

M4A1 Product Portfolio Individual Assignment 1

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Product Portfolio

Product	What stage?	Why?	Future plans
Systems/Servers	Decline	As cloud computing is used more, the need for servers in-house will decline.	End
Desktops	Decline	More and more people are turning to laptops and tablets for their needs and shunning desktop computers.	End
Network devices	Growth	As the Internet and business expand online more and more, network devices will increasingly be needed. This product line should continue to see growth for years to come.	End
Printers	Decline	The need to print hard copies is declining as more documents are kept in a digital format only. With increased use of computers, this area will continue to decline although it should not completely end in the near future.	End
Mobile devices	Growth/Maturity	Mobile devices are a mixed bag. They are essentially at maturity since most people have a mobile device, however, innovation in them can cause the need for specific devices to grow as seen with the development with tablets and some new mobile devices.	End

Strategy Moving Forward

IRSC BAS Inc., currently develops systems, otherwise known as servers, desktops, network devices, printers, and mobile devices. The current development of them is costly and a black hole of an investment. As of 2013's fiscal year, Dell spent over 1 billion dollars on research and development (Dignan, 2014). To think that a company the size of IRSC BAS Inc. can make any headway in a well-established industry such as computing devices, on a budget as low as it has, and develop products at a competitive price, is misguided.

According to a journal article in 2015, Cisco Systems, the leading maker of networking devices, took “a charge of \$2.5 billion against earnings in the current quarter for obsolete inventory” (Jeffrey, Perkins, 2015). To compete in the one area we currently make devices in that should see growth, against leaders of this size that face issues of obsolescence of this size, is further proof of the misguided nature IRSC BAS Inc. currently has in regards to developing products on its low budget.

In discussing competitiveness in *Essential Economics*, a 2004 book, they state that “When two companies compete, one’s gain is the other’s loss” (Bishop, 2004). This is otherwise known as a zero-sum game and is often true in many areas of business. In order to better compete with the companies that are on the level of IRSC BAS Inc., IRSC BAS Inc. is going to end the development of all product lines at the end of the current product’s product life. Effectively immediately, no new products will be researched or produced.

Though IRSC BAS Inc. will not be developing any products on its own, it will still sell hardware and products in all areas it currently does. For systems, desktops, printers, and network devices, IRSC BAS Inc. will contract with a major producer of these products to buy them direct at a lowered cost. These products will be branded as IRSC BAS Inc. products and resold to clients at a reasonable markup. The sales of these products will primarily be during installation and upgrades of new and existing systems at the businesses and homes of clients we currently have and gain in the future. Mobile devices will be resold to clients in a similar fashion, though they will not be rebranded and the markup will be in line with other vendors selling the same mobile devices. Though the income from mobile devices will not be large, they are being kept in order to keep a full line of products that clients will need in developing computing needs for their business and personal life.

IRSC BAS Inc. will now focus more on obtaining new clients, on contracts, for computing services at their business locations. The hardware installed will be hardware the technicians work with every day and are intimately familiar with. This familiarity will help to keep work time on jobs lowered and new knowledge needed at a minimum. Overall, streamlining the hardware that is being sold, focusing primarily on the service side of the business, and removing the bulk of the research and development department will save IRSC BAS Inc. money as well as allow it to bring in more in the targeted areas.

References

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