

CSE332

Industrial Ethics and Legal Issues

Product Based and Service Based IT Companies ,
Marketing plan ,Operational Plan , Management
and Organization



Product Based Companies



- Product-based companies are organizations that develop, sell, and maintain software products rather than providing services tailored to individual clients.
- These companies focus on building scalable and innovative products that cater to a broad market.

Key Characteristics of Product-Based Companies

1. Develop and Sell Software-Based Products

- These companies create ready-made software solutions that can be used by multiple customers.
- Examples include operating systems (Windows by Microsoft), design software (Photoshop by Adobe), and search engines (Google Search by Google).

Key Characteristics of Product-Based Companies

2. Invest Heavily in R&D and Innovation

- To remain competitive, they allocate significant resources to research and development (R&D).
- They constantly enhance features, improve security, and introduce new technologies to meet evolving customer needs.
- Example: Google's continuous AI and machine learning advancements in its search algorithms.

Key Characteristics of Product-Based Companies

3. Generate Revenue Through Licensing and Subscriptions

- Most product-based companies follow a licensing or subscription model for revenue generation.
- Licensing Model: Users purchase a one-time license to use the software (e.g., Microsoft Office before it shifted to subscriptions).
- Subscription Model: Customers pay a recurring fee (monthly/yearly) for access (e.g., Adobe Creative Cloud, Microsoft 365, Netflix).

Key Characteristics of Product-Based Companies

4. Focus on Scalability, Automation, and Efficiency

- Their products are designed to be scalable, meaning they can serve millions or even billions of users without performance issues.
- Automation plays a crucial role in reducing human intervention (e.g., Google's AI-powered search ranking system).
- Efficiency is achieved through cloud computing, optimized algorithms, and seamless user experiences.

Key Characteristics of Product-Based Companies

5. Customer Loyalty Depends on Product Quality

- Since these companies do not rely on direct client relationships, their success depends on offering high-quality, user-friendly, and feature-rich software.
- Regular updates, security , and excellent user experience help them retain customers.
- Example: Apple's ecosystem loyalty due to high-quality products like iPhones, MacBooks, and iOS software.

Examples of Product-Based Companies

- Microsoft – Windows, Office 365, Azure
- Google – Search Engine, Android, Google Cloud
- Adobe – Photoshop, Illustrator, Premiere Pro
- Apple – macOS, iOS, iPhones
- Amazon – AWS, Kindle, Alexa

Service Based Companies



- Service-based companies focus on providing IT services, consulting, and customized software solutions to clients worldwide.
- Instead of selling ready-made products, these companies develop and manage software solutions based on the unique needs of their clients.

Key Characteristics of Service-Based Companies

1. Offer IT Services and Consulting Globally
 - These companies provide technology services such as software development, IT support, cybersecurity, cloud computing, and business consulting.
 - They businesses across different industries like finance, healthcare, retail, and government sectors.
 - Example: Accenture offers digital transformation services to clients worldwide.

Key Characteristics of Service-Based Companies

2. Work on Client-Specific Software Solutions

- Unlike product-based companies that build software for the general market, service-based companies develop customized software solutions tailored to individual client needs.
- Example: A bank may hire Infosys to build a custom banking application.

Key Characteristics of Service-Based Companies

3. Revenue Depends on Contracts and Projects

- These companies earn revenue through client contracts, long-term projects, and service agreements.
- Contracts can be short-term (few months) or long-term (several years), depending on the project scope.
- Example: TCS may sign a multi-year IT service agreement with an international bank.

Key Characteristics of Service-Based Companies

4. Skilled Workforce Is Crucial for Success

- Service-based companies rely heavily on human expertise rather than selling software products.
- They employ software engineers, project managers, business analysts, and IT consultants to execute projects.
- Companies like Wipro and TCS hire thousands of engineers annually to meet global demand.

Key Characteristics of Service-Based Companies

5. Customized Solutions to Meet Client Requirements

- Since businesses have unique challenges, service-based companies analyze client requirements and build tailor-made solutions.

Examples of Service-Based Companies

- TCS (Tata Consultancy Services) – IT consulting, cloud computing, and business outsourcing
- Infosys – Custom software solutions, automation, and data analytics services
- Wipro – IT support, cybersecurity, and cloud services
- Accenture – Digital transformation and IT strategy consulting
- Cognizant – Business consulting and enterprise software development

Marketing Plan



A **marketing plan** is a comprehensive document or blueprint that outlines a business advertising and **marketing** efforts for the coming year.

Marketing Plan



- Define goals, audience, and key strategies.
- Focus on digital and offline presence.
- Increase brand awareness and customer engagement.
- Leverage SEO, PPC, and social media.
- Monitor trends and analyze competitors' strategies.
- Measure success using key performance indicators(KPIs).

