

CASE STUDY

Described for the project: "The Hexagonal Leader"

Name of the organization

GRUPO EOS IBERICA SL

Website of the organization

WWW.EOSIBERICA.ES

Logotype of the organization

Type of organization

- Business organization
 Public administration
 NGO's
 Others (what kind?)

Size of the organization

- Small
 Medium
 Large

Economic sector

TECNOLOGIAS DE LA INFORMACION

Brief description of the organization

In the early days, when the Internet was only for the few, the Group manufactured multifunctional platforms or machines for Internet cafés. These would come to be called kiosks or information points. Around this type of terminals, a whole industry would emerge which today is called "kiosk", in which the EOS Group has been involved since its origins, becoming a national benchmark in this field. Currently, the Group manufactures, together with this type of terminals, all types of embedded solutions for environments that require anti-vandalism protection or protection against the penetration of water and/or dirt.

Grupo EOS Ibérica was founded in Cordoba in 2003 with the aim of manufacturing. To this end, companies from the metal industry and the computer sector joined forces. Its founders were the technology companies MC Informática (importer/wholesaler of computer components since 1995) and EOS Processor (its production and assembly centre for computer equipment since 2001). This alliance

was joined by companies with a more industrial profile and specialised in metal transformation and moulding, all of which have now been re-founded under the name of the EOS Ibérica Group. Subsequently, partners and cooperatives specialised in carrying out specific jobs have also joined the company. Grupo EOS Ibérica offers itself as a manufacturer of technological solutions that solve problems such as protection, ergonomics or adaptation to the environment, thus facilitating the use of technology in unattended spaces, both indoors (indoor) and outdoors (outdoor). For this purpose, it has a wide catalogue of supports manufactured in Spain through the moulding and transformation of metal and designed for the integration of all types of electronic and computer components.

The Group also has the capacity to undertake any type of customised project to integrate IT or electronic components involving metal, technology and design. In addition to its specialisation, the EOS Group is characterised by its flexibility in adapting its products, which makes it the perfect ally for developers, consultancy and engineering firms, as well as software factories that, without having to incur structural costs, can provide their customers with solutions.

Case study description (situation / the problem they are facing) [max 2000 characters]

In the early days, when the Internet was only for a few, the Group manufactured multifunctional platforms or machines for cybercafés. The company realised that the sector was changing and, faced with this problem, decided to specialise, moving from wholesale to manufacturing. This change changed the whole value chain and the customer. The company began to grow, we set up our own production plant and opened sales offices in Madrid and Extremadura, reaching a significant turnover and having a staff of 34 workers. The arrival of big stores (for example Media Mark) and the transition from the classic computer to the laptop left us with very little market for the integration of computer components. This situation led us to have to make very complex decisions to ensure the survival of the company.

Suggested solutions (added pros and cons)

After assessing the company's situation with regard to the new market requirements, the company had to make very complex decisions:

After thinking a lot about the possible solutions that the company had to overcome this difficult situation due to the adversities of the market, the decision taken was **to look for other business alternatives**.

- **Specialisation.** Combination of a policy of differentiation and a policy of segmentation.
- **Diversification.** Search for new products or markets to replace existing declining products or markets.
We decided **to move from professional computing to industrial computing and go into manufacturing**.
- **International development.** Search for cheaper or more secure sourcing and/or better sales opportunities.

CONS:

- **We had to close the commercial offices in Extremadura and Madrid**
- **We had to restructure the workforce and lay off some of our employees.**
- **We had to sell the buildings where we had our offices and we had to move to an industrial estate.**

- Lack of products because most of the industrial products were in ASIA. We had to make an important investment to go to China to establish contacts to look for components that we needed to integrate in the machines. Investment in production capacity.
- Lack of liquidity .Indebtedness.

PROS:

- It was the opportunity we saw to keep the company running despite the difficult decision to lay off workers and close two offices. But it was necessary for the company to continue to operate.
- After the difficult period in china the results started to show both in terms of customers and growth.
- Decision-making at the right time is what keeps the company alive today

Chosen solution

The chosen option was to diversify and innovate but to specialise in multifunctional platforms .We decided to move from professional computing to industrial computing and go into manufacturing. EOS diversifies its business when it simultaneously adds new products and new markets to existing ones, expanding its business portfolio. It was a difficult and tough growth strategy as the company enters competitive environments.

Rationale of the decision taken

My responsibility as manager of EOS Iberica was to ensure the survival of the organization for which I am responsible. The explanation of why we made that decision was because markets are changing and more so in the sector in which EOS works, which is the technology sector. If a company does not diversify, it is born, grows, and dies with its only product. The company lasts as long as the product lasts. Sometimes the life cycle is long, sometimes it is short.

As I explained before, the appearance of big stores and the transition from the clone computer to the laptop left us with very little market margin and that is what led us to new business alternatives. Nowadays we are more an engineering than a computer company, and we are specialized in the manufacture and prototyping of technological solutions with a catalogue of about 100 references of our own manufacture.

