

# STEX ADVANCED DESIGN BUREAU - STRATEGY ATTITUDES

## SCALING SOFTWARE SYSTEMS - THROUGH ADVANCED TECHNOLOGY SERVICES

### [ IBM Company-product + service Offering ]

[ SOFTWARE + HARDWARE INTEGRATED TOGETHER ]  
- OFFERED AS A SERVICE.

**People / System Administrators**  
**Application Software [ Retail, ERP,.. ]**  
**DATA BASE** [ E.G DB4 ]  
**Operating system** [ E.G AIX ]  
**Hardware** [ servers ]

We are ICM company. We have developed Hardware, software, databases. Application software. We have a Workforce/team to manage retail systems & Other types of systems, like ERP, insurance, finance etc..

We are offering the Entire Integrated Package as a service to all types of companies [ E.g. Walmart / Target ...etc ]

You do not need to pay any Upfront Fees to purchase Hardware or software from us. We manage the entire system for you. Your Team members can work in tandem with our system administrators too, to keep a Check !

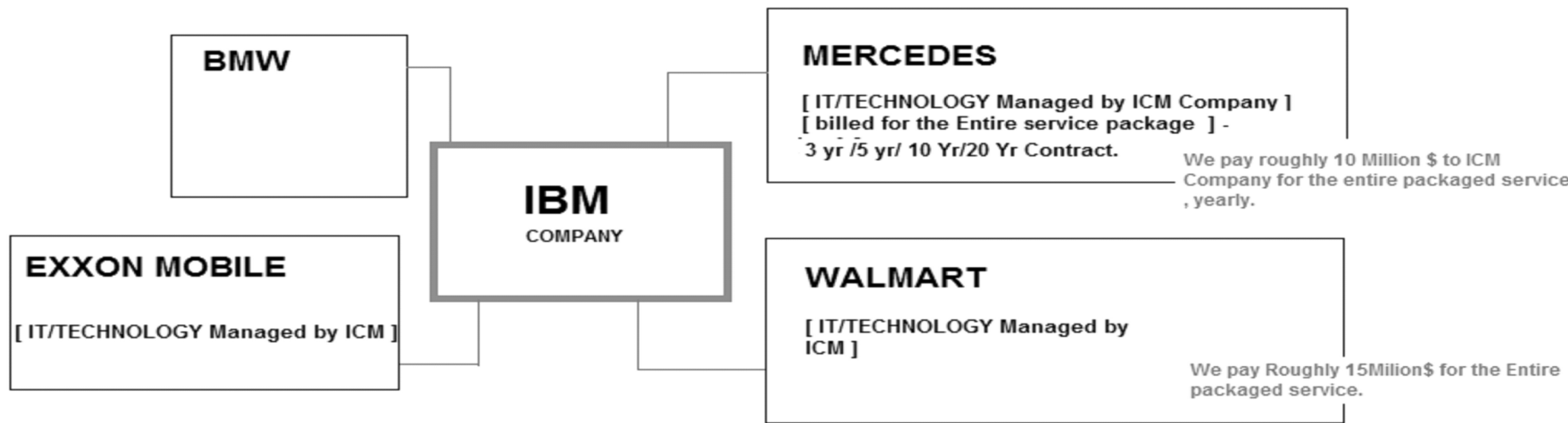
You Pay us [ 5% - 15% ] of your total Net profit as a contractual agreement.

If you make a profit of 200Million\$ - You pay us 20 Million \$.  
We manage the entire IT systems Backbone for you.

