Xander Technology: Computer Hardware and Software As A Global Service

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**Introduction**

Does your company need computer hardware or software? Does your current supplier of computer hardware and software meet your needs and wants? If the answer is no to the last question, then Xander is the right company for you. Xander Technology is one of the United States leading hardware and software services company. Xander Technology started in Tarboro, North Carolina in a basement of Joseph Randolph parents’ house in 1990. He began designing software to implement an easy way for his family to print wirelessly. He was running this on an old Hewett Packer printer. Joseph went to multiple companies and banks trying to sell this product, but no one was interested in buying his dream. The next year, he saved up enough money to purchase his first house where he continued to develop software. Over time, Joseph produced a plethora of software tools such as text message apps, antivirus programs, a Linux operating file system, processors, and an analytical program that helped him analyzed data. No one had heard of these products, and it was cutting edge technology, but Joseph still was not ready to sell his products yet. He realized that his software could perform better if he built hardware himself to run the software since most companies overcharge you.

While building printers and physical computers to run hits programs, Joseph could have his software perform at 30% times better than other company’s hardware. Joseph realized he didn’t need to go to companies to sell his product now, so he went to banks. Joseph received a loan and used that loan to buy a warehouse in North Carolina so that he could purchase more hardware to build more services. Joseph found a company to pitch his ideas to and told them that he would host all their data and they would be able to perform at light speeds faster than other competitors. That company was a Healthcare company, and they became Xander’s first client. Now Joseph is the Chief Executive Officer and President of Xander Technology. The company has grown from one employee to ten thousand employees nationwide. Xander's headquarters is in Tarboro, North Carolina with twenty other locations within the United States and major offices in California, Georgia, Missouri, New York, and Florida.

Xander’s Technology mission statement is to transform clients’ business, operating, and technology departments through more innovative and efficient business processes by using Xander’s cutting edge technology. Xander’s associates are dedicated, passionate, and committed to making a difference to our clients by growing their business to meet their customer’s need. Xander Technology is a company that helps clients, and its local communities out by giving the technology away to those who are in need. A word that is always floating around the company that Joseph tries to make part of the business culture is CHIPSET. Xander Technology believes in seven values that will continue to push to new levels. The CHIPSET values are the following:

• Communication

• Honesty

• Innovation

• Productivity

• Strive

• Effective

• Transparency

The foundation of these values is built on communication. Companies should be able to listen and communicate with clients to understand and solve their problems. Honesty between customers and Xander is the pillar of the company. We must be able to be honest with our customers so that they know we are an ethical company and are providing them products that we advertise. There also should be honesty between employees and management. Sometimes there is a gap between management and staff and Xander is trying to bridge that gap. Xander only hires the best and brightest minds to keep up with innovation. The company is diverse and has many different cultures and perspectives from everyone, so it brings new innovative ideas every day. Xander Technology is a very relaxed company because we make our employees feel comfortable so they can be productive. If employees are productive, they can strive to reach yearly, quarterly, monthly, and weekly goals that help the success of the company. We believe in being an effective company. To become effective, Xander must continue to streamline and automate some processes to make the business run easier. By being an efficient company, we provide our clients with the best products within the technology market. In the market, you should be transparent to show competitors your hand, so that Xander can continue to innovate and drive the market. Xander must be transparent with the clients. The company may need to push out a code fix that is going to cause a downtime. Even if the customer doesn’t like the downtime, it’s Xander responsibility to inform the client. That provides the client with more satisfaction that they are getting the best product we provide. Xander is a company that is trying to partner with global clients to meet their biggest challenges.

**Product Description**

Xander has started from designing wireless printers to being one of the top computer hardware and software companies in the United States. A list of products that Xander Technology provides its clients are:

• Wireless Printers

• Text Messaging Application (intertwine)

• Business Communication Applications

• Anti-virus programs

• Bare Metal Physicals

• Datacenter Hosting

• Computer Processors

• Linux Operating System

• Analytical Program

The goal of Xander is to help clients not be dependent on their data or systems. Xander wants to take the load off the of the customer by managing the platform and hosting the data for them. Some of the small products such as the wireless printers and communication applications provide a lot of benefit to Xander and its clients. Xander uses the technology that it sells customers so Xander can know if products have defects before clients do. The communications application is a chat that will allow customers to talk with each other across the company no matter where they are located. The chat also integrates with social media. Xander developed a text message application in which you can integrate the company's chat application with the text application so that employees will always be available if the client wanted. Bare metal physicals, computer processors, and a Linux operating system are what took the company to the next level. With all three of the previously mentioned tools, the company could build its datacenter. There are multiple physical machines and processors that a client can buy based on the performance. Colleges may not need the high-performance computers, but companies in the financial and healthcare industry need high-performance machinery because they must be resilient and capable of delivering data to their clients efficiently. By hosting client’s data, the clients don’t have to worry about the operating cost of managing the technology, and we provide them with the essential information which is the data. We have multiple datacenters hosted around the United States, and that provides clients with reliability because their data is backed up in more than one datacenter. The analytical program can analyze data ten times faster than an average computer. Clients can query their data, and the result can be returned in a matter of seconds. The analytical program will be what takes Xander globally.

