Good case study about solutions to the above named problems

Business, Company

Introduction

Question one

The Jen-O-Mex is a JeJecraft management firm that was found in 1930 by two brothers namely Dan and Ralph to construct Venetian blinds. They encounter different problems in their daily operations as they try to satisfy their customers' needs globally.

Multinational companies find it quit challenging to make the available, willing and potential customers aware of their products and services that are providing. Customers are mostly readily prepared to purchase goods but the producers fail to inform them on where, how or at what cost they can get the goods (Eden, 23). Factors that have facilitated to poor information delivery of information about an imported product are the extremely high costs of advertising charges for the foreign traders. These companies are highly taxed to only advertise in a foreign country making them intensively reduce their promotional expenses. Multinational companies evade giving a lot of information to prevent much costs of distribution in the states supplied. Nevertheless, they have to persuade the customers to buy their products. Multinational companies find it quit challenging to understand their customers' needs due to the fact that they do not usually have a chance to connect personally with them to get feedback on the customers satisfaction gained from the product and how they would want the products improved (Lorsch, 103).

Foreign country's taxing systems. Multi taxing systems find It so complicated to cope with actuating taxing system they factors of these countries they are supplying good to. Most taxing systems in foreign countries tend to be quit unfair to the foreign companies through often varying them to increase amount earned from their payments (Eden, 45).

. Competition from already existing businesses in the state of venture is a major drawback to the multinational companies. These companies have already stabilised on a number of options in their home country through which they can outdo the foreigners in their distribution capacity due to the less costs of distribution as compared to the foreign distributors who transport their goods for long distance which mean high costs that lead to higher costs as compared to those advertisers who distribute their goods around their doorsteps in their mother country.

The increased number of competitors in the market has led to a challenge of maintaining the best price in the market which makes the price of the product in discussion fall which makes them grow tremendously.

Solutions to the problem of customer' connection with the seller can be covered by the use of the available technological media. For example, many companies have indulged into taking the available chance of advertising through social websites like Facebook and Twitter to make their products much common in the world. The use of e-market is advised too since any one can access the information online from anywhere in the world.

The problem of extra high costs of productions and be highly reduced through placements of a production branch in the consumer country that will allow the producer to efficiently generate his pro ducts and distribute them at a relatively low cost of production and distribution.

Question 2

Strategic planning is the process of foreseeing a determined and translating the vision into widely determined objectives or goals and sequence of steps to arrive at them. Strategic is critical for business success. Different from classic business, strategic planning needs a clear definition of vision, mission and more importantly outside the box thinking (Eden, 87). In the current competitive business environment, forecast-based planning or budget-oriented planning methods are insufficient for a business like Jencraft Corporation and its Jen-O Mex facility to prosper and survive. Jencraft corporation needs to clearly define objectives and assesses both external and internal situation to formulate its strategy, implement, evaluate progress and make necessary adjustments based on the outside the box thinking. The decision of the Dan and Ralph Gitkin to change their scope of business from strictly manufacturing to specialization in importing bamboo roll-ups from Japan was not strategic because they failed to anticipate their goal of expanding the corporation. The two fail in their strategic plan because they failed to consider the analysis of budget changes that may occur after the change. Manufacturing of goods and services in the general sense is usually very much advantageous than importation because the global market is subject to massive changes which a company can have little control over than when it were doing manufacturing of its goods (Lorsch, 100). The two owners of the corporation failed to analyze on this significant advantage. Their visionary ambition to facilitate the growth of the corporation is recommendable strategy since the corporation managed to grow in both product lines and market.

The senior managers who took office Ron and Merrill Gitkin never realized this as the biggest mistake that the corporation made at its initial stages. They also fell in the trap of being blind to their costs of importation. The two managers significantly made a big step in raising the firm’s importation volumes and successfully managed to bring into market a new product to the competitive market. Just as their fathers, the two failed to understand that the essence of business is making profit and not expanding without significant gain other than paying bills (Lorsch, 105). Unlike what their fathers the two never took into account the various global challenges that might affect a branch of the corporation in a far away country. This means that the two made decisions without explicit research and pilot testing of the possibility of conducting business in areas like Taiwan and Taipei. Generally, the top management team of the Jencraft Corporation failed to utilize cost analysis in the whole of its business until the review of the plan. Due to the prevalent failure that Jencraft prevailed, the senior management team never at its first instances exhibited strong planning and organizing functions until the review of its strategic plan as its branch at Taiwan failed to function all together.

Question 3

Jen-O Mex facility success lied in the realization of the effect of costs as a key determinant of the profitability of a business entity. Ron and Merrill Gitkin would have review the plan of the business at the time they were handed over the company. They would have turned back the corporation to manufacturing rather than relying on import. Secondly, the two should have considered researching the environmental conditions of Taiwan and Taipei before making decisions to establish the corporation’s office and branch. This would have involved analysis and pilot testing of the possibility of the environment to support the company’s business (Weber, 287).

Question 4

The NAFTA opened the door for Jencraft to get a larger market access to the Mexico. This is because there were no tariffs imposed on the company during its establishment. The company could therefore easily establish. The initial capital for establishing the company was low as the company could incur any costs concerning the tariffs before establishment. After establishing, the company could make many profits as it can supply its goods to different parts and thus achieve market. Before the company could make decisions, jencracft business analyzed how the tariffs could affect the company’s establishment. (Eden, 97).

The company also made decisions concerning the company establishment of the company in Mexico. This was due to the provisions of effective procedures to resolve disputes. The company therefore could establish easily knowing that if there is a dispute the NAFTA will assist the company in resolving such disputes. Before the company could make decisions concerning the establishment, it could see the safety of the establishment area. Dispute occurring could weaken the company but because NAFTA provides the company with procedure of solving disputes it was easy for the company to establish the company.

The benefits of NAFTA to the Mexico are that it will to the expansion of trade.

After tariff abolition, the trade expanded as goods could move freely from one place to another. Goods could move tax-free and they could reach a higher market and thus lead to higher volume of sales (Eden, 107). The importing and exporting of goods became easy. Agricultural commodities such as eggs, meats and corn became tariff-free and thus free movement of these goods.

Another benefit is that NAFTA led to the trade balances. The abolition of trade tariffs led the free movement of goods and services in the region. Such movement of goods led to the balances as the trade balance the deficits. NAFTA also made the investment in Mexico very easy. The foreign investment in Mexico increase as this was brought by the abolition of tariffs, which attracted the investors. NAFTA also led to the industry growth and improvement in Mexico (Weber, 289). This is due to the attraction of investors who may establish industries in the Mexico. NAFTA also lead to free mobility of factors of production. The factors of production of production easily as there are no more custom duties in the border.

Question 5

Jencraft made the right decision in establishing the plant in Mexico. This is because it brought many benefits in Mexico, which include provision of goods and provision of employment to the citizens of Mexico. The company also generates revenue to the country and this revenue is used to improve the living standard of the people.

Works Cited

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