

COMPETITIVE ADVANTAGE WITH FLEXIBLE BUSINESS SYSTEMS

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ABSTRACT

Flexible business systems should be adopted to keep the competitors at bay and reap extraordinary growth & profit. High growth of business systems can be achieved without making major changes in the organizations information system infrastructure. A substantial competitive advantage is derived in business system by having unique & inimitable position in the market through flexibility in the business. The product cycles should be short & customized. Flexibility in product focused differentiations from the competitors, continuous modification, customized features can provide tremendous upsurge in the business. For Flexible & competitive business systems managers use intuition & past experience combined with the professional & technical knowledge. The paper will discuss the various aspects of flexible business systems as a basis for gaining competitive advantage.

INTRODUCTION

The aim & goal of life of every human being on earth is to gain freedom in every sphere of life whether it is related to personal professional or societal matters. The same is also applicable to an individual's buying criteria. No body wants that the market should force him to buy some product, but he wants to use his own discretion & does not want to lose the inherent freedom.

So naturally the companies or the outlets which give the customers the freedom to select & choose the products according to their wishes are progressing well.

Competitive pressures are forcing organizations to be active and flexible. Response to changing environmental conditions is an important factor in determining overall performance. Organizational flexibility is closely related to the management of information systems. Organizations with flexible IS functions are in a position to be more responsive and take advantage of changes in both their internal and external environments.

The Flexibility covers the whole chain of business starting from one end to another end i.e. from customer to supplier. Following are the details of the flexibility which can be there in the business processes of an organization.

Competitive advantage

Competitive advantage refers to the ability of an organizations to provide products and services that are distinct and more desirable to the customers than those provided by the competitors.

Flexible marketing: The marketing is done now on the basis of the targeted customers. The marketing styles & the products you want to market vary from customer to customer. It can be different depending upon geographical environmental, political, economical & other factors, which are having an impact on that commodity for the targeted customer.

The insurance, finance, airline, automobile industry can market different services & products to different customers.

Now any company not employing the Flexible marketing techniques will lose the customers that are being targeted by other companies with customer specific marketing.

Flexible techniques of buying: The customer should be able to buy the product the way he wants. It can be through the Internet, Phone or while shopping on the mall.

The flexible payment a criterion is also must. All modes of payment should be eligible. It can be in cash or by cheque, draft or a credit card. If the customer wants to pay in installments, he should be welcomed to avail that mode.

If the customer's freedom in choosing the way he wants to buy & the mode of payment is not there in some company then he may opt for the other company giving that freedom.

Flexible Products: All the companies are embracing the flexible products concept in one-way or the other. The Flexible business theory says that having the fixed no of models on the shelf is not enough but the company should be able to take the customer specifications of the product & ready to deliver it in specified time.

It is like GM delivering the customized four wheelers through its website. An insurance company gives the customized policies for different kind of insurances to its customers.

A toy manufacturer takes the specifications of the toy from a child. These are all working examples of Flexible products. The companies who are not able to produce flexible products will slowly go out of the competition.

Flexible customer Service: This covers the after sale communication with the customer related to your products. The customer can look for help for maintaining & repairing his product through the procedures specified in the Website of the company. If he is not willing to do that, he can call the service person of the company. Even beyond that the company can schedule the visit of service persons periodically. In an emergency the

customer should be able to take the product to the service center of the company for immediate repair. So these are the Flexible models of the after sales service to the customer which should be available in a business enterprise which are proponents of the concept of Flexible Business strategy.

<u>Various Facets of a company Customers</u> - on-line marketing - on-line sales -Built-to-order Products -Customer service -Sales force automation	<u>Suppliers</u> -Procurement -Supply chain management -Supply chain integration -Lock-in & Lock-out
<u>Factories</u> -Just-in-time production -Continuous inventory replenishment -Production planning	<u>Business partner</u> -Joint design -Outsourcing -Knowledge sharing & data mining
<u>Remote offices and work groups</u> -Communication plans and policies -Group collaboration -Electronic communication -Scheduling	

Flexible Sales Force: The sales people of the company are now not the traditional smart looking guys, but now they are the people who have some knowledge about the customer behavior, various business models, various marketing & sales models & also the computer skills. All the sales people will be equipped to with latest communication devices, so that they are being optimally used Depending upon the requirements they can get their schedule of the day on their hand held device in the morning.

Some sales person should be able to handle the sales of different products in different regions depending upon the prevalent situations.

Flexible shop floor production: The days are gone when the production department was simply fulfilling the target of production for a particular day. Now it is the time of just in time production which is also called flexible manufacturing. The Production houses are on line with the marketing & other departments & directly get the specifications about the new order given by the customer.

The production line inventory availability, skill availability should have the sophistication to match the quality & timely output.

The use of automated systems & implementation of flexible business practices in other departments is very essential. Artificial Intelligent systems & Expert systems are being employed in the factories in more & more numbers for implementing this Robots are

taking place of the human beings to perform various tasks to the desired level of accuracy.

So naturally the competition will be only in those forms which are employing flexible production systems.

Flexible Designing: For flexible designing the Expertise available globally can be used with the help of latest state of the art information systems. The Surgeons doing surgery from the remote places with the help of local doctors is a good example for this.

