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### **Assignment lesson #3**

#### **Analysis #1**

In five years, I want to be in a position where I could work in an international banking company, but also work for my personal business. It will be jobs where I will meet and work with several people from different places all over the world and from different backgrounds. It will also be a place where I can have some freedom which is my purpose.

#### **SWOT Analysis**

<b>S</b> trengths <ul style="list-style-type: none"><li>• I speak 3 languages</li><li>• I studied in France and in the USA</li><li>• I have a business and finance specialization in school and university</li><li>• I am open-minded and fast learner</li><li>• I played high level soccer for 5 years</li></ul>	<b>W</b> eaknesses <ul style="list-style-type: none"><li>• I don't speak an Asian language yet</li><li>• I have not visited all the continent yet so I might be unfamiliar with some cultures</li></ul>
<b>O</b> pportunities <ul style="list-style-type: none"><li>• Globalization is happening at a quick rate which means that more and more companies operate globally</li><li>• Many companies are searching for multi-lingual people</li><li>• We are in a fast growing era where opportunities to build a business and invest in yourself is getting easier</li></ul>	<b>T</b> hreats <ul style="list-style-type: none"><li>• More and more people are becoming multi-lingual so there is competition</li><li>• Big, global companies do not really care about you as a person unless you are in a high position in it</li><li>•</li></ul>

## **My action plan for the next five years**

- Get my bachelor's degree
- Get my master's degree
- Launch my business
- Do internships during summer to learn and have the network
- Do a business trip in Asia to learn the culture
- Work my way up in a company, learn as much as possible
- Reinvest my knowledge to build something for myself

**Next, suppose you decide to start a business that promotes a tutoring service mobile app which matches available tutors with students seeking help. Upon a successful match, your business takes a percentage of tutoring fee as a commission. In starting this business, you know you will be competing with other agencies like prep organizations (i.e., Princeton Review, Kaplan, etc.), local newspapers, school, many online tutoring service agents like tutor.com, and with your college tutoring service office. You will probably have other local competitors as well. Consider the following questions and answer them.**

### **1. Analyze the structure of this industry according to Porter's five forces model.**

According to Porter's five forces model, the industry is organized as following:

First, there is the competition between all the actors in this industry. Our tutoring service mobile app would be in competition with Princeton Review, Kaplan, local newspapers, school, many online tutoring service agents like tutor.com and with the college tutoring service as described previously.

Secondly, there is the threat of other new entrants which will become competitors as well. It doesn't take a lot to start a tutoring service. It only requires at least one tutor and building an app

or another platform to tutor. Then you could start the service by promoting it over social media or just telling people at university about it.

The third point is the bargaining power of the buyers. Since there are a lot of tutoring services on the market, we would need to innovate to offer additional or better services than the competition and have a competitive advantage. It might be by offering better prices, but also by offer a better quality of tutoring. If you have multiple selling proposition, it makes the service look more attractive to clients, the product offered will be competitive.

The fourth force is the threat of substitute products or services. One substitute product could be to just learn on your own if it seems too expensive to get a tutor. For example, through free platforms such as Youtube or Openclasses. Plus, many universities offer free tutoring services, which will always be an alternative for students who might not have a big budget but need some help with their studies.

The fifth one is the bargaining power of the suppliers. For a tutoring service, there might be some media platforms you will want and need to advertise on. These platforms, such as television or radio stations, or newspapers, have certain bargaining power since most of them have a lot of demand for advertisement on their channels. Therefore, they know they can ask the potential customer to pay a certain price, and if he does not, then they will just take another one. So, it will be an important cost. Moreover, tutors might have more offers than just one person and therefore, they could try to negotiate their way to a higher salary than what you initially wanted to pay them.

**2. Given your analysis was done in step 1, recommend a competitive strategy for the startup.**

This startup, like any other startup in a competitive industry, needs a unique and attractive selling proposition to begin with. It needs to catch the attention of potential customers. It needs to be something that makes them think of this offer as a better choice than the competitors's ones. The propositions could be a more competitive price, professional and highly educated tutors, or some subscriptions that makes it cheaper the most tutoring hours you take that just 1 or 2 hours.