Solution implemented in practice

- **The first step was to take stock and assess the situation to determine the stage the company was at and implement the necessary measures accordingly.**
- **The next step was to identify the risks and indicate possible solutions.**
- **Based on the possible solutions we found, what we did was to redirect the business model itself.** Before we lost more customers and sales dropped, we had to adapt to the new market situation. After many meetings with the staff and studying the situation we decided to move from professional computing to industrial computing and go into manufacturing

The strategy EOS Iberica used to adapt to the market was as follows:

- Take a critical look at the business areas covered so far.
- Identify and abandon areas that hinder development (if there are products that do not meet demand). as I explained before due to the appearance of big stores (Media mark...) and the transition from clone computers to laptops.
- Identify core skills and focus on them if needed.
- Assess and realign staffing and staff resources
- Define new strategic objectives
- Exploiting synergy effects with other business partners and markets
- Expand sales areas (taking into account the foreign market) and distribution channels
- Increase competition and market observation
- Include innovative products and position ourselves in relation to the competition.
- An implementation plan ensures that the measures taken guarantee that the company will be competitive in the long term.

Lesson learned

- **EOS was able to adjust the company to the changing market, to scenarios of permanent change in the market.** At EOS Iberica we have learned that a company is a living thing and that it has to adapt to the changes that occur in the market. A company is not something static, the market is changing and as a company either you adapt to the changes or the company ends up disappearing. The survival and longevity of organisations will depend on making adaptability your strategy, and that is what EOS Iberica did.
- **To combine specialisation and diversification as strategies of the company EOS Iberica.** EOS Iberica intensified its efforts on its regular products, improving them and expanding its sales, both in existing and new markets. EOS diversifies when it simultaneously adds new products and new markets to existing ones, expanding its business portfolio.
- **The importance of human capital in EOS Iberica.** The human capital was fundamental to achieve the objectives of the company and thanks to the sum of the knowledge, skills and abilities of the people who are part of EOS Iberica, the objectives have been achieved and the company has overcome the most difficult moments that the company has gone through.
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Connection to the six skills depicted in the project

- **Make decision.** EOS Iberica has had to make important decisions on several occasions, often under pressure, and it must always be borne in mind that the decisions taken will affect existing structures and cause misunderstandings among employees, customers or business partners. Even if it means making unpleasant decisions and having to deal with setbacks.
- **Feedback and communication.** At EOS, it has been and continues to be essential to give great importance to communication during times of setbacks, difficulties in the company as well as during adaptation processes: decisions often involve new approaches for the staff, along with new work processes. It is therefore necessary to communicate such decisions with appropriate tact and sensitivity. On the one hand, you have to be transparent in informing employees about the situation, but on the other hand, you have to avoid demotivating and discouraging them. At EOS Iberica, communication is part of the company's management and we have a communication plan in place that takes into account the following:
 - Inform quickly: employees should be informed of problems and actions to be taken

- Clear reporting: It is recommended that the manager clearly define the problems in order to avoid the risk of creating a feeling of unease and demotivation among employees and partners
- **Coaching.** At EOS iBERICA, results orientation has been a fundamental strategy, directing all the company's actions towards the established goal, acting efficiently, swiftly and with urgency in the face of important decisions that are necessary to surpass our own standards and, ultimately, to be better than our competitors. In EOS, certain goals are set jointly with the whole company that help to look for the best and take responsibility for decision making. For EOS, results-orientation means seeking maximum performance, working beyond one's own standards, working as a team towards a common goal, adapting to any changes and taking on board any mistakes that are made along the way, continuing to work and focusing quickly on the goals set, even if this means continually revising strategies.
- **Mindset and values.** EOS Iberica's main objective is to achieve stability for the entire group that is part of the company.
For EOS it is important to foster the relationship between the employee and the company as it is essential to set common goals and objectives. To maintain success within the company, EOS Iberica requires values as important pillars. At EOS Iberica, we understand that the more united we are, the more likely it is that the team will share common values, attitudes and standards of behaviour. Teamwork is beneficial not just for one person but for the whole team involved. It will bring more satisfaction, it will also teach respect for each other's ideas and help employees to establish greater development and higher levels of productivity. When a working group shares the same values, it will have the necessary energy to carry out its activities successfully. If individual values are in conflict, there will always be difficulties and the team will not reach the expected potential.
- **Leadership.** In EOS it has been and is fundamental the existence of a leadership that has the capacity to determine the appropriate objectives (doing what needs to be done), properly managing the environment and being competitive. The leader in EOS Iberica is the support of the team, the one who empowers workers to develop their concerns, initiatives and creativity. He encourages responsibility, team spirit, personal development, creating a spirit of belonging that unites the collaborators to decide on the measures to be taken.