**Reasons for Expansion**

Xander is trying to expand globally to reach new boundaries. There are many reasons for international expansions. Globalization allows countries to no longer be divided and Xander is trying to take advantage of it; however, there are disadvantages that Xander has looked thoroughly into before considering continuing efforts to make Xander a global juggernaut. The cons of international expansion are outsourcing, expensive, communication difference, time zone issues, currency, and government regulations. Depending on the cost of labor in other regions of the world, companies tend to outsource because it's cheaper, which cuts domestic jobs. It is also very expensive to start the expansion. Xander must find a place where we can work, deal with work permits if we are building, and find local employees. There is some worry that when a company expands globally that there is miscommunication between different cultures and the time zone differences could delay some business products. Before even following through with expanding globally, a company must consider the governmental regulations because depending on what technology you are selling, the government may force Xander to have a permit or have a surcharge for it.

The pros of expanding internationally are company growth, revenue growth, employee satisfaction, job security, staying competitive, continuing innovation, cost effectiveness, and reliability. Expanding internationally will increase the company growth. There will be more departments and more employees to work on projects. Working on more projects will allow Xander to increase its revenue. At Xander, we currently have an on-call 24/7 rotation, and if we can transition the on-call to off hours, so we have an international team take over from off hours, it would increase employee satisfaction. Expanding international will allow employees to have a better work-life balance. Since the company is growing and revenue is increasing from globalization, job security is a huge concept with current and future employees. Employees like to know that they have a future within the Xander. It will be cheaper to expand globally because you will reduce production costs and pay employees cheaper based on the local market.

Xander Technology has a plethora of data centers in the United States; expanding globally will allow the company to be more reliability. If you have a client’s data stored multiple places, it will allow for better security measures if Xander lost a datacenter from power failure or natural disaster such as hurricane or tornado. As stated earlier, Xander Technology is a company that helps clients and helps local communities as well. Xander is going to expand to rich international countries but also developing countries to provide better living and more employment. “It is true that the impact of globalization is visible and affects largely the politics and the economy of the country but its effect on the mindset of culture is noticeable gradually in the way people think and react” (Poushali, 2007). Xander is a good company right now and going global is how Xander will become a great company.

**International Strategy**

There are many international strategies that Xander can use to expand the company, but we must make the right choice. Picking the right strategy won’t break your company’s expansion, but it could put a hold on the expansion. Xander will be using a combination strategy between export and direct investments. We chose to combine these two strategies because it would benefit the international firm and Xander, rather than choosing licensing or strategic alliances. Some disadvantages of licensing are inflexibility and competition. If Xander gets a license, competitors have the same right to use the production process that Xander uses. If Xander did this, we might as well give our competitors a leg up in the market. A disadvantage of strategic alliances is shared ownership. Choosing this option will limit Xander’s control and profit. When decisions should be made about which direction the company should go in about product releases, employee termination, or company growth, the weaker partner will have to fall in line with the majority partner. Another big disadvantage of strategic alliance is cultural and language barriers. When a new culture has entered the work environment, there are different attitudes and egos that make communication globally tough to deal with. Advantages of licenses are increasing profitability and extending profitability. Advantages of strategic alliances are quick market entry and access to materials and technology. If you can create a strategic alliance with an international firm, we will have a leg up on competition because we can reach new markets quickly and it can increase brand awareness.

Direct investments and exports are the last two international strategies. Disadvantages of export are government regulations, transportation costs, tariffs, and taxes. Exporting is very expensive for startup companies because of the costs behind it. It also takes a lot of time and energy than most companies are willing to put in. Disadvantages of direct investment are more uncertainty, economic and political risks. Advantages of exporting is that it’s not much risk and no adaption is necessary. There are also greater profits because you eliminate the intermediaries. Advantages of direct investment are existing infrastructure and having enhanced control about the process. Xander’s focus is about client satisfaction, and we believe that the international strategies of export and direct investment would be the company’s best option. We chose this because it will allow Xander to know it’s customer base better and we have more control over the transactions. Direct investment will also allow Xander to impact the targeted economic development areas. Facilities are in place by international firms that will increase productivity in the market. There have been several cross-country studies that found that there is a negative relationship between direct investment and export. In contrast, other studies were shown that direct investment has a positive effect on export performance of host countries. (Enimola, 2011; Cabral, 1995; Blake and Pain, 1994).

