



**FACULTY OF MANAGEMENT
JUNE EXAMINATION**

DEPARTMENT OF INFORMATION & KNOWLEDGE MANAGEMENT

<u>MODULE</u>	:	STRATEGIC INFORMATION MANAGEMENT
<u>CODE</u>	:	ILK2107/IMA8X09
<u>DATE</u>	:	JUNE 2014
<u>DURATION</u>	:	3 HOURS
<u>TOTAL MARKS</u>	:	100

<u>EXAMINER</u>	:	MS L GOVENDER
<u>EXTERNAL MODERATOR</u>	:	DR M DE KOCK (DA VINCE INSTITUTE)
<u>NUMBER OF PAGES</u>	:	4 PAGES

INSTRUCTIONS TO CANDIDATES:

- Question 1 is **compulsory**.
- Answer **two** questions from Questions 2 – 4.
- Question papers must be handed in.
- This is a closed book assessment.
- Read the questions carefully and answer only what is asked.
- Number your answers clearly.
- Write neatly and legibly.
- Structure your answers by using appropriate headings and sub-headings.
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

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QUESTION 1

1.1 Read the following case study and create a SWOT analysis to assist with strategy development. In addition draw on Porter's 5 forces to elaborate your discussion.

Dell Computer Corporation was founded in 1984 by Michael Dell with a very simple premise: computers should be built and sold directly to customers. By doing this, Dell has become one of the world's largest PC makers as well as one of the best known brands. Dell now employs more than 76000 people world wide, nine manufacturing plants and provide 24/7 customer support. The company ships approximately 140000 custom-made computers per day and has over 2 billion interactions with customers every year.

Dell's Direct model enables them to interact with customers directly, providing them with reasonably priced products and fast distribution.

Dell assembles computers based on customer provided specifications, allowing customers to specify their own computers interactively on Dells website or telephone. Over 85% of Dell's sales are made through their website using this method, allowing for lowered unit cost.

This method also allows more customer interaction, helping Dell provide top-notch customer service both pre-sale and post-sale.

Computers are made by Dell affiliated manufacturers with relatively cheap labour. This cuts down the cost of inventory managements allowing Dell to only keep an average of 5 days' inventory in comparison to the usual 30-40 days of its competitors like HP. This also means that Dell can quickly introduce the latest relevant technology without worrying about leftover inventories.

Custom made computers are Dell's strength but can also be a weakness. Because every product is specified by the customer, no customer can buy a pre-made Dell product as is the case with other companies. Custom made products can take up to several days to finish.

The above also means that Dell is very dependent on its suppliers, or manufacturers, which come from a wide range of countries, and it is very difficult to control the quality consistency amongst them. There has been cases of massive recall due to defective products in 2004 when Dell had to recall 4.4 million laptop adapters in fear of them overheating, causing electric shock or fire.

Dependence on suppliers and not being able to produce computers itself makes Dell unable to switch their core suppliers for a period of time.

With regards to Dells relationship with the college market segment, most students purchase their computers through their schools or institute, which makes Dell's Direct Model approach obviously unpopular. As a matter of fact, this segment earns only 5% of Dell's total revenue while remaining a good potential market segment for other companies.

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Despite being a very successful company, Dell does not hold its own trademark or patent or any copyright technology at all. All of its technologies are also used by all other industry competitors.

While there are still imperfections with Dell's Direct Model, personal computers are becoming more and more necessary and commonly used, with customers getting more and more educated about computers. As their knowledge grow, they will seek Dell's custom made computers that fit their need to experience additional use of computer features.

The evergrowing Internet also provides Dell with more opportunities since the majority of Dell businesses are done over the net. Moreover, while already one of the world's largest computer providers, Dell's market still has many potential areas to explore. By providing low priced computers directly to retailers, Dell would gain a substantial segment of the market. In addition, by sponsoring the education sector, Dell could gain more popularity amongst students.

Together with the pursuit of diversification in technologies by introducing new products such as printers or toners, LCD televisions and other non-computing, Dell can compete in a wide range of markets.

Like any other company in the ever-changing field of Information Technology, Dell faces competition from rivalries existing in the PC market globally. Although Dell's model has been proven to be effective, there is no stopping its competitors to adopt a similar, if not the same, strategy with better suppliers.

In addition, in line with global trends, the price difference among brands are getting smaller and smaller, making Dell's main attraction, the build cost, less obvious. There might come a time that all price differences disappear, leaving customer choice purely dependent on the brand's name, and as other brands can provide pre-assembled computers unlike Dell's several-day-to-build custom made products, Dell is at a disadvantage.

Being a globally recognized brand, Dell is also exposed to fluctuations in the World currency exchange market. The system where orders are placed before being charged could leave the company in a potential loss in part of the supply chain if there are changes in exchange rates.

(40)

1.2 Explain what market research is?

(10)

[50]

QUESTION 2

2.1 What are the critical SIM components in an organisational context? (10)

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2.2 Describe the difference between Customer Relationship Management and Supplier Relationship Management. (5)

2.3 Describe the difference between Records Management, Content Management and Document Management. (10)

[25]

QUESTION 3

"It is leadership that shapes organisational culture."

Critically evaluate this statement with regards to Strategic Information Management.

[25]

QUESTION 4

Explain how social media applications are beneficial towards implementing SIM in an organisation.

[25]

TOTAL: [100]

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