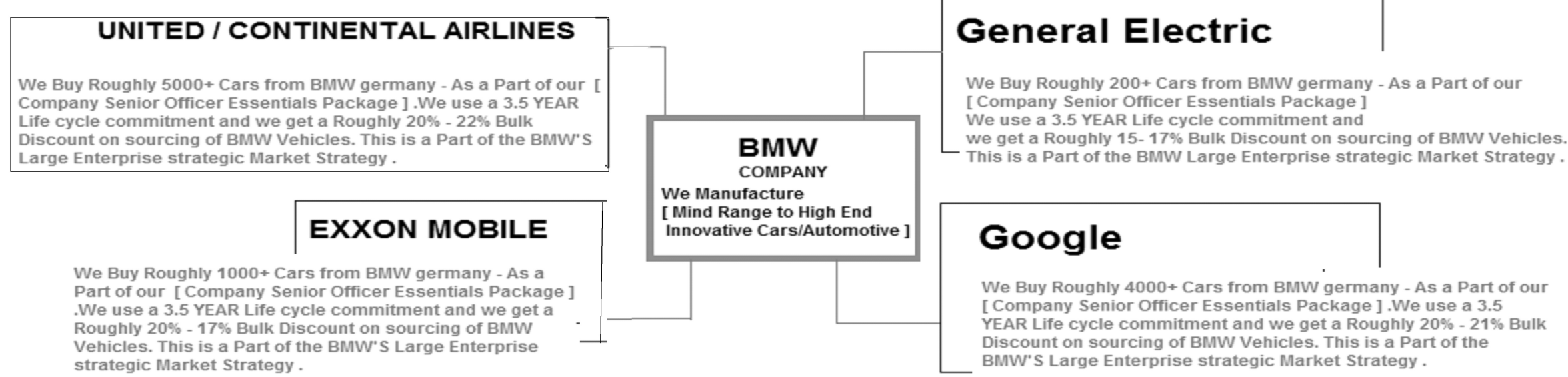
We upgrade our software free of cost and you shell out only a few dollars for the same.

Does this proposal sound good ?

### Technology Company - Customer Acquisition Strategy - A 60000 Feet View



## SCALING THE AUTOMOTIVE INDUSTRY USING ENTERPRISE STRATEGY



### As a Part of the Entire process

- 1] BMW or Other Car Companies - Give Presentations at the MULTI NATIONALS.
- 2] The Offer 2-3 Test drive Vehicles in the Campus.
- 3] They Offer Volume Pricing Discounts like [ 400+ Cars - 15% Discount on Market price, 800+ Cars - 18% Discount on MRP, 1200+ Cars - 22% Discount on MRP ]
- 4] omv receives a request Form from the Multinational - Detailing Total Cars and Models required/Selected by the Workforce.
- 5] Multinationals could ofcourse select X number of BMW's/ Y number of Mercedes/ Z number of AUDI.

## SCALING THE POWER SYSTEMS Industry - using STRATEGY [ creating STRATEGIC MARKETS ]

We are Mitsubishi, Toshiba, Alstom- GE, Siemens . We have Entered INDIA to expand our Power Systems Business. Power Systems is a Complex Field of Engineering - Which consists of Generator Sets + Turbine Sets + Steam Boilers. We are actually Original Equipment Manufacturers - We design, develop & Erect these Power systems for State Run Electric Utilities.

A Turbine + Boiler Power system Set Costs - Roughly 1300 crore Rs. We depend on the state run Electric Utilities to source these systems - through - CLOSED LOWEST COST TENDERS

After a Careful Market Analysis and Market Potential, & Considering the Limited number of Market Orders we are considering a Strategic Approach to Expansion.

Closed Lowest cost Tenders, Infact Erodes our Commercial Margines and Devalues the Complex Systems that we have developed. [ The Limited Market Opportunity, With 4 Major players, doesn't create the Right Commercial Value Proposition - Considering the Complex technology we bring in, and the Execution effort Required to Erect/Commission these Power systems.

Power Systems Costing [ Mathematics ]

