

Hrm case johnson associates

Business, Management



This case is about a software consulting firm, Johnson and Associates. The business was established in 1989 by James and Michael Johnson. The two brothers opened the business at a time when the computer market was prospering and the software market was estimated to grow from 17% to 20% worldwide. Their plan was to concentrate on three target markets for their products which included health and racquet clubs, independent insurance agents and wholesale distribution companies.

The product that was being offered by the firm was a software that would automate day-to-day operational tasks for users and provide marketing information. The name of the software was 'Club-Kit. Contrary to what the prevalent trend, the firm was focusing on one product. Generally in the market, firms with many products were more successful. This was a problem for them, along with the fact that copies of successful software were made by competition and this declined the profit margin for the firms involved. The firm comprised of four individuals, two brothers and two friends of theirs.

James Johnson was the brains behind the product and had an inclination towards technology. Michael on the other hand was more charismatic and was responsible for marketing the product. Jackson and Wilson were the two friends on board with the venture. They had launched the business and were looking for ways to market the product. For that purpose Johnson and Associates should keep in mind the marketing mix elements in order to obtain success. The elements include distribution, price, promotion and the product itself. Mainstream advertising was a very costly option and the new firm couldn't afford it.

The firm should rely on personal selling to a large extent and on advertisements in trade journals. Since Michael is a charismatic person he should go individually to people and try to market the product. Secondly trade journals are a very economical option for telling the details about the software. It could make many people aware of the company and the product. Incidentally, the general trend was that Service and Support, instruction, distribution and marketing presence were key components to the success of specialized software.

Hence the firm should focus on extending their reach as much as they can as they were focusing on just one specialized software. The decision of pricing the software had a divided vote, while two members were for keeping the price of the software fixed, the other two wanted it to be negotiable in order to attract customers. However I believe that they should set the price of the software at 700\$. The overall reduction in price should be due to hardware, which wouldn't cause a decline in their profits.