Then, people must know your company and start to use the platform. From there the startup will be able to take some market shares. People buy what they know, they trust what they know more than something they have never even heard of. Therefore, the start-up needs to find some advertisement channels that fit their budget and are tailored for their target to help them reach their goal of a lot of people getting to know them.

Finally, if both of these steps work out well and they have a unique selling proposition and people know them, they need to live up to the aspects they have promised their potential customers. For instance, if they have guaranteed the lowest price, they need to keep the low price. Or again if they have guaranteed that they will only have former Ivy-League professors as tutors, they need to keep the promise. If they do not live up to their promises, their customers will probably go to a competitor.

### **3. Describe the primary value chain activities as they apply to this business.**

Michael Porter divided his value chain analysis into five components: inbound logistics, operations, outbound logistics, marketing and sales, and services.

For the inbound logistics, a tutoring service mobile app that connects tutors with students needs to think about the "raw materials". In this case, their raw materials could be one or multiple rooms or again whole buildings in case they decide they want to have all of the tutoring happening in a same place. If so, they will need to provide the tutors with all the materials they

need for their tutoring as well (blackboards, computers or pens for example). If their strategy is to connect tutors and students to have the sessions at the student's or the tutor's home then it is different. Then, the raw materials would be all of the different components they need to build and maintain their mobile app such as include programming elements, but also the pricing their tutors are willing to work for, where the tutoring would take place and up to how long one session can be.

Next, the operations. This step of the value chain consists in making use of all the raw materials they need to create their mobile app and create the mobile app. This would also mean they add all of the tutor's information.

The third point involves outbound logistics. This point would be to ensure that the tutors interact with the students who booked them. Then, there is marketing and sales. In this case, a mobile tutoring service app will allow the start-up to advertise it, so that people can get to know them. This advertising could happen via classic media such as newspapers and television, social networks or even through direct advertisements on different university campuses.

Finally, the sales and services. The start-up needs to make sure that their tutors are up to the standard they have advertised them to be. Furthermore, they need to have customer service and a refunding system in case something went wrong.

#### **4. Describe a business process for recruiting students and tutors.**

By definition, a business process is “a network of activities, roles, resources, repositories, and data flows that interact to accomplish a business function” (Kroenke p.26).

There are two main steps to recruit tutors. First, the start-up has to start by finding and contacting tutors that they would want to work for them. Secondly, they will have to arrange some interviews to get to know them in person, their motivations, their skills and see if they are a good

fit for the spirit they want, and so the position in the start-up. Then, they have to agree on a set up a remuneration system for the tutor. If both parties agree on everything, the start-up will recruit the tutor.

The process will be different to recruit students, because at the end, they are the customers of the app while tutors are employees of the start-up. Therefore, the start-up will need to work on advertising their mobile tutoring app in a way that the student will want to work with them. This could be by TV add but also by events where the students can directly meet the creators of the app, some of the tutors, and benefit of special offers and discounts. Then, the student will think if the offer matches with their expectations. If so, they will want to book a tutor via this mobile tutoring app.

#### **5. Describe other information systems that could be used to support the business process in step 4.**

The start-up could use certain customer preference analyzing tools (software) to get to better know their current but also potential clients. And then improve their offers and build something they will like.

From this they will be able to improve their hardware. This way they might incite both tutors and customers to stay with them and also attract new customers since they will create a nice working environment for both of them.

Moreover, they could use surveys to have a feedback both from tutors and students. This is an aspect for both the data part and the people part of information systems.

In terms of procedures, they could have a look at how the whole booking process is working out and if they can find something they can improve.

**6. Explain how the process you described in step 4 and the information systems you described in step 5 to reflect and achieve your competitive strategy recommended in step 2.**

The strategy in step 2 can be simplified into three main parts. First of all, a unique selling proposition that differentiates the company from the many others in the segment. Secondly, advertise the business so people get to know the company and its offers. Thirdly, live up to the expectations promised to the current and potential customers in the advertisement.

The processes outlined in steps 4 and 5 can help the startup achieve this. If certain procedures are in place to hire tutors as well as attract clients it will ease the way to run the business. Moreover, the other information systems used in phase 4 to help the business process. At the end, it will make the company more efficient and complete.