Otis elevator case anaylsis

Otis's management made vast improvements in their corporate vision to obtain a strategic advantage over their competitors through the introduction of OTISLINE and their e*Logistics programs.

Otis's George Davis urged the company to create a centralized customer service system which would allow them to introduce the concept of 24 hours 7 days a week to their customers. OTISLINE was mainly set up in order to increase customer satisfaction as a result of only having a delayed response time of less than one second.

OTISLINE was more than a customer service agent. OTISLINE was a service for upper management as well. OTISLINE was set up for management to be informed if a particular client had called back an " excess" amount of times for a certain product. For example, if a client had called around 8 times in 90 days the call would be routed to the regional vice president.

From the success of OTISLINE, the upper management of Otis was able to be notified of problems in a short amount of time rather than going through a series of channels which would indeed slow the response time for the client.

OTISLINE was the first major chance in terms of IT for Otis. Form the success of OTISLINE, elevators were able to be self-monitored and report their problems directly to field agents so that each elevator could operate at maximum efficiency. OTISLINE became just the beginning of a business model makeover for Otis. Otis first envisioned themselves as being a customer service based company. From the introduction of OTISLINE, Otis set themselves up for an IT integration that soon saw the invention and implementation of e*Logistics.

OTISLINE was only a baby step for IT growth for Otis. After seeing the success and return on investment in OTISLINE, Otis's upper management had set their sights further in terms of IT integration and the benefits that could be generated from such. From their new vision, e*Logistics was formed. The e*Logistics was a program to be implemented for the means of connecting sales, factories, and field operations through the web. Through the implementation of e*Logistics, every person in the value chain would be effected by this new technology.

E*Logistics cut levels of management, decreased slack time, decreased cost associated with contract alternations, decreased cycle time by months, turned Otis into a pull system rather than push system, and largely increased revenue and return on investment.

In order for the e*Logistics program to be fully implemented, every PC and server that Otis had operating needed to by synced and fully compatible with one another. This way a CSC could connect with a SIP or CLC in order to reduce cycle time and cost.

Ergo, IT played a substantial role in the strategic positioning of advancing Otis from being a manufacturing company to being a service based company that also manufactures products. From the implementation of such technology, Otis had fully formed their new business model that set up a strategic advantage over their competitors. When a company is able to form a strategic advantage, their company puts themselves on a plateau that forces competitors to chase.

E*Logistics gave Otis the confidence of knowing for certain the importance of technology in the 20th century, and the increase of revenue further provided the evidence of success.

Overall, OTISLINE and e*Logistics were put into place by upper management in sight of become first a top notch service provider as return on investments were much higher than the manufacturing of elevators. Technology put forth by Otis at the time of modern day was far advanced in terms of their competitors. The way Otis developed their company's vision and strategy into a working process increased revenue while cutting cost. From their success Otis had become a company that other companies had begun to envision themselves after.