Consulting with your business partners at the time of designing the products has also become essential which is possible by flexible designing systems only.

In the service sector it is even more important like designing the flexible tours at various locations as per the requirements of the customers.

The events in the world also suggest designing the flexible defense systems to take care of the changing strategy of the enemy & the terrorists.

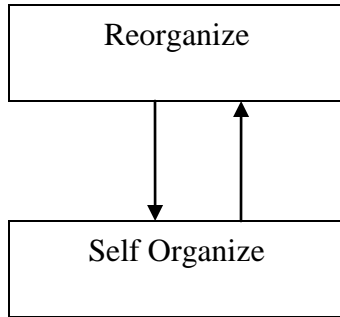
Flexible Work Force: The face of the work force is also changing with the coming of flexible business models. The flexibility in the working hours, working styles, working skills has to art of the company's HR strategy. The workers should be ready to acquire the new skills at the short notice.

Outsourcing is another outcome due to Flexible business practices.

Flexible Supply Chain: The flexibility concept is also applicable to the other end of your business i.e. your suppliers. Continuous inventory replenishment, variable inventory according to the customer specifications, procurement are some of the key areas in this. This is the reason why the companies want their suppliers should also be adhering to some standard international quality procedures & following the processes according to international rules. It is then only that both the firms will be able to do business with each other in a better way. The information systems do play a vital role in this. The companies can come to some understanding regarding the integration or communication between their information systems for sharing & transferring the information regarding the availability & requirements of the inventory.

Flexible organization: With the above discussion on individual components of a flexible organization what we say about an organization as a whole.

In this let me take the idea from the swarm intelligence theory. The reorganization & self organization is the core of any system derived from the concept of swarm intelligence. This is what happens when there is some problem due to external environmental conditions in the colony of ants or bees. Similarly a flexible organization should be able to reorganize & self organize according to the changing environmental conditions that include the changing tastes of the customer.



Reorganization will always come from the top to down. These will be reflected & felicitated by Group communications, knowledge sharing & data mining techniques, changes in the plans & policies, scheduling various milestones & targets.

The managers of a company have to be the dynamic persons which can take a little risk. The skill set of the manager should include a skill of change management. They have to sell the importance & necessity of the flexibility in an organizations.

Self organization will go to top from the bottom

1. The human resource available in the company has to be in the motivated state to work in this kind of environment. They have to Self Re-organize themselves according to the demands of the flexible business conditions.
2. The Information & automated systems in the company should also be self organized. So naturally they should have artificial intelligence. They should be the expert systems which change according to the needs of the time. They will take a great help from the data mining & knowledge extraction techniques.

Areas a company needs to take care for making the firm as flexible & competitive firm

Need for new approach to information systems

The need to improve the competence in the area of IS are being driven by combination of interacting factors.

The concept of call centre & virtual organization has to be incorporated in the information systems which are interacting with the customer & suppliers. So these systems will extensively use the flexible techniques based on specified patterns derived from data warehouses.

These themes illustrate the need of IS to capture, retain and manage the Information from multiple sources while handling changes.

For sustained competitive advantage it is required by the IS to transform data into information and evaluate the information with the help of decision-makers. IS has the

capability to take data, the raw material and synthesize it in a fashion that develops useful knowledge to attain a sustained competitive advantages. IS must retain the right knowledge until the right time.

These systems will vary their interfaces with the supplier & the customer with varying time & time zone. Security, heterogeneity, Ethics are the key issues to be kept in mind.

Need for new approach to strategy planning

Strategic competitive advantage applies flexibility & Information Technology to the strategic needs of an organization. It provides the information needed by the organization to offer something of value that is rare and cannot be easily imitated and for which no real substitute exists. These issues include achieving continuous improvements and incorporating new features that meet changing needs and implementing systematic innovations in order to satisfy customers perceived and expressed values.

Hence no strategy will contribute to a sustained competitive advantage without recognizing in its' handling of human resource, customers, relationship, ability to recognize change.

To use the information system a competitive weapon, strategic opportunity of business must be found

New approach to Product positioning

1. Product Differentiation

Firm can develop the brand by creating image of new product and service that are different from those of competitor and that the existing competitor won't be able to imitate or duplicate our unique product.

2. Focused differentiation

Another strategy that the firm should follow to deal with competitor force is to create a new market niches that delight the customers and frustrate the competitors.

Developing tight linkage to customers and suppliers.

Firm can create ties with the customer that lock in customers into firm's product. It prevents customers to switch to the competitor's product and services.

Due to Flexible, Focused & Different products the company can lock out the competitors.

Need for new approach to infrastructure

The design of the infrastructure of the company should be such that enables the flexible business processes. This kind of infrastructures will have the characteristics.

1. Easy to change
2. less costly
3. relatively small in size
4. Using information systems heavily
5. Consisting of relocatable object, for example making wooden cabins instead of making rooms with concrete and bricks.

Conclusion

In the changing global economic scenario all the big companies of very walk of life are restructuring themselves in very area of business practices. If we study the restructuring policy of any company we can immediately say that the company is becoming more flexible now.

The time is always time and place is always place, but what is actual, is actual only for that time and only for that place.

Be flexible to survive and progress in the world of cut-throat competition. This is going to be the proverb for all the business enterprises.