

# Motorola mobility mgt 521

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Business Analysis Part I - Motorola Mobility MGT/521 University of Phoenix  
Business Analysis Part I - Motorola Mobility Deciding whether or not to invest in Motorola Mobility Holdings Inc. (MMI) requires critical and creative thinking. Research provides a greater understanding of business trending in order for stakeholders to make educated decisions regarding personal and business investments. The following passages present part one of a three-part business plan designed to aid the author, a mutual fund manager, in making a fundamental investment decision.

A SWOT analysis of Motorola Mobility Holdings Inc. proposes pertinent details, encompassing internal and external stakeholders' needs, and further providing a scope of investor needs and how they are met by MMI. SWOT Analysis " SWOT Analysis is a useful technique for understanding your Strengths and Weaknesses, and for identifying both the Opportunities open to you and the Threats you face" (Mind Tools Ltd, 2011, SWOT Analysis, para. 1). The subsequent paragraphs represent a snapshot of Motorola Mobility from an internal and external perspective. Strengths

Operational efficiency. Resourceful manufacturing is an integral component of an efficient operation. Motorola (2011) stated, " From the warehouse floor to product delivery, mobility solutions provide access to information in real time and help automate operations, ultimately creating a seamless, error-proof workenvironment" (Motorola, 2011, Manufacturing, para. 1). MMI will have no debt at spinoff. According to Brand (2011), the disjointing of Motorola's corporate business divisions, Motorola Mobility and Motorola Solutions, means zero debt for MMI upon development.

Therefore, the newly defined entity is more easily leveraged and less inclined to accrue disadvantageous debts. A pioneer of cell phones. - Motorola is a leader in the market for cell phone technologies and has forged a direct path to success. " Motorola is one of the pioneers of mobile phones, and along with Nokia and Ericsson it has one of the biggest and most profitable phone patent portfolios in the world. " (Barak, 2011, Devices, para. 8). Innovative Products. Motorola Mobility has two of the most scientific smartphone products on the market.

A Middle East news portal, Al Bawaba (2011), proposes one leading innovative Motorola product is highly regarded in Middle East and Africa: Motorola ATRIX is the world's most powerful smartphone with a dual-core processor that is the fastest yet offered in a mobile phone and is designed to essentially become a user's primary digital hub to create, edit and interact with documents, media and content. (para. 7) Weaknesses Weak profitability. " Motorola Mobility Holdings Inc. , spun off in January from Motorola Inc. declined in New York trading after the Droid smartphone maker forecast profit for this quarter and full year that trailed analysts' estimates" (Miller, 2011, News, para. 1). While the current financial forecast is stunted, long-term focus on profitability is the key. Poor Customer Service ratings. Customer satisfaction is a dynamic component of any business whether the business is corporate, entrepreneurial, or nonprofit. According to Customer Service Scoreboard (2011), an online review and rating system, Motorola Customer Service rates a disappointing score of 36.33 out of a possible 200. Lag in LTE technologies (4G products). Motorola Mobility is slacking in the production of LTE technologies, causing a decrease in the company's market

shares. MMI is currently working toward the manufacturing of patented silicon for the 4G products in the lineup. However, according to Woyke (2011), the competitors are taking the lead in the LTE market. OpportunitiesGoogleto acquire Motorola. " The acquisition of Motorola Mobility, a dedicated Android partner, will enable Google to supercharge the Android ecosystem and will enhance competition in mobile computing" (Google, 2011, Investor Relations, para. ). Merging two well-established entities which complement one another will prove to enhance an already-flourishing group of technologies at the core of the mobile industry. Strong demand for Android. " A recent report from Nielsen showed that Android controlled 39% of the domestic smartphone market, with Apple's iOS controlling 28%" (Meyer, 2011, Devices, para. 4). The statistics are favorable for MMI's existing innovations and are suspected to increase with the sales of the upcoming lineup. Expanding smartphone lineup.

Atrix, Droid X2, Droid Bionic, Droid 2 Global, and Photon 4G are five Android-based smartphones Motorola has in the lineup with the potential to compliment the Google's acquisition of Motorola Mobility (International Business Times, 2011, para. 2-8 ). With the current demand for the Android platform and technologies in the mobile arena, the five forthcoming Motorola smartphones are expected to stir up the competitive market. Threats Competitive Pressure. According to a current YahooFinanceposting of a Dow and Nasdaq report, Motorola Mobility's primary competitors are Apple, Cisco Systems, and Nokia (Yahoo!

