HW 2 (5 points) - Report - DELL

Select another company listed in The Forbes 500s [http://www.forbes.com/home/2003/03/26/500sland.html] (you must select a different company than the one used for HW1). Using your own words, submit a 1-to-2 page report by the beginning of Session 3 (April 12).

1. What would be the company's main business goals in the next few years?
2. What is the organizational structure of the company, based on the information available at its web site (or other resources)? What is the evidence you used to make such observation? Briefly explain why the company have chosen such organizational structure.
3. What would be the most critical breadth of IS (see textbook pp. 39-41) to (a) "wire up" the organization most effectively and (b) accomplish its main business goals. Provide a rationale.

1. Business Goals:

   • Dell, is a pioneer in the direct business to customer business model. The five tenets of the model are: Most Efficient Path to the Customer, Single Point of Accountability, Build-to-Order, Low-Cost Leader, Standards-Based Technology For a large part this "Direct Model" has been a major factor in the company's ongoing success. (Dell.com - Direct Model).

   • One of Dell's main business goals is to maintain and increase market growth not just in the U.S. but in internationally as well.

      Kevin Rollins, Dell's president and chief operating officer, said the higher revenue is being driven particularly by growth in markets outside the United States.

      "Customers around the world want powerful, reliable technology at great prices," said Mr. Rollins. "That's true in markets like China and Japan and France, and in the U.S., England and Canada, and why we're seeing rapid, profitable growth."

      According to Mr. Rollins, there is strong demand across Dell's full range of products and services. The company's fastest growth has been in servers, storage systems, professional services and, more recently, the company's nascent printing and imaging business.

      Dell also will tell analysts and others Thursday that it is increasing share buyback in the current quarter. The company now expects to spend about $1.1 billion to repurchase its common stock during the three-month period, up from a planned $600 million at the start of the quarter. Mr. Rollins said the increase was the result of Dell's exceptionally strong operating results and cash generation, and among the ways the company can enhance shareholder value over time.

      (Dell.com - Press Release)

2. Organizational Structure:

   http://www1.us.dell.com/content/topics/global.aspx/corp/biographies/en/michael_dell?c=us&l=en&s=corp&--ck=mn

   • Chairman of the Board and Chief Executive Officer - Michael S. Dell
   • President and Chief Operating Officer - Kevin B. Rollins
   • Senior Vice President and President Asia-Pacific/Japan - William J. Amelio
   • Senior Vice President and President, Dell Europe, Middle East and Africa - Paul D. Bell
   • Senior Vice President and General Manager Dell Product Group - Jeff Clarke
   • Senior Vice President, Worldwide Procurement - Martin J. Garvin
   • Chief Marketing Officer and Vice President, U.S. Consumer Marketing and eBusiness - Michael A. George
   • Senior Vice President and Secretary, Law and Administration - Thomas B. Green
   • Senior Vice President and General Manager, U.S. Consumer Business - John Hamlin
   • Senior Vice President, Americas - Joseph A. Marengi
   • Senior Vice President, Human Resources - Paul D. McKinnon
   • Senior Vice President and General Manager, Dell Product Group - John Medica
   • Senior Vice President and Chief Information Officer - Randall D. Mott
   • Senior Vice President, Worldwide Procurement - Glenn E. Neland
   • Senior Vice President, Americas - Rosendo G. Parra
   • Senior Vice President, Dell International Services - Charles H. Saunders
   • Senior Vice President and Chief Financial Officer - James M. Schneider
   • Vice President, Investor Relations - Lynn A. Tyson
   • Chief Ethics Officer and Vice President, Global Diversity - Thurmond B. Woodard
• Looking at the Organizational list as published in DELL.COM, Dell appears to have a Functional Organizational Structure with traditional functional groups such as Operations, Marketing, Finance and Information. There are also various regional groups which are split among the Americas, Europe and Asia-Pacific/Japan. There is also a Product Group whose subgroups could possibly qualify for a Product Organization Structure thus making Dell a hybrid organization of sorts. Unfortunately Dell.com did not publish the product subgroups on their website.

3. Dell’s Information System (Enterprise-wide)

a. Most critical breadth of IS to “wire” this type of an organization, appears an Enterprise-wide Information System. Such an Info System is needed to tie the overall “picture” in terms of Worldwide Procurement, Inventory Management, Manufacturing & Production and Domestic & International Sales all together. A major key to Dell’s “Direct Model” is obviously timing to minimize unneeded inventory and insure the lowest possible cost to the customer and to deliver that product in the timeliest fashion and to provide related information to each of the Executives as needed. This cannot be done without such an Information System running in the background for the organization.

b. As for Dell’s business goal of pursuing international growth, such an Enterprise Wide information system would be critical, since providing products to different regions means either coordinating with different suppliers and possibly having different bases for manufacturing and distributing it’s products, or managing the export of domestically manufactured and supplied products and distributing them to regions outside the US.

Bibliography

DELL.COM – Information on Dell’s Direct Model – Website.


DELL.COM – Executive Biographies – Organizational List.