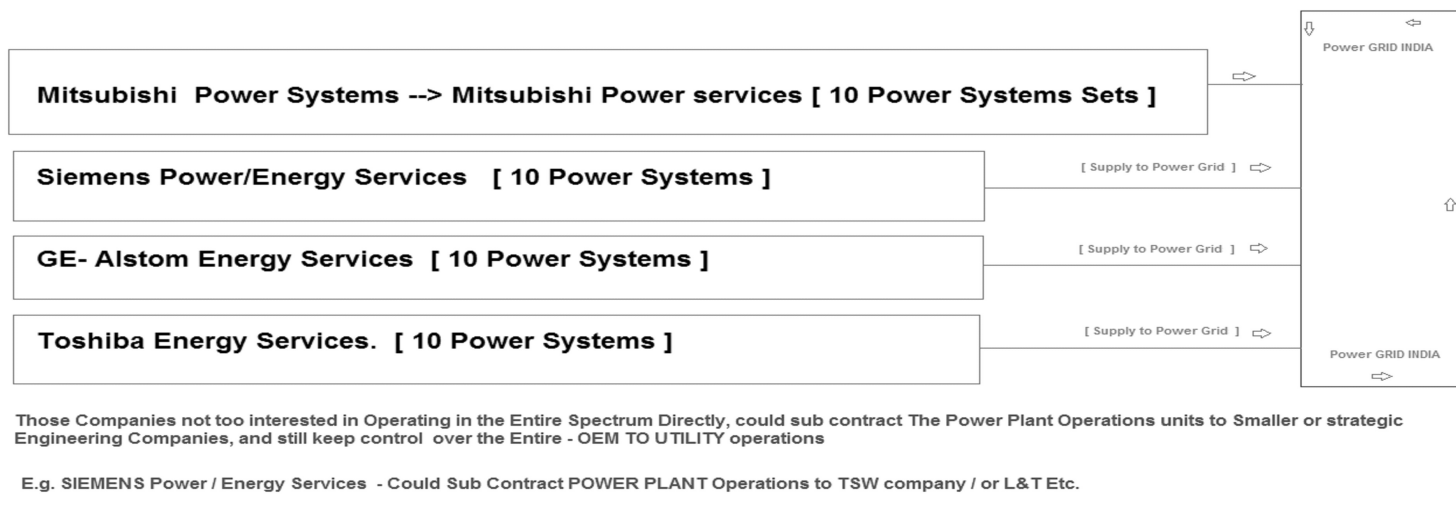
A Power Systems Set [ Considering a Turbo Set and a Steam boiler set ] Costs Roughly 400 Crore Indian rupees + 900 Crore Indian Rupees.  
[ Power systems are in the Roughly in the Range of 800 Mega Watts - to 1000 Mega Watts, although they can be lower or higher ranging from 660 to 1200 Mw.

1 Billion Dollar Investment is roughly Equal to 6500 Crore Indian Rupees - Can Buy About 5 Such Turbine / boiler Sets [ Creating 5 Power Plants ]  
2 Billion \$ Investment = 10 Power plants Sets ]

A 2 Billion \$ Stock Sell and investment in Power Plant Infrastructure Services, By Each , is an insignificant investment Considering the size of the Conglomerates.

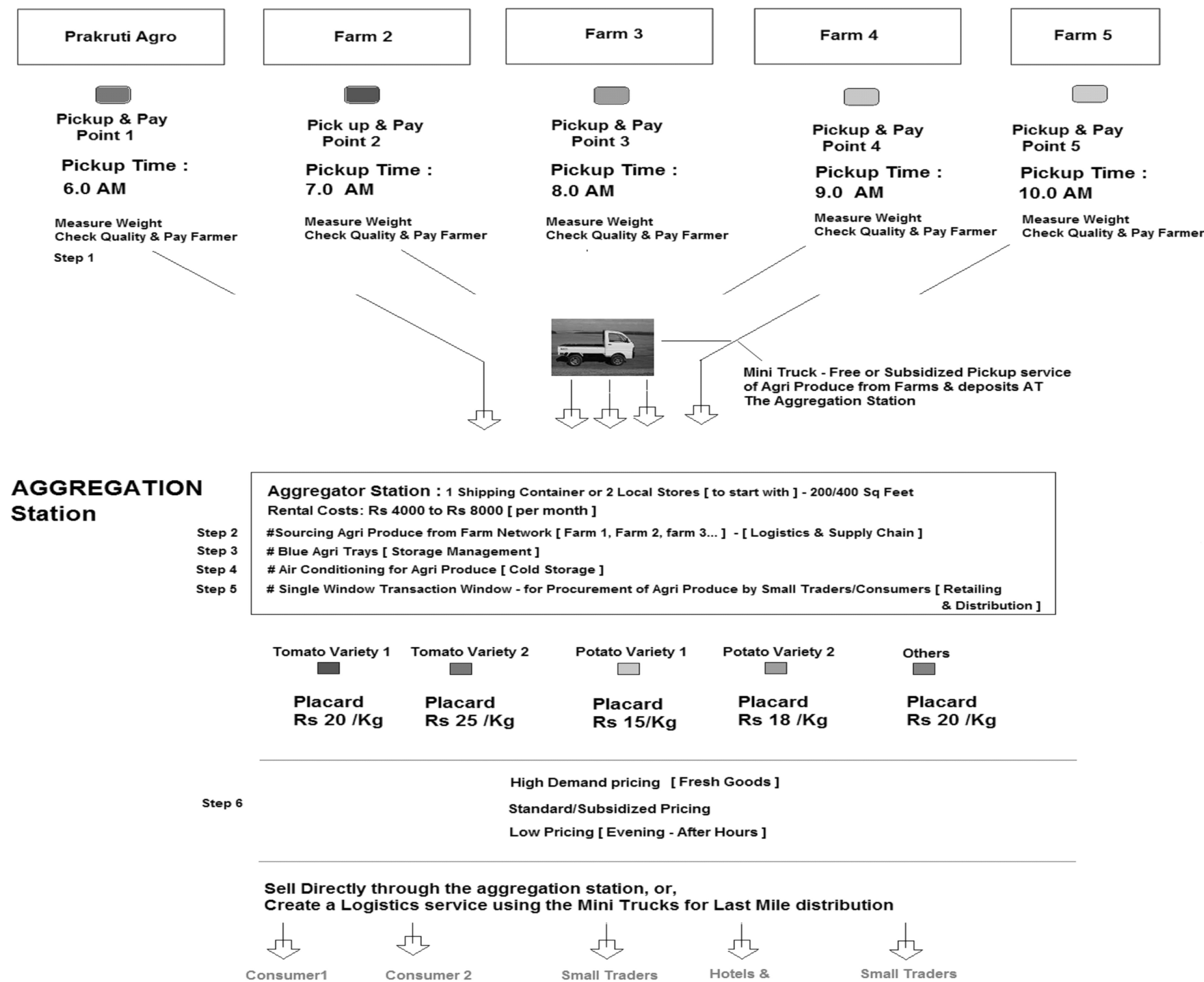
The OEM's Create the Power systems and the Utility services - Controlling all aspects of Power generation [ From Design Execution to Power Delivery ]. This also allows them to Generate Revenues from Power Plant - Energy Services - supplying Electricity to Electricity Grids.

