

Business problem

Business



Introduction

Gandhi electronics limited is a company that was formed almost a decade ago in Chicago and deals in household appliances and electronic gadgets. They have been experiencing increasing competition from other companies which are doing the same business such as Bombay electronics limited. With the availability of internet, Gandhi opted to take its business online so as to enhance their competitive advantage against firms doing the same business. This strategy initially resulted in increased sales but this was for a short term. The competitors of Gandhi responded also by adopting e-business model. Online sales have been exponentially declining and Gandhi is worried that it is soon going to be out of business since majority of its sales comes from online transactions. A report by an audit firm hired by the company to analyze its online business revealed that the e-business model adopted by the company had many pitfalls and was not efficient and customer focused. The audit firm argued that it is for this reason that the volume of online sales have been increasingly declining. They attributed the same argument to the ever decreasing level of loyal customers.

Currently the company does not have a comprehensive e- business strategy that is customer focused. The company is receiving increased complaints from customers for lack of effective communication models. Most of its customers also complain for getting wrong goods and sometimes the goods are even never delivered despite the customers making payments. The managers are worried that the company is soon going to lose business to its competitors; consequently they have decided to implement a new e-business strategy.

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In implementing the new customer focused e-business strategy, the managers are confronted with the following questions: what are the downfalls of the current e- business model that the new model intends to solve?; what is the best way of implementing e- business strategy that is customer focused; will the new model give the company a competitive advantage against its rivals?; will the new system increase the volume of sales and increase the number of loyal customers?; what will be the cost of the proposed new system; what are the future implications of the new system to the company in terms of performance (profitability) and position(stability)?; what are the fundamental elements of customer focused e-business and their relevance to the business?; What is the degree of organizational change and consequences that will accompany the new model? . The new model will therefore likely to result in a number of managerial implications which will require the company to prudently decide the best way of implementing the changes to achieve desired change in &nbssp; corporate culture.

Hypothesis

The following forms the hypothesis to the problem facing Gandhi limited:

1. The customer focused e-business model will help the company in realizing its main Objective of becoming a leading merchant of household appliances and electronic gadgets.

2. The customer focused e- business model will enhance efficiency of online business
3. The new model will give the company a competitive advantage over its rivals.
4. The new model will increase the level of royal customers and promote volume of online sales.
5. Although the model is associated with high initial expenses, it will improve financial performance and position of the company in the long run.
6. The new model will promote effective communication between the company and its customers and this will ensure that wrong goods are not delivered and that orders are not delayed and consequently establish a close relationship with the customers that will be beneficial to the company.
7. The new model will enhance network architecture of its e-business by creating new data center facilities that will help in effectively monitoring its online business.