

Case study of selected enterprises in terms of entrepreneurial strategies



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As Peter F. Drucker (2001) explains the entrepreneurial strategies as ' Being the fustest with the mostest' which points out at the beginning of a leadership position. Beginning a leadership position is very risky though very worthwhile if it is successful. More strategies fall within the entrepreneurial strategies is ' Creative Imitation' which altogether aims to form leadership and dominance. ' Finding and occupying a specialized " ecological niche"' is another strategy defines the aim at control, changing the economic characteristics of a product, a market, or an industry and all these aim to create a customer. This paper is the case study of selected enterprises in terms of entrepreneurial strategies that the enterprises have adopted.

Case: 1. Image Café

ImageCafé has always been going through financial crises. ImageCafé is not only enterprises but result of continuous struggle and Wooten's result of learning from his mistakes. Clarence Wooten Jr. childhood dream to become rich had been a motivation for his innovative mind and establish a company that offers animation technology. His interest in video games was stimulating factor to take interest in computer and animation business. His parents moving for the job from one place to another and frequent moves from one place to another place and consistently change contributed him for understanding the different people and different circumstances and this understanding helped him to build leadership quality. Despite been potentially innovative and leadership quality of Wooten, his companies went through troubles and ended as failure. When he started his first company he was only 20 and had passion to own his own built enterprises. His first company Envision Design which he started at the age of 20 failed due to lack

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of animation business knowledge or in other words due to lack of expertise knowledge and skills. However Envision Design failed he continued working and learned to improve his skills and extra-knowledge about the animation. In this regard he learned SGI animation software technology which helped him later to start his second company Metamorphosis. Metamorphosis was also a failure for many reasons. The first reason of its failure was the lack of focus on the single goal and working in dispersed way, and other reason was that company was generating low revenue and having financial problems. Wooten's passion to become entrepreneur never died down and he analyzed the causes of the failure which he found the major reason of failure of the company. Later on he took admission into John Hopkins University to understand the finance and major components of business growth. In the meanwhile, time was changing very fast and in 1995 advent of internet has revolutionized the whole world and business was the most affected by it. Wooten realized that the need of web site will induce the companies to have their web site developed; therefore he decided to start another venture, a web site developer company. That time there were 4. 1 million commercial online services available in the market. He named the company ImageCafé and established it with Company built his web site which was liked by many people and investors showed interest to invest in the company. Company has consistently been gone through financial crisis and usually out of cash which has affected the production ability of the company. The product quality of the company might be of good quality incorporated innovative ideas and leadership quality of Wooten, yet the reason that company is always running out of cash in spite of having big amount of capital may be related to mismanagement or un proper planning from the management.

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Case 2: Roxanne Quimby

Roxanne Quimby had been from the family where everyone in the family worked for living but she never liked to working because of her nature and attitude. She had learned from her father entrepreneur skills and always liked to be an entrepreneur. She had sold out her hand made craft and had experience to how an entrepreneur is run. Due to her nature and skills she succeeded to establish a Bees firm which produce different bees product. Roxanne Quimby and Shavitz Burt share 70% and 30% of its stock respectively from the inception of the company. Company was apparently imitated by both as Burt contributed his business which comprised of 30 hives and Quimby who had always been motivated toward to be entrepreneur, hard working and entrepreneur skills. Burt Shavitz had a business of producing bee with 30 hives in Dexter Maine which he had purchased in 1973. In order to make this bee producing a real entrepreneur Quimby and Shavitz shared \$400 from their savings and launched a honey and beeswax business. It was the beginning of an entrepreneur with Quimby entrepreneur skills and minds. Since Quimby had been an entrepreneur minded because of her fathers' influence, she was the most actively involved in the process of all production. Burt's bees' had \$ 10, 000 sale in its first year and in 1987 Burt' bees' made \$81, 000 in sales. This was the early success of Burt's Bees' as in 1989 it came at a wholesale show in Springfield, Massachusetts. In 1993, Burt's Bees' had 44 employees. Company product was successful in all accounts and making profit every year. The success of the company can be understood by this point that company never needed to take loan for production. Quimby used to work and involve in all process like

pouring and capping. There was high cost in the transportation of the product from Maine to another part of the state and consist demand for the product requires increase in the employee while in local area there was shortage of expertise. Due to transport cost, lack of expertise in the locality and high payroll taxes Burt's Bees' was decided to be moved to North Carolina. Time has brought many changes in the products range of Burt's Bees'. Company had launched different many products like skin care products; lip balm and other product candle which was the first milestone of the company success. But here in North Carolina Company needed to change its old products and reshape the products range. At the same time Quimby considered over the expansion of the company which was not possible without selling out of company's share.