A Strategic Picture / Could Look like this - Considering the fact that Mitsubishi , GE Alstom, Toshiba, Siemens are 100 to 280 Billion \$ Companies.



## A STRATEGIC FARM SERVICE I MODEL 1

### FARM TO FORK - FLOW DIAGRAM



## SCALING THE AIRLINE INDUSTRY - USING STRATEGY

Airline [ Domestic | International ] ----> Signs a Bulk Buying contract with Companies like

[ Tisso / Casio : Watches ]  
[ xyz Company : Perfumes ]  
[ Computer/ Elle : Magazines ]  
[ Nestle/Mars/ Cadburys : Chocolates ]  
[ Vouchers : 50% TO 70% Discount Vouchers ]  
[ Crocodile/Lacoste/Tommy Hilfig: Tshirts ]  
[ EA/ACTVISION : GAME DVD ]  
[ STAEDLER : STATIONERY ]

Group Buying & Bulk Buying MATHEMATICS is used to create a Neat little Goodies Package for every Flyer. This would help in attracting Flyers

Approximate price of Airline Ticket on a Long Haul : 1000\$ to 2500 \$  
Add a 100\$ Goodie's Fee to the ticket : 1100\$ to 2600\$

Total Number of Passengers flying through the Airline : 20 Million

Total Group/Bulk Buying Budget : 20 Million x 100 Dollars = 2 Billion \$ [ This money can be spent for procuring Goodies, from Alliance companies.

A gift or Goodies Package would have the following cost breakdown

A watch : 40\$  
Perfumes : 25\$  
Magazines : 5\$  
Chocolates : 10\$  
Vouchers : Free [ For Example Reebok gives Genuine 40% Off Vouchers to frequent flyers of Airline ABC/DELTA/UNITED /AIR NIPPON ]  
Tshirt : 5\$  
Game dvd: 10\$  
Stationery Items : 5\$ [ Pens/pencils/Erasers/, staplers./ pen pencils ]

Total Budget : 100\$ [ Value of the Goodies in the open market place : 180\$ to 250\$ ]

Why would an Alliance company get into an Agreement with the Airline ?

Alliance companies get to create a NEW Market. [ Every flyer get goodies ] They save on advertising. They ARE able to scale through the airline [ 20 Million Flyers ]. Flyers love it. Greater Brand awareness [ Without much Expenses ]

Also Note: Some Airlines carry 100+ Million Passengers /per year.  
There are a large number of airlines to create a HUGE market.

