

Analysis of vizio

Business



Financial Statement Analysis

Analysis of VIZIO, Inc. VIZIO, Inc. is a high tech company that creates high-quality flat-panel televisions at affordable prices.

Different from its competitors, VIZIO, Inc's business model relied on volumes sales with discount retailers and extremely lean operating expenses to drive profitability. The founder William Wang has been in the computer industry for a quite long time and has lots of networking in the industry. Particularly, Wang's overseas' networking provides him lower costs than his competitors.

After years of experience with Tatung Co. , Wang founded VIZIO, Inc. in the year of 2002 with only \$600, 000 in capital.

Wang distributed the product through the retail of Gateway brand and things had been going smoothly until Gateway closed its retail stores. Not until this time did Wang had the confidence to start the company on his own and distributed the product through Costco and Sam's Club. Wang won a huge success with the advantage of unexpected low price.

The secret of this low price is because the company was operated on razor-thin margins and overhead was kept to a minimum with very low inventory. VIZIO, Inc has a strategic relationships with the suppliers and solide relationships with the distributors. Instead of buying old brand, VIZIO, Inc creates on its own and went for the channel of great potentials.

VIZIO, Inc was able to fulfill the needs from the retailers by offering products with high differentiations. In order to deal with the severe price competition

and current economic downturn, Wang planned to expand its overseas markets.

However, VIZIO would have to preserve its status with Costco and Wal-Mart and continue to focus on brand development and operating improvements in the meantime. After reading the whole case of VIZIO, Inc. , what really interested to me is the fore vision of the founder William Wang.

He could seek the opportunities and put the business into practice with great courage. He could go with the low price strategy for which competitors haven't really thought of. Besides that, Wang is keeping developing his brand and trying to expand overseas.