**Process of Expanding Overseas**

The first step in expanding overseas is to determine the responsible person or department who will be handling the expansion. The CEO of Xander Technology won’t use an existing team within the company, but Xander will promote the Vice President of Marketing to Chief Marketing Officer (CMO). He will create a new department and hire ten new people to fill roles within this department. The department will be called Xander Technology Global Services. The team will consist of lawyers, marketers, engineers, and consultants. This team will be compromised of the United States and foreign employees because the company needs experienced employees who have handled global markets before. Xander needs to hit the ground running while expanding globally. We need lawyers who are familiar with foreign negotiations, contracts, and government regulations. It’s good to have experienced lawyers who have dealt with previous issues like this. If we hire someone new with good domestic experience, it will take time for them to figure out how laws and contracts work in foreign regions. The lawyers on this team with work with the current lawyers at Xander to compare how the foreign regulations and contracts compare to the United States. This will allow us to follow the government regulations for each country and it will allow us to negotiate without international firms trying to take an advantage of us. The CMO will hire marketers to help the company plan the international growth success strategy. The market team job will entail determining the primary markets of focus, since Xander is involved in multiple industries such as healthcare, banking, technology, manufacturing, and college sports. The market team will also put together a list of customers and products which best suit the market and the customers. This will be known as market penetration testing to guarantee that we can provide the best product to the client and its community. If the client is interested in datacenter, the engineers will look at what infrastructure can be used and does it meet the standards that Xander currently has in place to build datacenters. The consultants will work with the clients to determine the best implementation and process for installing new technology. Xander would like to hire international people because they may have business connections that could benefit the company.

Xander will not use an alliance or joint venture as a contact overseas but we will use a trading company. This aligns with Xander’s effort to use direct investing and export as the global strategies to use. As previously stated, an alliance or joint venture would have to put majority owner in either Xander hand or the partner. This does not align with Xander’s previous business processes. We chose to use trading companies because they are specialist in covering exports and imports operations. One of the advantages of using a trading company is that they specialize in emerging countries. Xander already uses containers and the rail system to transport through the United States. To transport globally, we will have to continue to use containers; start using ocean freight, and air freight. Air freight is the quickest way to ship your cargo. Xander will use this method if a client needs to get their system setup quickly. Xander will use UPS Express Freight to fly hardware internationally. They guarantee door-to-door delivery for shipments greater than 150 pounds to most major global metropolitan areas by the end of the day within one to three business days, but that depends on the destination (UPS). The UPS has 2 lbs ranges which are 155-999 lbs or 1000 lbs or more and they have a minimum charge of $800.00 (UPS). One physical computer is 250 pounds. If a client orders 50 of these servers, it will cost around $12,500.00. If a client is on a normal go live time frame, then Xander will export using ocean freight because this option is very cheap and the most efficient out of the transports methods. We chose these methods because it provided our clients with their equipment securely and promptly.

Xander will have to coordinate with the United States Department of Homeland Security to make sure we are following regulations with United Stats Customs and Border Protection (CBP). There was a change to a regulation that will benefit Xander’s exporting globally. Split shipments are “shipments that are booked for export that is divided by a carrier into more than one conveyance and sent on two or more conveyances of the same carrier from the same port within 24 hours for cargo transported by vessel and seven days for all other modes of transportation” (CBP). The change that was made to this regulation was that the requirements regarding split shipments will apply to all transportation methods and not just air environments (CBP).

To set the price for market and clients, it will depend on what the client is purchasing and the local market. If the market is a low-income country then setting the price high would defeat the purpose in providing clients with our technology. If the country is rich, we can set our normal prices based on the market show in the table below:

|  |  |
| --- | --- |
| **Product** | **Cost** |
| Wireless Printer | $100.00 |
| Text Message Application | $1.00/per download on tablet/phone |
| Business Communication Application | $10.00/per computer |
| Anti-virus programs | $50.00/per computer/per month |
| Bare Metal Physicals | $3500.00 |
| Datacenter Hosting | $30,000/per month depending on how many physicals |
| Computer Processors | $1500.00/per processor |
| Linux Operating System | $500.00/per computer |
| Analytical Program | $20,000/per month depending on client’s contract |

The CMO and his team will work on determining the market value per region that we are doing business in. The team will go out and conduct research on what clients are using, what they want, what they need, and competitor pricing. Based off that, the team can come up with good price that will benefit both the client and Xander. Since Xander specializes in datacenters, we will utilize facilities already built overseas and renovate them reflect business needs. Xander will manage these facilities by hiring a team that is local and specialize in what Xander is looking for in datacenter management. Xander will be able to manage the process same way it does it the United States. Employees will use badges to get in the door and to get into the server room employees should scan their fingerprint. This will guarantee the customer's data is safe. Xander is using social media such as Facebook live, Twitter, Instagram, and Linkedin to advertise the business and show how good our clients are using Xander’s systems.

**Conclusion**

Xander Technology has grown tremendously over the past 27 years. The computer hardware and software market is still expanding, but we do not want to become complacent, so it is time that Xander takes the leap into the global market. There are more pros than cons about expanding internationally. The biggest pros were the impact on developing countries, revenue growth, and continuing innovation. Those are the things that separate the good companies from the great companies. Xander is trying to brand itself as a great company and surpass our competitors in the market. When expanding internationally, Xander’s goal is to target new markets and creating additional job opportunities within rich and developing countries. Entering the global market will help Xander from declining markets in the United States. Xander Technology will be expanding overseas to increase profitability, increase population, grow client base, effect the local community, and increasing competitiveness.

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