## ENTERPRISE ARCHITECTURE - Solving the CLassical HR Problem.

Level 8 Pay Range 125000 \$  
Level 7 Pay Range 100000 \$

Level 6 Pay Range 70000 \$  
Level 5 Pay Range 65000 \$  
Level 4 Pay Range 60000 \$

Level 3 Pay Range 55000 \$  
Level 2 Pay Range 50000 \$

Level 1 Pay Range 45000 \$

Mark to STEX Archo : I Worked at Activision earlier. I have got through the EA Interview & they are offering me 52000\$ for a Level 2 JOB. Now I have cleared the STEX interview. Could you offer me a little more Pay to be on par with EA ?

STEX ARCHO : We have a slightly different system to Handle this Issue. Our Enterprise Architecture & System Rules allow only 50K \$ For a Level 2 Job. But.... Hear this carefully and make a note of it.

Our Enterprise system is designed this way. To Clear each Level you need to collect Points. E.g if you want to be promoted from Level 1 to Level 2 You need to earn 2000 Points. To move up from LEVEL 2 TO LEVEL 3 You need to earn 2000 Points at level 2.

So What we can do is - You join at level 2 - 50K Salary but, we offer you 300 Bonus points at level 2. You need only 1700 More points to reach level 3.

Mark to STEX ARCHO : OKAY ! I understood. I accept the offer.

When you Do Project work and Additional Work you get to Earn [ Level ] Points, which adds to your Resume profile. These

Points make you eligible for a Promotion. [ You can contribute in multiple ways to the Organization and clear levels/ be promoted ]

Team work also Works. When a Team completes a Tough Task or Does something Innovative - the Team Earns Points -> which is distributed across the team members in a ratio that they propose.

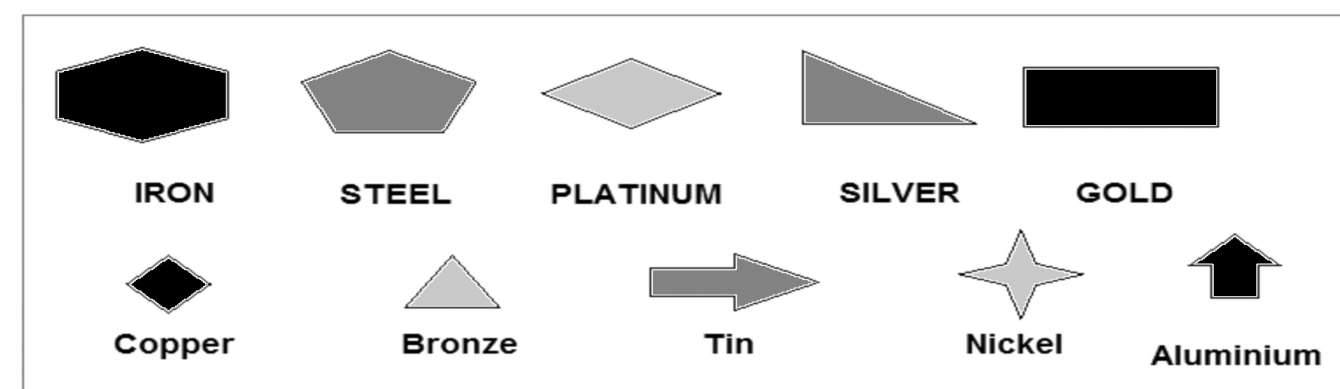
Not to forget/ignore - All team members at level 1 To Level 8 Have - Voting Rights on Strategic Decisions. Level 1 Vote : 1 Point. Level 2 Vote: 2 Points. This helps in Organizational Bonding and cohesion. [ Every body feels a part of the organization ]

## SCALING THE METAL INDUSTRY - USING STRATEGY

Package metal of different types in Smart velvet memorabilia boxes.

Metal is shaped into Interesting - Simple | semi complex | complex structures and placed in the boxes and sold over the retail counter or in Duty free Shops in Airports and railway stations.

Metals could be simple metals as well as a packaged mix of semi rare | rare and | Precious rare metals

