Abstract:

PCCI is a unique computer company serving the market as a neighborhood shopping centre since 1991. A family-owned corporation since 1992, PCCI has moved from initial losses to current profits.

PCCI’s strength is being a one stop shopping centre providing prompt service and quality products. Weaknesses are low morale of employees, a conservative management, and inadequate marketing.

The rapid development of the personal computer (PC) industry is making PC a commodity product, and is helping the society quickly enter into the information age. The stiff competition in the industry has given consumers most benefits, including faster and smaller computers at much cheaper prices.

Since 1991 the Philippines moved from negative to 7.5% growth rate in 1996. The potential of the Philippine market has drawn the attention of a large number of foreign investors to invest in the Philippines. The growth of the corporate sector resulted in intense competition and eventually more investment in information technology (IT). Also the government is allocating bigger budget to IT.
The current economic condition in the Philippines presents PCCI with the following opportunities:

1. Billions of pesos allocated for IT projects by the government

2. A 25% annual growing rate of the PC market which is estimated to increase up to year 2000 and beyond.

3. Inflow of foreign investment into the Philippines.

There are also threats to PCCI in the environment. Some of these are the decrease in the price of PC, and the intensify competition in the PC industry.

To compete effectively in the highly competitive PC industry, PCCI should pursue a focus, cost leadership and differentiation strategy to maintain its advantage over other PC vendors. This strategy will help to expand the market for the industry as a whole.

PCCI should restructure its organization and create a marketing department. The marketing department and technical department should have a marketing manager and technical manager respectively. Managers should be given full authority to improve their respective departments. Managers and employees should work as a team in a functional management system.

With tremendous opportunities lying ahead, as long as PCCI can be competitive in quality and cost, it can maintain and improve its growth momentum in the coming years.