

Do Businesses Make Joint Decisions?

In the case study below, this B2B firm is considering their strategic growth options. However, they are faced with two competing paths.

As you have been called in as an adviser to the firm, your challenge in this task is to help determine the best approach for the firm AND to work out if the two viewpoints can be reconciled.

Welcome to Fast Finance

A local accounting firm – Fast Finance - has called you in as a marketing consultant. They are primarily interested in marketing an accounting software package that they have developed over recent years. They believe that this software is exactly the type of program that their clients have been asking for.

It's a very simple program that allows small businesses to easily meet their reporting requirements for the government. Initially, their program was designed to assist them in their own tasks and activities. However, as they have continued to enhance and develop the software, they now believe that it is at a stage where they could sell it to small businesses.

The managing partner of the accounting firm, Steve Jennings, has a strong view on developing non-labor dependent products, in order to increase the firm's revenue streams.

According to Mr. Jennings, "In reality, in our sort of business, our income is primarily limited by hours. We only have so many billable hours in a day, so our income has a natural ceiling. That's why we are looking at additional products we can sell to our existing clients and attract new clients as well. This would be anything from software, to books, to even things like home loans and insurance products."

However, one of the junior partners (Julie Panacini) had just finished her MBA (specializing in strategy) and she expressed more concerns, especially as she had been selected to help develop and launch the product.

Her view is, "Diversifying away from your core skills is always risky. We have a great reputation as being reliable, trustworthy, and experts in our field. I have concerns about competing in the software market. We're a professional accounting firm and software development, distribution, and support is not a market that we know much about!"

Student Discussion Questions

1. Which strategy approach (Steve or Julie) do you think is the best one for the firm to pursue? Why?
2. What implementation challenges do you see for the strategy option that you selected in Q1?
3. Assuming that Julie's approach was the most appropriate - is there any way to convince Steve (particularly as he is the managing partner of the firm)?
4. Which option do you think that the firm will implement? Why is this the case?
5. Do you think that major decisions made by businesses are joint decisions, or are usually top-down decisions?