective for this to happen a proper change management sequence has to be employed for optimal success.

#### 4. 1 Human Dynamics (stakeholders)

At the end of the day humans make up the whole process, in an organizations case they are referred to as stakeholders because through the whole operational value chain they it's a certain degree of their involvement and with the way lean management is been used today a great deal of

consumers opinion is taking into consideration with organizations having to practice the pull approach instead of the push approach to help it keep pace with the changing demand of consumers in a continuously changing business environment and not so good economy.

Gagging the stakeholder's effect in regards to eBay's change in business model it hits hard from all possible direction because through the entire circle everybody is expecting to walk away happy while protecting their interest hopefully eBay does understand this and its change management technique has to be implement well.

Judging from poor management decision been made in regards to some acquisition been made that wasn't so profitable and didn't complement what eBay stood which ended up taking a toll on the organizations stock, hesitation is bound to arise from shareholders whose interest heavily revolves around its return on investment but with clear result of how the change has helped boost up profit that is shown in its annual report of 2009 its more likely to receive a favorable push instead of a pull in the change sequence.

Customers the bearers that willed the success and failure ring of an organization with them forming an integral part of the organizations circle, going by the management decision of fine turning its strategy to seek more of what consumers of the ecommerce world are more akin to in respect to it shifting more towards a more fixed price product sells as opposed to its traditional auction model has sure receive a lot of mix feelings not just from

its customers but the general public with some feeling it could just join a whole list of other ecommerce companies who have travelled long this path and others supporting it to be a step that could revolutionize the online market place. The reaction from customers is more of a push and pull approach on a moderate bases to this the change management sequence has to be employed diligently to get a more viable number of a push approach from customers to support the long term positive effect the change would have on the organizations development as perceived by management.

Other organizational stakeholders are made to realize that their contribution are highly valued and its needed to ensure a desirable outcome to foster the right synergy for organizations growth and development for the future but been made clearly and outline well that from the internal perspective everybody is required to have a push mentality and this change is viewed from an internal angle of get in line with the program or leave the space for carrying any internal pull baggage is not available and is highly unacceptable in a more bureaucratic terms would be a decree has been placed from above and it's to be followed to the letter and all those oppose to it would face severe consequence.

#### 4. 2 Information System

Given its pool of resource, technological know-how, organization structure and process the adaptation of information system to align with change process doesn't seem to be of any hindrance rather it's of a much more supporting component in the ongoing change process that's supposedly to have a long lasting effect and business significances as to what happens in



the organizations future, and given the already existence of this change makes the information system role easier with the current process regarding more light been shaded on, with it been made the core central focus for the organization just like in the case of its auction practices.

#### 4. 3 Risk Management Tactics

For risk to be adequately managed the management has to be able to clearly assess the vulnerability of the entire change management process from all stand point whether it's from the people end or the systems end all angles has to covered probably, this assessment helps to determine the most cost-effective and efficient process in which this risk could be probably management if it requires employing a mitigation or prevention tactics.

In light of the fact that eBay has already muscled on with its change process and all that's been done is the ensuring that this process management well to help a swift transfer process but the concept of risk management as to be brought into the equation for the fact that all risk which could hinder the process can't always be for seen and measured but even with this eBay still has the capability a acquiring some level of understanding as to possible risk that are likely to come into play and handle it according, still on the issue the organization does have a ready contingency plan in place for risk that are not for seen, not to be misled this is not a solution but a possible guide to help fix the problem as soon as possible so as to go carry on with the change process.

#### 4. 4 Knowledge Management

The very concept of knowledge management stands as a whole different entity on its own which has its own solid pillars that stand really firm on the platform on which it was build upon and it's now a facilitator in this era for achieving organizational success, in terms of competitive advantage and organizations functioning well in a dynamic environment with them harnessing creativity, innovation and enhancing best practices in the most effective and efficient way possible. With regards to eBay and its current change process the whole ideology of knowledge management does play a very suitable role that aids its success through the duration of the entire process, given that eBay promotes a knowledge environment which helps in the creation, storing, transferring and application of knowledge makes the organization create an environment which change can be implement and manage effectively, give eBay the ability to learn from its environment and to incorporate knowledge into its change management sequence and tactics to ensure a long term effect that helps achieve the development and growth of the organization.

#### 5. 0 Future Direction

The idea of future direction is based on mere speculation from the authors point view because no matter how detail the plans for the future is it really doesn't go that way for the basic fact of the environment and future can't be controlled but only accommodated. According to the claims made by eBay in relation to its online site which forms the bases for the needed change initiative already been deployed, the organization is really optimistic that in

the current economic environment it will continuously focus on the act of driving operational efficiencies designed to enable the distribution of resources strategies and initiatives that is believe will direct benefit for customers and increase activity on its platforms (John, 2009), just like its change in focus to the fix pricing format which it believes it's the way to go in online shopping for its future to part of it been that it accounted for 53% of its GMV and its auction style clinch to 47% and the fix pricing format is project to grow so for the future about the distribution of resources is poured towards this strategic approach to ensure a proper change management structure is in place.

“ We plan to continue our emphasis on becoming a more customer-focused and technology driven company with clear priorities for our Marketplaces and Payments businesses. The 2010 strategy for our Marketplaces business is to make more progress in trust, value and selection by: • Offering buyers great experiences they can trust; providing innovative shopping experiences that deliver great value and selection; and providing tools and pricing to make eBay more attractive to entrepreneurial sellers, casual consumer sellers and large sellers” (John, 2009).

Finally the future direction of the organization is of a broader notion and the change process is a component under its umbrella so in that regards, the future direction in this chapter is viewed from the perspective of the entire organization.

## 6. 0 Recommendation

Taking all the details of this report into account the overall concept of change management becomes clear in the sense of a every activity is connected and needs to be understood properly from what the change is all about, how it fits into the organization's business process and who is it likely to affect.

In the case of this report eBay's managerial approach towards the change strategy that helps facilitate the organization's growth and development is really commendable but it could still improve certain areas of its managerial tactics in respect to the change process for more adequate and lasting effective that fulfils eBay's overall objective.

The change been employed is one which is technological in nature but even with this, the human factor still holds about 80% weight for success on the long run if success is to be well established and in this regards eBay has been on a hell of a rampage buying up whatever it dims fit that is in line with the organizations strategic and growth benefit which has cause a huge diversification in its core business objective and along the line the internal people have had to hold the weight of all this ongoing change and to that top management has caught its internal people some slack making the change process more of a flexible one letting its employee know that it has been quite a bumping ride but this ongoing changes are necessary to help the organization survival, righting poor decisions made and caught back both new and lost market share.

## 7. 0 Conclusion

The concept of change management with regards to information system is really important and that goes on to apply to even a technological company that sees the usage of information system as a matter of been on a play ground, but as the report does show that the component responsible for successful implementation of change goes way beyond the deployment of a system to facilitated that change but rather to the core of what surrounds the essence of what gap is needed to be bridge and in the case of eBay it's trying to change its business model from been viewed as an auction site with a number of other online business to it been a global online market. eBay with its change in strategy is de-emphasizing online auctions in favour of fixed price sales by large companies such as buy. com, Today the eBay start up business has changed totally with it been a very highly diversified online platform where many different types of businesses engage in ecommerce.

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