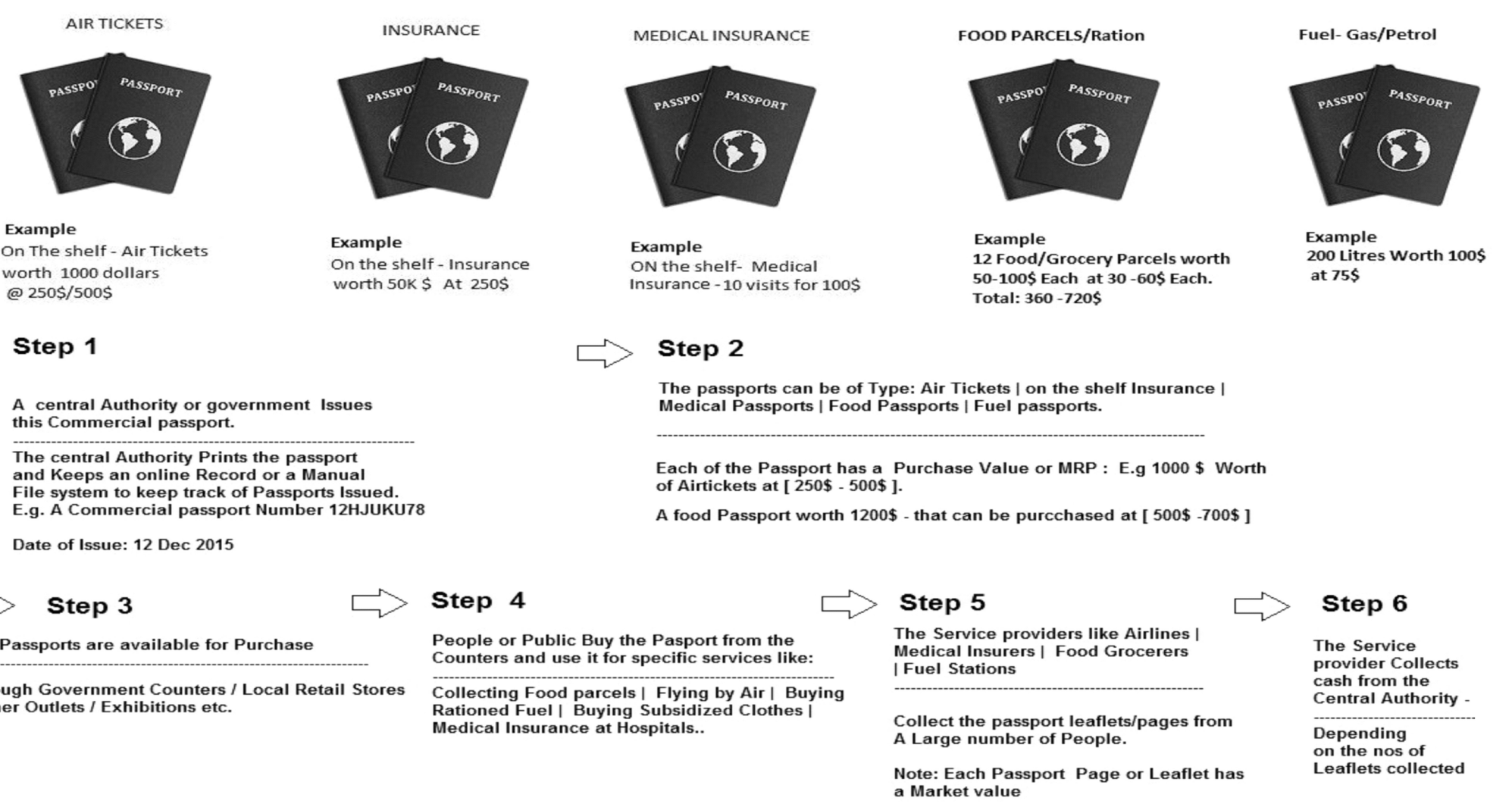


cost range Packages can have other types METALS also, with different weights & Sizes.

100\$ TO 200,000 \$ ] Packages may also have more creative complex structures : Flowers, Leaves, Simple Machines, Turbine Blades Buildings/ Cars/ Aircraft models , Ships, Frigates, Submarines.. Packages could be sold/Distributed as Tourist Visitor Memorabilia, or can be distributed as Company/ Corporate Gifts.

## SCALING INDUSTRIES THROUGH GROUP BUYING AND BULK BUYING STRATEGY

### Physical Passport Interface - [ Group Buying + Bulk Buying ]



### Advantages

- Group Buying - 1000's to Millions of customers [ Large Volume ]
- Governments/ Central Authority gets Group Money for the Services in [ advance ], when the passport is Purchased.
- Guaranteed New Market creation through Passports way. [ Blue Ocean Strategy ]
- Efficiencies at Scale [ Low Cost ]
- Bulk Buying: Min [ 5 to 10 ] Leaflets / Tickets Each
- Implementation through: Super Markets/Government/ Stores / Factory Outlets
- Balancing Consumption vs Non Consumption
- People get Subsidized /Low Cost Services