Finance, 2011). As the demand for even more enhanced technologies become greater, Motorola Mobility will also find a need to stay ahead of not

only the existing competitors, but competitors in the making. Pending US litigation. Motorola is in a longstanding power struggle against several top companies in the mobile technology and electronics industry. Google acquired three pending US litigations along with the acquisition of MMI. According to United States' leading patent law blog Patently-O (2011), Google also acquired awaiting lawsuits with TiVo, Microsoft, and Apple regarding patent infringements.

**Investment Decision** The decision to invest in Motorola Mobility is not an easy assessment to make. However, as a mutual fund manager, the educated decision is based on the information gained from the SWOT analysis conducted. Internally, MMI is strong with above-average manufacturing efficiencies. Additionally, the quality of smartphones made by Motorola significantly compliments Google's existing Android platforms. Externally, with Google's acquisition of MMI, the business decision to invest in Motorola Mobility is a secure long-term decision accompanied with only a few risks.

**Internal and External Stakeholders and Needs** Motorola Mobility is a spinoff company which separated from Motorola and then merged with Google. Internal stakeholders include both Motorola and Google along with the employees, shareholders, manufacturers, customers, suppliers, traveling consumers and home consumers of the innovative mobile technologies. External stakeholders of MMI include device manufacturers, service providers, social media, marketers, advertisers and application developers. Every stakeholder has a need which, ideally, must be met by the coupled organization.

MMI's internal stakeholders need increased sales, economical supplies, and efficient processes. However, external stakeholders seek efficient and effective platforms and software in order to make use of the mobile technologies supplied. Need Fulfillment and Implications At the present time, Motorola Mobility is deficient in profitability, but is excelling with product manufacturing efficiencies and processes. Profitability can be expected to increase over time as the merge with Google stabilizes and leverages the overall company portfolio.

Furthermore, the sales can be expected to increase with the introduction of Motorola LTE products once the company establishes and patents the unique silicon currently in the works. Finally, the existing Android-based platforms Google has already patented are complimentary to Motorola Mobility's offered products and also the devices in the lineup to be launched. On the other hand, one of MMI's chief focal points should include a goal of improving the quality of service provided to the consumers. Increased orientation time and interactive training would provide more involved and knowledgeable employees.

Conclusion Motorola Mobility Holdings is currently struggling with profits, customer service standards, and competition; however, the judgment to invest in the newly-acquired company is sound regardless of the existing risks. As shown in the provided SWOT analysis, MMI has several favorable factors in the immediate mobile technology market. With MMI's historical cell phone quality, current and future innovations, lack of current debt, recent merge with the prominent Google Company, and ever-growing demand for mobile technology, the decision to invest stands firm. After all, between

Motorola and Google, even the company's minor flaws and external pressures are presently under control and projected to stay that way. References Al Bawaba. (2011, February 6). Motorola to showcase most powerful innovative mobile devices. Retrieved from <http://www.albawaba.com> Barak, S. (2011, August 15). Google's bid for Motorola Mobility - a play for patents only? Retrieved from <http://siliconvalley.rcrwireless.com> Brand, C. (2011, January 11). Motorola Doubles Down on Cell Phones with Mobility Unit Spin-Off, But Should Investors Tread Carefully? Retrieved from <http://www.peridotcapitalist.com> Customer Service Scoreboard. (2011, September 5). Motorola Customer Service. Retrieved from <http://www.customerservicescoreboard.com> Google. (2011, August 15). Google Investor Relations. Retrieved from <http://investor.google.com> International Business Times. (2011, September 2). Top 5 Android-based Motorola Smartphones That Could Compliment Google-Motorola Deal. Retrieved from <http://www.ibtimes.com> Meyer, D. (2011, August 15). RCR Wireless. Retrieved from <http://siliconvalley.rcrwireless.com> Miller, H. (2011, July 29). Motorola Mobility Drops as Profit Forecast Trails Estimates.

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