Marketing Plan- Target Market Analysis



- Identify industries needing IT-based solutions.
- Analyze customer pain points and expectations.
- Segment audience based on demographics and needs.
- Understand market trends and emerging demands.
- Align marketing strategies with audience behavior.

Digital Marketing Strategy



- Develop content marketing for brand authority.
- Implement SEO for higher search rankings.
- Leverage paid ads for quick conversions.
- Engage customers through social media platforms.
- Track and optimize campaigns continuously.

Sales and Lead Generation



- Offer free trials or demos strategically.
- Use CRM(Customer Relationship Management) tools for tracking leads efficiently.
- Automate follow-ups to increase engagement.
- Measure ROI and improve sales tactics

Customer Engagement



- Provide excellent support for client satisfaction.
- Use AI-driven chatbots for quick responses.
- Offer loyalty programs and referral benefits.
- Collect feedback to improve service quality.
- Build long-term relationships for brand loyalty.

Performance Measurement and Optimization

- Track key metrics using analytics tools.
- Monitor website traffic and conversion rates.
- Analyze marketing spend and ROI performance.
- Refine strategies based on customer feedback.
- Stay updated with industry trends regularly.

Operational Plan



- An **Operational Plan** is a highly detailed **plan** that provides a clear picture of how a team, section or department will contribute to the achievement of the organisation's goals.
- Defines specific, measurable, achievable, relevant, and time-bound (SMART) goals.

Operational Plan



- Defines company processes, workflows, and execution.
- Ensures efficiency, productivity, and goal alignment.
- Covers resource management and daily operations.
- Includes risk assessment and planning.
- Optimizes workforce for maximum output efficiency.
- Monitors performance using key operational metrics.

Business Process Management



- Standardize workflows for smooth project execution.
- Utilize agile or waterfall development methodologies.
- Implement automation for increased operational efficiency.
- Ensure seamless coordination across business departments.
- Regularly review and refine existing processes.
- Enhance customer satisfaction through better service.

Resource Allocation Strategy



- Assign resources based on project requirements.
- Optimize manpower for cost-effective utilization.
- Leverage cloud computing for scalable infrastructure.
- Maintain budget control for operational sustainability.
- Ensure backup systems for disaster recovery.
- Reduce downtime through proactive resource planning.

Technology and Infrastructure



- Invest in secure and scalable systems.
- Ensure IT infrastructure supports business needs.
- Regularly upgrade hardware and software tools.
- Implement cybersecurity measures for data protection.
- Leverage AI and automation for efficiency.
- Monitor system performance and prevent failures.

Risk Management and Compliance



- Identify potential risks in business operations.
- Develop plans for risk mitigation.
- Ensure compliance with legal IT regulations.
- Conduct regular audits for process improvements.
- Implement data protection and cybersecurity policies.
- Train employees on security and compliance.

Performance Monitoring and Optimization



- Track operational KPIs for business growth.
- Evaluate team efficiency and project timelines.
- Use data analytics for process improvements.
- Regularly update workflows for better performance.
- Encourage innovation for operational excellence.
- Review strategies and optimize for success.

Management Team

- A management team is a group of key individuals responsible for guiding an organization towards its goals.
- This team includes founders, executives, and industry experts who play crucial roles in decision-making, strategy, and operations.

Key Components:-

- **Founders & core executives** - The original creators of the company along with top-level decision-makers. They establish the company's mission, strategy, and vision.
- **Industry experience overview** - Highlights the team's experience in the relevant industry. Demonstrates how their expertise contributes to the company's success.
- **Leadership team expertise** - Includes specialists in operations, marketing, finance, technology, etc. Each leader brings specific knowledge and skills to drive the business forward.

Key Components:-

- Key responsibilities assigned - Defines what each leader is responsible for. Ensures clear role distribution to improve efficiency and accountability.
- Growth & vision alignment - Ensures that every team member is aligned with the company's growth objectives and long-term vision.
- Advisors & mentors onboard - External experts or experienced professionals who guide the management team.

Organizational Structure

- The organizational structure defines how a company is set up, outlining its hierarchy, departments, and decision-making processes.
- It ensures smooth operations by clearly assigning responsibilities and establishing workflows.

Key Components:-

- Startup type & ownership - Specifies the legal structure of the company (e.g., sole proprietorship, partnership, LLC).
- Hierarchical team structure - Describes how employees are ranked within the company.
- Key departments overview - Defines major functional areas such as Operations, Marketing & Sales, Finance, Human Resources, and Technology & IT.

Management and Organization



- Roles & responsibilities defined - Specifies the duties of each position within the company. Ensures accountability by clarifying who is responsible for what.
- Operational workflow summary - Covers processes like project management, product development, and customer service.
- Decision-making authority- Outlines who has the power to make strategic, financial, and operational decisions. Defines the approval process for major business actions.