Case 3: Globant

Along with the monthly revenue 1 million and 600 employees, Globant was one of the largest independent Information Technology outsourcer. It was founded by four engineers in 2004. The main vision with which it came out was to hire the best talent and serve the high quality solution. This company was inspired by the Indian growth in the IT outsourcing sector. The major fear factor in the company's competency was that the most of potential clients were not aware of the country Argentina and there was fear of cyber crime which is related to country name. One of the strengths of the company was its Management team, which are professionally skilled in the respective field of Business Management, Sales, Marketing, Information Technology and Sales industry, and Business Management for Technology industry. Company has another competitive advantage in terms of company's policy of <https://assignbuster.com/case-study-of-selected-enterprises-in-terms-of-entrepreneurial-strategies/>

facilitating its employees and culture of company was to build the best working environment by providing enjoyable games, excellent food, yoga classes and personal trainers. Company gave especial focus on the employee in terms of developing language proficiency. The vision of Globant is to provide high quality service to its client with best solution by expertise. To meet this strategy company hires a wide variety of different background and technological information and skills. The purpose of hiring set of employees from different technological background is to provide any skills in which client might be interested. For this purpose people of different knowledge like Linux, Windows, Java, UNIX, NET, LAMP and oracle has been appointed with experience in system administration. This can be concluded as using global philosophy and using local talent. The services provided to the customers are offered as Software Development, Infrastructure Management, and Globalization. One of the reasons of the company success is the commitment with the customers and its fulfillment. Since early 1990s the development and growth in the IT sector has occurred and every company seek to have its own portal. This trend has risen the opportunity for IT specialists to outsource these companies. For many years India and China has been center of IT outsourcing sector but now it has developed in Latin America too. After 2000, the competition in IT outsourcing sector has remarkably increased due to which labor rates in India and China increased on the other hand there is staff downsizing. IT outsourcing Industry has now well developed by 2006 and many companies are doing business in IT outsourcing. As Globant entered a period of fast growth in the many segments, it decided to focus on US markets because in US they already have existing customers. The next target of Globant is high-tech industry. To <https://assignbuster.com/case-study-of-selected-enterprises-in-terms-of-entrepreneurial-strategies/>

target high-tech industry geographically California would be best place because there is huge high-tech market and already existing companies which can bring the company many references clients. Globant has also developed a measureable knowledge of travel industry while working around the world with its major clients. Company has also realized that travel industry has experienced big changes and shifted to other path in the recent years. Because for travelling people usually prefer to use fasted and convenient service and for this they use online travel booking. Company has showed great competency so far in the field of IT outsourcing, high-tech and travel e-commerce. Change and launching new segments with time is another competency company adopted to expand the business.

Case 4: Indulgence Spa Products

Jimella after completing her MBA from Duke became Dawson's chief marketing officer. Dawson's Cosmetics was a long struggled company of her parents. The company was result of consistently hardworking and dedication of them. Since her parents always believe in financial self efficiency of black they always wanted to see their daughters to taking care of their family business. Jimella had also brought up in such environment where self dependency was rather important. She had learned from her parents the business skills in very early age. Jimella and her sister Angela had been participating in the family business since she was only 11. In very young age her they were encouraged by their parents to participate in family business. At very childhood she had learned how to do door-to-door sale of products.

In 1993, Jimella's sister Angela joined the company as legal counsel and after that company took over a cosmetic manufacturing firm making it line of Dawson's' Cosmetics. Jimella established this business and became president of the cosmetic division. In 1998, Jimella came up with new product development plan and changed the brand name of product as Indulgence. New brand name Indulgence became a success and Jimella sought out new investors to expand the business. In 2003, she launched new sales strategy and eliminates salary system for sales representative. She was looking forward to seeing her own cosmetic range separate from Dawson's Cosmetics. When she was chief marketing officer of Cosmetic division she applied different sales strategy to improve the brand sales. She had learned these skills from her parents. She gained the capital amount to have her separate cosmetic range from Dawson's Cosmetic. To make this venture successful she had to work really hard and create new competitive marketing strategies. She introduced spa products with her cosmetic range to develop complete strategy because other large cosmetic organizations were not offering spa products. She changed all and redesigned the product guide featuring women of all races rather than only black women. She used advertising in national publication and gradually became national group of beauty advisor. She targeted fastest growth for the company and planned to attract 100 beauty advisors. Jimella kept working very hard and aggressively to making it fastest sales product the sales of Indulgence in 2005 fell short of expectations. The reason of this short fall could not be recognized yet it can be remarked as market downfall which reduced market sale of Indulgence spa products. Sale and marketing strategies applied by Jimella may not be proved to be affective to manipulate customers' mind. Another reason of this

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fall in sales might be described as uncompetitive in the market in spite of applying effective and feasible strategies.