

ENT603-Assignment 2

Michael Dell Case

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- Give three points which set Michael Dell apart from normal kids?

Michael Dell was different from other kids because

->He started his first business when he was in 2nd grade selling candy. He loved taking initiative and executing his ideas as seen in the stamp auction business where he connected stamp collection owners and buyers via mail.

->He was enthusiastic to learn and try out new things even when others thought it was way above his level. The incident when he applied for a high school equivalency through the mail shows his curiosity and confidence.

->He was passionate about what he did and always looked for a way/opportunity to generate profits and make money. His summer internship at Houston Post and his small garage business selling upgraded computers were two such instances of Dell show exemplary entrepreneurial skills.

- What is the most important action that Michael Dell took in his job at The Houston Post?

He looked for a way to increase his conversion rates (no. of calls per 100 he makes who buy a subscription of the Houston Post). His initial analysis/ observation was that newly married couples who have just moved in together constitute majority of the subscription sales. Dell figured out a way to get the numbers and addresses of these couples through the marriage license office in which this information was public. This simple insight and action of his contributed to a huge sales commission of \$18000, an enormous amount for a 16 year old boy.

- Why were PC sellers selling computers with older specs at a high price of \$2,000?

The whole industry, especially the supply chain was very inefficient. It took nearly a year for a part available from the manufacturer to reach the customer through several middlemen and distributors. So the parts were costly. When Dell opened up a computer worth \$2000 there were only parts worth \$600.

- What was the most innovative element in Dell's computer venture?
At that time PCs didn't come with hard drives. But you could put together a kit to upgrade a computer with a hard drive. That's Dell's company began, selling upgrade kits for computers. It took nearly a year for a part available from the manufacturer to reach the customer through several middlemen and distributors. So the parts were obsolete by the time the parts reached them. So by providing upgrades to the slow computers people had, he made millions.
- Why did Dell Computers grow very fast?
There was a lot of demand for upgrading computers. Michael Dell's company grew very fast because of his company's awesome service offered to the customer combined with credit deals with the manufacturers of the computer parts. He also accepted wire transfers and credit cards from customers which allowed him to get orders from remote customers and get more profits.
- Mention 3 innovations which impressed you most over the period of last one year.

1) Neuralink's brain implant chips which can help us communicate with our thoughts alone.

2) 5G superfast internet connection technology

3) Deepfakes using AI (particularly GANs: Generative Adversarial Networks)