

Swot analysis performance of dell inc business essay



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Swot is a simple framework for generating strategic alternatives from a situation analysis. The analysis covers the strength, weakness, opportunities and threats of the company.

The unique Direct Model is the key source of all Dells strength. The model helps s to build a closer relationship with their all categories of its customer. First and foremost, the Direct Model approach allow consumer to customize their desire products. Now a day the consumer in the market more educated than ever. They are very much aware of their specific needs what they wand in their system, especially more options in terms of performance, reliability and portability. In order to keep the customer promise and shortening the delivery process, Dell eliminates the retail segment as a distributor.

Dell also provides other forms of product and services including internet and telephone purchasing, phone and online technical, hardware and software support, next day or on-site services. These extensive ranges of product and services are certainly the recognised strength of dells in the present market.

Customer relationship is one of the strongest strength for Dell. It is always maintain to meet the customer expectation of high quality, provide leading technology, and provide competitive price, individual and company accountability, best in-class service and support, flexible customisation capability.

Price for performance: dells efficient achievement in manufacturing and distribution process has offer its customer a powerful computer system at competitive price.

Customization: Dells build the system according to the customer specification and desire. It also provides recommendation and counselling service to meet their demand.

Reliability, service and support: Dell interacts directly to its customer and provides top-notch customer service before and after sales the product.

Technology: dell introduces the latest technology to its customer before the other indirect distribution channel.

Dell maintains very lower inventory turnaround time and well controlled relationship with its supplier. These business strategies save a large portion of cost which they share with the customer by selling low price product.

Dell has the support of its business executive category user. It earns about 75% of its revenue from large business and government organisation. These organisation have large amount of employee and they share the relationship of dell with their employee by providing them dell customize product [FreeEssays, 2003].

Dell Weakness

It has no proprietary technology. It highly depends on its component suppliers.

The most significant weakness is failed to capture the student market segment. It gets only 5% of its total revenue from educational institution including college and university. Since a lot of student influence by their

institution for purchasing their computer, Dell will be unable to use the opportunity to expand their business boundary.

A large number of computer users are home users and when they buy their equipment they want to check them physically. Dell's direct method does not allow them to do so and psychologically the home user is demotivated to use Dell products.

Customization approach makes longer duration of delivery process that creates anxiousness in the buyer while they are waiting for their delivery.

Dell products fully depend on stock parts of suppliers.

Dell Opportunities

Computer is the key tool for an individual both personal and professional life. They now use it more than ever. Day by day they build a strong knowledge about it perhaps eager to use new technological features. Dell can take an advantage from its second-time buyer because they want to experiment or use new computer features in order to increase their knowledge [Adam, 2009].

Laptops are more demanding than desktops. The growing demand of laptops can be an opportunity for Dell to grow in other segments [Adam, 2009].

The internet also provides a greater opportunity for Dell to grow [Adam, 2009].

Dell has an opportunity to grow potentially in overseas markets like Asia and South America [Adam, 2009].

Dell Threats

Dell's threats are technological changes that are expected since technology can only get better. Global economy and increased competition in which dell's financial ratios identifies that they are no match for their competitors. Government policies and bargaining power of supplier is the major obstacle of its growing [Adam, 2009].

Evaluation of the strategy process to achieve competitive advantage

In the business environment the organizations race each other to gain the competitive advantage in order to lead the market. They do it either by improving their present business strategy against the competitor's current strategy or by doing something completely different in a way that proves successful. By implementing an innovative process to improve sales or low costs might give a competitive advantage over another. At the same time, by creating a brand new organised business model, or a unique twist on an existing model, might also allow an up-start to gain an early competitive advantage.

To face the challenges of competitive markets all business using a range of approaches and skills. Competitive advantage does not necessarily mean lower the prices but it brings sustainability in the market. Since it is obviously vital in the long-term to maximise margins or to reach above-average performance the key is to find a break through ways to convince the customers to choose product and services from the business. Though a business can have myriad of strengths and weaknesses vis-a-vis its competitors, therefore, Depending on the existing resources of the business

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that has available, it is necessary to concentrate on methods that follow the basic type of the competitive advantage like low cost and differentiation.

Creating real competitive advantages are depending upon the combination of a numerous factors and strategies. Some attributes of those factors are autonomous, quick and easy to apply. Others need to be continuously implemented according the present condition of the ongoing management of the business. Dell has practice the following ideas to create a competitive advantage for their business [lloydsTsb, 2010].

Build a solid foundation of internal customer service process- dell has build very strong customer services across three key areas and those are technical expertise, on-site response time and phone support. According to the TBR (Technology Business Research, Inc.) study report dell has possesses an adeptness to quickly react to its customer concern within its services portfolios and ranked number one for its exceptional service in the above areas.

Easy business- Dell focus on the needs of customers according to the

Accessibility: Dell differentiated itself in the market by developing a set of extremely effective customer-specific intranet Web sites. Each Web site was highly tailored to the customer's individual situation. Dell worked with each customer to specify a particular set of product configurations that would work best in the customer's network. Tailored offerings were specified and developed for each customer.

