

# Emerging business opportunities at ibm

[Business](#)



Q. 1. Why do large companies like IBM find it so difficult to create new businesses? What are the primary barriers to success?

As summarized in (Garvin and Levesque February 2008, 3) the business environment keeps changing every now and again and there is need to change to meet the changes in the environment if an organization is to be able to get good returns from its investments. Despite the fact that large companies like IBM and others have been able to achieve a significant level of growth in the business market it will reach a time when such a company will not be able to achieve an increase in returns as before and all this is because of one major problem that is linked to change.

Large organizations like IBM and others have big problems in changing their old traditions or fashion of working that are affecting their operations in the business market. Having been in business for quite some long time the company will have established a certain culture that enables people to work only according to the laid down procedures which make it difficult to make people to adapt a new culture that can encompass change. In that way the company is not able to exploit the new opportunities in the market that require new ways of doing things as they would want to maintain what they are accustomed to (Hargroves and smith 57).

In several occasions large companies do not offer any form of support to the generation of new ideas which is needed to make the business establish the exploit new opportunities. This is because the organization tends to view the new opportunities as threats in the market and in that way will not want to make any plans for a long term future which will help them to encounter the changes (Hargroves and smith 57).

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The other reasons as discussed in (Garvin and Levesque February 2008, 3) include the lack of commitment in carrying out the plans the organization has for exploiting new business opportunities. The organization can lay out the plans which are good enough for success in the future but if they are not put into action, then it will be a failure to the organization in creating the new businesses and making good use of them.

Sometime the organization would only make plans that are to be carried out in a short period of time and would not wish to involve themselves in plans that will take a long period of time in the future which will need a lot of resources of the organization and much of their time. As the new opportunities require serious commitment by the organization in terms of resources and time then they are likely to find it difficult to attempt exploiting new business opportunities (Hargroves and smith 57).

Q. 2. what is your evaluation of the " horizons of growth" model? What are the distinguishing features of emerging, H3 businesses?

As discussed in(Garvin and Levesque February 2008, 3) the model is divided into three stages that are associated to the stage of development of the organization and each stage is very unique to the others and has its own unique strategies that will help the organization to go through it successfully. The three stages are H1, H2 and H3. H1 is a stage at which the organization has achieved a level of maturity and has a well established foundation in the way it is carrying out its activities that are core to its businesses.

At this stage the organization is likely to enjoy high profit returns from its operations and the liquidity level of the organization is also high and quite

sustainable by the organization. The reasons for the high profits and more liquidity would be because they are few competitors that are producing and selling the same products and services as those of the organization.

At the H2 stage the organization is facing the risks that result from having competitor entering to the industry as such their customers are likely to be attracted to the other organizations which will lead to a low level of return from their products and services. To be able to deal with the competition in the market the organization will make decisions on the kind of activities that it will be carrying out that will involve some high level of risk as the organization is still growing in its business operations.

H3 is a stage when the organization is still advancing though this will be at a slow rate as compared to the past stages. What the organization will require is to have more and more creative ideas that will help the organization to counter its challenges. At this stage innovations and other strategies can be made as well as coming up with new business models (Garvin and Levesque February 2008, 3).

Based on the evaluations on the three stages each stage demands that the organization devises a way that is suitable to carry it through the changes that it is undergoing. To be able to make successive progress in the performance of the organization the model demands that the organizational activities should be carried out in a coordinate manner. The organization has to be able to determine the stage of development that it is in so as to be able to handle its challenges well with the needed strategies. Though the model gives a good guide line that an organization can follow to make sure that it gets flexible to the changing situations in the business market it does

not give total assurance that the organization will succeed in dealing with new opportunities in the market (Hargroves and smith 57).

Q. 3. How did the EBO management system evolve over time? What was accomplished during?

The recommendations that were made on the need to improve the level of commitment of the top management level, giving the new opportunities some attention, creating a common place of control within the organization, balancing the various levels of investments that the company was making and taking the first position in the market have seen the EBO management system move from the traditional views to the modern view.

There was change in the organization on how it carried out its various activities as the employees began coordinating in the way they were working for the organization. This resulted in two major eras for the organization. The Thompson era involved that period of time when the activities started being consolidated and people were now being assigned clear role in the organization. The seven EBOs were developed during this period that saw the organization make monthly reviews and self evaluation assessments. The business plans were then improved on after the assessments were made which defined the new ways of doing businesses (Garvin and Levesque February 2008, 3).

The corporate strategy era followed the Thompson where the changes that took place during this time include the beginning of the use of the EBO plans while the Thompson era was still going on. Then the stages of the

organization development were recognized as the plans became well known to the organization (Garvin and Levesque February 2008, 3).

Q. 4. What are the key elements of the current EBO management system? What is your evaluation of the system?

As discussed in (Garvin and Levesque February 2008, 3) the key elements of EBO include leadership, coming up with strategies, resources and monitoring systems. Leadership is said to involve the assignment of people tasks that they can be able to handle well according to the experiences they have in that job. When hiring individuals to the organization, the system could ensure that the individuals could fit well to the EBO system and be able to work towards the set goals. Leadership also involve the growth of individuals in their areas of specialization and being able to analyze the way the organization is being governed.

The second component of EBOs system is the development of strategies that will enable the organization to carry out its core objectives in the future as the business conditions will keep changing. When the strategies are being developed the business environment should be considered as they have some influence on the strategies of a firm. Another issue to consider is the review meetings that will help to restructure the strategies to ones that are achievable (Garvin and Levesque February 2008, 3).

Resources also form the fourth component for the system. The resources that are involved include the various kinds of people inside and outside the organization that will be able to give the necessary support that is needed to make the program work well towards success. Lastly the monitoring of the

various components is needed to ensure that the funds are used in an economical manner so as to meet the requirements. The various reports are then developed from the analysis then compliance to the various established by making comparisons to the set standards and then making the necessary corrective actions (Sloane 26).

Q. 5. How should Harreld: deal with those businesses now reaching H2 status and Increase the number of EBO?

The business units that are reaching H2 should be changed to different locations which can allow for adjustments to be made that will cover for the risks like increasing the portfolio capacity of the assets of the organization. Another way also to deal with such business units is to combine the activities of the business with those of the rest of the organization so as achieve a coordination of activities (Garvin and Levesque February 2008, 3).

To increase the number of EBOs the organization will have to hire more employee who have good experience in EBOs management systems as this will help in the running and management of the systems. The strategic management process should also be adopted as it will help the organization to identify various opportunities in the market when it carries out SWOT analysis. Time management will be required to be actively involved in the organizational activities while the organization is setting its strategic goals (Sloane 26).

## References

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