

Reflection essay on business strategy

[Business](#), [Strategy](#)



Conclude-Reflect on overall shift in value chain over time OR difference with competitor's value chain and how that results in difference in business performance. * The assignment submission should not exceed 5 pages| |

About VMware VMware is the global leader in virtualization and cloud infrastructure, delivers customer-proven solutions that accelerate IT by reducing complexity and enabling more flexible, agile service delivery.

VMware enables enterprises to adopt a cloud model that addresses their unique business challenges. VMware's approach accelerates the transition to cloud computing while preserving existing investments and improving security and control. With more than 350,000 customers and 50,000 partners, VMware solutions help organizations of all sizes lower costs, increase business agility and ensure freedom of choice I belong to the Consulting Services Division of VMware where we carry out the consulting implementation and management of customer projects

VMware's Value chain is broadly covered as below . The Value Chain Analysis of VMware covers two categories of activities - primary and support activities. The primary activities are most familiar, as it deals with the steps and processes necessary to take the VMware product or service from R&D to final customer sale and support. * Supply Chain Management - covers the identification, sourcing, procurement, and supplier management of the " raw materials" that comprise the final product or service. Operations - covers the engineering, inventory management, and manufacturing of the final product or service.

Note: any technologies incorporated into the product or service are also included here. * Distribution - covers the entire channel network and <https://assignbuster.com/reflection-essay-on-business-strategy/>

partnerships that VMware drives for distributing the key platform product solutions

- * Marketing and Sales – covers the marketing, merchandising, promotions, advertising, sales, and channel management to get the completed product and service to the end customer.
- Service – covers the support and maintenance of products and services after they are delivered to the customer.

The secondary activities are less familiar, but equally important in supporting product and service scalability.

- * R&D – covers the testing of the product as per the customer specifications, development and roll out of new product updates
- * Technology Development – covers the supporting technologies, both information technologies as well as other technologies, important for keeping the lights on.

Technologies integrated into the product would be covered in the Operations stage.

- * Human Resource Management – covers the recruiting, hiring, development, and firing of personnel.
- * General Administration – covers the general admin tasks of the company (buildings, offices, warehouses)

I belong to the Services Department function which forms the primary form of activities in the value chain in terms of delivering the value of the virtualization and cloud benefits to customers as per VMware best practices.

Compared to our competitor which is Microsoft our services are alligned to be more proactive to customers in the form of Technical Account Manager program. The product profolio that we drive in the Services and consulting space are truly key in giving VMware 84% of the global market share. VMware Professional Services offer end-to-end consulting services for Datacenter, Virtualization Management, Desktop Virtualization and Cloud Services.

Our service offerings are based on in-depth virtualization expertise, proven best practices, and repeatable delivery methodologies to help customers realize the full value of virtualization for IT as a service computing models faster, and with less risk. Based on best practices from working with thousands of customers and using reliable, repeatable methodologies, our services are designed to help Assess the current environments, Plan and design solutions that meet the desired business objectives, Build and implement the desired virtualization solutions, and Manage the environment with staff augmentation and performance tuning

Regardless of the level of a customer's virtualization maturity or business need, VMware Consulting Services accelerate the business value of IT transformation to IT as a Service computing models, through virtualization, with less risk compared to our competition which is the key differentiator in our engagement with customers compared to competition. We have provided key differentiators in our Services Value chain which has resulted huge business benefits to VMware the summary of which is as below - Year-over-Year Revenue Growth of 25% to \$1. 6 Billion - Operating Margin of 20. 6%; Non-GAAP Operating Margin of 32. 6% - Trailing Twelve Months Operating Cash Flows Growth of 64% to \$2. 12 Billion; Free Cash Flows Growth of 53% to \$2. 07 Billion Service revenues, which include software maintenance and professional services, were \$573 million for 2012, an increase of 35% from 2011. The use of value chain analysis facilitates the strategic management of VMware as an organization. The three main types of competitive strategy are cost leadership, differentiation, and focus.

Cost leadership is a strategy that relies on lowest-cost production and delivery, while differentiation relies on outstanding quality or product (program/course) features. The focus strategy relies on differentiation or cost leadership for a particular product or market niche. Value chain analysis is a framework that can provide a number of benefits to the VMware management of virtualization and cloud computing organizations. This analysis help VMware managers of to identify linkages between value activities within the organization, and to think in terms of process rather than function or department.

Through analysis of the value system, managers identify potentials for strategic alliances with various actors in the industry value system. Identification of cost drivers and linkage with value chain activities help managers focus on cost reduction and on finding ways to optimize returns throughout the value chain. As well, value chain analysis helps managers understand cost management problems. Failure to see the impact of a decision on the overall value chain will result in missed opportunities for VMware.

The value chain framework allows VMware to break down the chain—from basic infrastructure and support, to software development, to customer support and service—into strategically relevant activities to understand the behavior of costs and the sources of differentiation. Profit Margin is typically only one part of the larger set of activities in the value delivery system. Gaining and sustaining a competitive advantage requires that VMware understands the entire value delivery system, not just the portion of the value chain in which it participates.

Suppliers and distribution channels have profit margins that must be identified if one is to understand VMware's cost or differentiation positioning, because the customers ultimately pay for all the profit margins throughout the value chain. Broadly the value chain framework is used as powerful analysis tool for the strategic planning and to build the organizational model ensuring an effective leadership model. The value chain concept is applied also in the individual business unit and is extended to the whole supply chain and distribution networks of VMware.

To form a successful product for VMware it is important to add value in each activity that the product goes through during the life cycle. The best possible value can be achieved in the product development process by adding value in each stage. For that it needs all, or a combination of, value chain activities and a proper synchronization among all the related activities. A proper organization is required that contains all the required functional departments to perform these activities and a proper communication approach is required to synchronize the activities of these functional units efficiently.