

## **ADAPTATION PROBLEMS OF COMPUTER CONTROL MANAGEMENT SYSTEMS ADAPTATION FOR MOBILE TRADING**

Supply Chain Management is becoming more and more important for the success of today's business world. Dell has realized this trend from its very first steps and has become one of the most successful PC companies in the world by putting emphasis on its supply chain, orchestrating its build-to-order and direct sales strategies.

While most of the literature that covers Dell's business and supply chain strategies is too theoretical, we suggest an analysis of a lower level using knowledge-based techniques. So, we have developed a business process model for Dell that captures its supply chain strategies, and which is strategic, business-goal-oriented and executable.

### **Company Perspectives:**

Dell was founded in 1984 by Michael Dell, the computer industry's longest-tenured chief executive officer, on a simple concept: that by selling computer systems directly to customers, Dell could best understand their needs and efficiently provide the most effective computing solutions to meet those needs. This direct business model eliminates retailers that add unnecessary time and cost, or can diminish Dell's understanding of customer expectations. The direct model allows the company to build every system to order and offer customers powerful, richly-configured systems at competitive prices. Dell also introduces the latest relevant technology much more quickly than companies with slow-moving, indirect distribution channels, turning over inventory every three days on average.

I've worked with and chronicled most of the moves by other vendors to do just what Dell is attempting. The biggest obstacle it faces is internal. That internal obstacle is not to be discounted, because it is both the reason for Dell's past success and has the potential to sabotage its move to the future. What I'm talking about is Dell's DNA in direct sales. The majority of its business comes from direct sales today, and this will continue for a long time; perhaps permanently. Structuring and managing a dual sales strategy is not impossible, but it is incredibly difficult. It can be done, however, and because Dell is still led by its founder Michael Dell, the company may have an advantage in that he is such a historic figure in the industry and, of course, within his own company. One critical change to make will involve compensation structures, which must evolve to support Dell's indirect initiative in such a way as not to harm current sales. There will be thousands of Dell employees that really don't want to see this move be successful because they have convinced themselves it will be bad for them personally. And that speaks to the internal talent pool. If going private is what gives Dell the courage to challenge the status quo, branch out, and build better systems, than I'm all for going private. Objectively, however, there's little reason to think Dell is in a dramatically different position than its peers. The troubles facing the PC industry are systemic, as are the solutions.