PROJECT TITLE: Creative Electron, Inc., Service Growth Opportunities

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THE PROJECT HAS BEEN ACCEPTED BY THE PROJECT COMMITTEE IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION.

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Company service growth opportunity analysis

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Executive Summary

The main objective of this report is to identify the growth opportunities in regards to service provision of the Creative Electron company, that manufacture and service X-ray inspection cabinets for industrial and non-destructive (NDT) industries. This report will dive into the laboratory testing services industry and determine where market trends headed in regards to potential future service provision, and the lacks that the industry is currently experiencing in this area. This objective is to determine both vertical and horizontal growth opportunities due to enhancing service business of the company, and provide recommendations for Creative Electron, Inc. to target specific markets along this industry segments. Moreover, both vertical and horizontal approaches of the growth strategies will be further defined, and each strategy will be analyzed by its own advantages and drawbacks in terms of penetrating potential markets and attain the ultimate results. Additionally, this report will also analyze various aspects of the preventive maintenance (PM) approach of providing services to both existing and potential downstream consumers, and identify methods to improve the Creative Electron company’s strategies regarding this specific perspective.

The objective is to analyze the future needs for developing software section of the X-ray machines to not only enhancing the service growth opportunities for the company, but also improve the user experience of the entire products manufactured by Creative Electron, and mitigate the user interface lags.

Creative Electron would like to this research to identify the initial strategies that would enhance service section of the business and expand the service provision. Ideally, it would like to focus on improvements that help the company maximize efficiencies in approaches that it is
taking currently to penetrate markets that develop stronger brand recognition in the service provision area and capture a stronger market share.

Creative Electron tends to take advantage of its well-educated workforce, fairly high and steady barriers to entry to this industry, and current brand recognition throughout the North America to enhance the bargaining power that it possesses, in order to expand its value-added service business, and define paramount solutions to any potential lack of service throughout its operations. Creative Electron primarily operates in North America, and seeks to improve the globalization of its services.

There are major players operating within the laboratory testing services industry that has been identified in this report, and account for almost 20% of the entire generated revenue in this industry. The scope of their operations, corresponding revenue generated, and ways to penetrating the potential markets regarding each major global competitor is identified throughout this research paper.
Solution

To contribute to the goals of Creative Electron, this project analyzed and assessed the company’s current services operations. It also determined alternatives to its current processes. For this, facility size, scope of the operations, service provision goals priorities, and its products and attributed industries are taken into account to decide which markets to penetrate and how to tackle each initial strategy. Cost savings and efficiencies were analyzed based on possibilities for expansion and consolidation. Promising markets for penetration were studied to provide answers to the questions: how to overcome the threat of bargaining power of suppliers, how to emphasize further in pivoting the business from manufacturing simultaneously both hardware and software into more software, and whether to enter the areas that company does not operate currently, such as medical and security, and if the answer is yes what are some potential ideas.

The analysis was conducted in sort of a hierarchical approach, that first explored the methodologies that had been applied to better attaining the ultimate results, the industry background, and then analysis and recommendations were provided in detail.
Recommendations

Based on the analysis, it is recommended that the company acquire the most major X-ray machine service shop that is being operated in smaller scale, such as a domestic family-owned shop, that provides services to similar products and services as Creative Electron for lower costs, in order to both decrease the competition and increase its market share. Manufacturing consumable components that are embedded inside the X-ray products would be another alternative to further enhance the company’s service provision. One of main focuses of this research paper is to identify methods that assist expanding the preventive maintenance approach of the service section, and this has been explored thoroughly within this paper. Integration with major domestic competitors would be the next solution, that has also been taken into account and talked about as the reader proceed to reading this report. There are also several different methods that have entailed throughout this paper to expand the service business of the company horizontally, and attributed pros and cons are also implied. Lastly the approach that makes a better sense to take for the company has been chosen due to the limitations and business status.