Promptness- dell has created an impressive promptness from customer order to its delivery. It converted its operations to a build-to-order process, eliminated its inventories through a just-in-time system, and sold its products directly to consumers.

Simple system-Dell always avoids elaborate, unnecessary preliminaries, forms in triplicate. It has eliminated the middleman and offers customers more powerful configured systems than most competitors.

Flexibility- Dell always collaborates with its supplier and consumers to achieve mutual success. But particular supplier or individual loses its edge, it has the flexibility to respond quickly and customer focused to ensure Dell continued competitiveness.

Deliver quality- Delivering quality depend upon the setting and maintaining standards of the delivery process. Dells Authorized Service Provider (DASP) do stringent audit of their delivery capabilities. It has DCSE program to support dell system.

Develop and improve image- in order to build customer intimacy and loyalty, Dell leverages its customers' knowledge of their own unmet needs. Dell's brand image was and is shaped by customer feedback. Identifying the linked set of assets enables Dell to select strategy-focused, asset-based balanced scorecard measures that support the customer intimacy value proposition

Network effectively- Dell developed a set of new operations capabilities in five crucial areas as it created the flawless make-to-order system that has been widely noted. Dell worked at length to build an effective supplier

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management network in order to shorten component lead times and maintain the absolute quality standards required by the just-in-time operation.

Adaptable- Competitive businesses have high adaptability and change very fast. It gives a clear competitive advantage over the opponent. Dell has built research and development department to face the unexpected situation. dell staff are trained before seats at the phone banks and have regular meeting to discuss customer complaints and possible solution [Rock, 2011].

Other ways dell has also used to achieve a more competitive edge include:

Negotiating better deals from its supplier.

Building alliances with suppliers.

Managing the internal business so that the employee works at full capacity and not waste time or resources.

Looking at alternative routes to market-for example, direct mail.

Creating an enjoyable atmosphere for your employees, and training and rewarding them appropriately so they have more job satisfaction.

Having a clear vision of its business and communicating this to everyone in it so that all work as a team towards that goal, step by step.

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Dells strategic business management and planning with Future challenges

Dell's supply chain process has been recognized as a model of excellence. By looking at the entire closed-loop supply chain and the prevalent inventory and logistics techniques that enable this complex process to work. The techniques reviewed include – postponement, modularity, vendor managed inventory, supply chain partnerships, and demand management. Dell's use of an assortment of techniques to support build to order operation affect each other and how these approaches play a role in enabling the Dell Supply Chain as an industry hallmark of excellence. The forward and reverse supply chains are mapped out as a series of process maps and explained within the framework of Dell's world-wide operations. Dell's supply chain excellence suggests the need to focus on supply chain efficiencies as a means of building customer value and a firm's need to judiciously examine its situation and capabilities before implementing any particular set of inventory and logistics approaches similar to the ones used to support Dell's supply chain operation.

Any vigilant operator can copy the dell assemble procedure to create a clone system. Conventional computer preparation with the RAM amount, hard drive number and capacity, CPU speed and monitor size is now more available than ever and it is an exception not to have the desire option in the desire system. The outline of Supply-chain management of Dell may not be replicated, but the careful operator can duplicate Dell's achievement [alpha, 2008]. According to the AMR research dell already lost its position to Apple in

supply chain management list. . Moreover, dell has no readily-identifiable, durable, competitive advantage over industry peers even if its prospects for continued profitability appear rigid.

Two of Dell's largest competitors, HP and IBM, also offer full-service products (i. e. hardware, software and consulting services). Computer hardware consumers increasingly prefer and are willing to pay a premium to vendors that are able to provide all of their IT needs: hardware, software, and the knowledge to package the items to meet the customers' requirements. In addition, the technology in this industry is rapidly changing and Dell does not conduct its own research and development. This is not necessarily a problem. However, Dell does risk being considerably outpaced by its competitors.

According to the Gartner Group for PC shipment HAWLET PACKERD (HP) showed 19. 8 percent market growth and the Taiwanese PC giant ACCR grew by 13. 5 percent. Dell only grew 11. 5 percent, compared to a figure of 13. 3 percent in the same quarter in 2008. This is in the face of the strongest growth rate in seven years in the PC market. In 2010 HP beat Dell and became top vendor in the US. In the statement of Ms Kitigawa, Principle analyst at Gartner group, she said dell is struggling to retain its share in the consumer market and unable to win the severe price battle in the retail space [Magee, 2010]

Conclusion

Dell's growth rate is significantly sustainable and it growing stronger compare to the previous year. The economic uncertainty and the rival

pressure make dell fall down from top market share list. Dell is still coming strongly by taking drastic action and refurbish strategic business management and planning according to the market need and customer demand. Its direct model concept and single source supply chain management model will be act like shield for this combat.

Dell always presents its all services according to the industry standard for technical support quality and value through its consistent ability to keep pace with growing customer demand.