

Essay on case analysis

[Business](#), [Company](#)



Organizations that remain stagnant in their strategy eventually become so similar to their competitors that the only differentiating characteristic between them is price; this homogeneity, according to Cummings and Gnanapavan, transforms these companies into "lemmings" that blindly follow their peers without unleashing their full potential. An organization can set itself apart and create new paths for itself by changing its strategy to meet the new environment, a change into what the authors call the "Annual Chimera" or PVC.

In mythology, a chimera is a multi-headed, different-faced creature with different body parts. The idea behind the chimera analogy is clear: organizations can differentiate themselves by adapting to the changing environment, changes brought about by technology and increasing globalization. Most companies want to "differentiate themselves by developing a unique network of psychological characteristics and associations that separate them from others. There is a clash between the old school management theories and the PVC: where the previous theories focused on cost reduction and efficient production, the PVC focuses on differentiation and customization. The clash emerges because the focus of these two ideas necessarily contradicts the other, as in how can you reduce cost but still customize your product? The PVC is consistent with the resource-based model since it views organizations "in terms of their distinctive constellations of tangible and intangible resources, the sum of whose parts create unique and often inimitable capabilities. The value chain analysis, according to the PVC, is not the preferred method of viewing strategy; instead, strategy should be a mixture of resources and value to create a hybrid organization that is both

agile and also maintains its ability to produce what its customers want. 4. Dell faces increased competition from its rivals such as HP, Acer, Apple, and Lenovo and must stay agile to keep its market share. All of them segment their customers effectively and then set their strategies to focus on each segment.

Dell has four market segments that it has identified: home users, large enterprise customers, small/medium businesses, and the public sector. Dell's strategy is to maintain its focus on each of these segments to provide better customer service to maintain loyalty. Acer group's strategy is to acquire other competing brands and then to tailor these products to meet these segments' needs. Acer's strategy is similar to Dell's, however Acer does not possess the knowledge that Dell has gained in-house to successfully focus its strengths into different brands for different segments.

HP also segments its markets, however it started out by focusing on printing and imaging and not personal computers. HP also focuses its strategy on the services-side of computing, a segment that Dell does not compete in directly. HP seems to be focusing its PC sales on new, fancy-looking computers rather than setting itself apart based on its customer service or services business. Apple, on the other hand, does not segment its market in the same way that Dell, HP, and Acer segment their markets. Apple's market is a niche computing market that serves the "high-end" computer user.

Dell does not need to directly compete with Apple since Apple-loyalty is based on the niche, and not based on the quality of service or quality of product like Dell's loyalty is based. Lenovo started out late in the game and

purchased Vim's personal computer division and is the largest producer in Asia. Leno focuses, like HP, on the services-side of computing, a segment that Dell does not compete in yet. Dell also offers adjacent products like televisions and entertainment products, segments that Leno does not offer.

Dell should compete with Leno only in Asia and the Middle Eastern markets in the future. Based on the previous analysis, Dell should continue to focus its strategy on its current market segments and not venture into new territory such as services and other management tools. While Dell might consider Asia as its next frontier, there are many issues with facing Leno on its own turf, as well as new entrants to the market as developing countries like India begin their own computer producing companies.

I would recommend that Dell maintain its focus on Asia and keep its strategy limited to offering quality customer service and affordable, customizable personal computers in the U. S. 2. We must classify environments because firms can control certain aspects of it, and cannot control other aspects of it. General environment segments directly influence an industry and include segments such as political, demographic, and coloratura. Firms cannot control the general environment segments, however these segments directly influence the strategies these firms will choose.

On the other hand, industry environment factors directly influence a firm and its strategic choices: the power of suppliers, threat of new entrants, and the intensity of rivalry among competitors. Successful firms gather all the necessary information on the external environment and then also gather intelligence on their competitors in the industry to properly form their

strategy. Five important factors in the general environment include demographic, technological, economic, global, and legal segments.

The demographic segment considers that age and population of the market as well as the income of customers; technology considerations include advances in communication and product innovation; economic segment analysis includes workforce diversity, shifts in product characteristics preferences, and shifts in work/career preferences; the global segment considers emerging new markets and different cultural attributes; finally, the legal segment considers laws and regulations that may affect strategic decisions.