

Strategic Management
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IMI Critical's Customer Care Strategy

A Report For

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By

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Executive Summary

IMI Critical is a UK based organisation offering bespoke engineering systems to oil/gas, renewable energy, nuclear power and defence. IMI's sales reach a global scale, and this report will discuss how the organisation will improve its customer care strategy. The macro-environment was reviewed through a PESTLE analysis assessing several opportunities/challenges from political, environmental, sociological, technological, environmental, and legal factors. These factors are external and beyond the control of the organisation. A micro-environment review was conducted using a SWOT analysis to examine internal business factors this identified current strengths, weaknesses, opportunities and threats. A TOWS analysis was then conducted to cross-reference the external and internal factors from the PESTLE and SWOT. The result of this gave multiple strategy options taking into account both internal and external factors. The next stage of the report identifies the marketplace IMI operates in and the forces which impact the business using Porter's Five Forces analysis. The way IMI generates its competitive advantage was then determined using a combination of Porter's Generic Strategies and Bowman's Clock. This analysis identified that IMI creates its competitive advantage through product differentiation due to the resources/products on offer to their customers. In conclusion, the strategy aims to offer customers a personalised experience through an omnichannel service that provides tailored and seamless experiences. Digitalisation advancements will allow IMI to connect manufacturing sites with an omnichannel service. This will display real-time and accurate project updates to customers and streamline their service. However, the report does acknowledge areas that promote challenges for IMI's customer-focused strategy, such as the increase in flexible/remote working and a post COVID era and the tightening of data privacy rules globally as digitalisation trends increase. Ultimately, as defined within this report, IMI has the capabilities and resources to implement its newly formed customer value proposition, but this will require a top-down approach and clear communication from senior management throughout the entire global organisation.

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1.0 Introduction to IMI Critical

IMI Critical are a world leader in supplying complex engineering systems. They supply a range of products to the following industries; oil/gas, renewable energy, nuclear power and defence suppliers. IMI is UK based and operates globally across sixteen countries, and employs over four thousand employees.

This report will conduct a strategic analysis of IMI customer care programmes with the focus being to drive sustainable competitive advantage within its marketplaces through innovation, providing customers with a sustainable hyper-personalization experience.

2.0 PESTLE Analysis

The report will begin with an analysis of the macro-environment using the Political, Economic, Social, Technological, Legal and Environmental (PESTLE) model. The PESTLE model can influence the strategic direction of an organisation by identifying critical external factors combined with highlighting the current external factors impacting IMI's customer service experience (Srdjevic and Bajcetic and Srdjevic, 2012).

2.1 Political

IMI is a UK based organisation operating globally. In order to improve its customer experience service, the organisation needs to identify the current political situation of the UK in terms of trade. On the 31st December 2020, the UK officially ended its transitional period and left the European Union single market (Walker, 2021).

As a result, the UK is forming trade deals with other countries. Its first independent trade agreement was with Japan and came into effect on the 31st December 2020, titled the UK-

Japan Comprehensive Economic Partnership Agreement (CEPA). Japan is the third-largest global economy and will provide the UK with tailored benefits, including (but not limited to) data analysis, digital services and technological developments. It will generate an estimated £15 billion in UK trade imports and exports, providing long term UK economic growth post-Covid-19 (British Embassy Tokyo, 2020).

The UK has also signed a trade agreement called the UK-Canada Trade Continuity Agreement (TCA), which began on 1st April 2021, superseding the Comprehensive Economic and Trade Agreement (CETA), which covered the UK whilst it was in the European Union single market. The advantage of the UK- Canada bilateral trade agreement (TCA) is that the tariff quotas are customised to promote trade between the UK and Canada (GOV, 2021).

The more significant impact of the UK operating as an independent country gives further credibility in applying to join the Comprehensive Trans-Pacific Partnership (CPTPP). Being one of the world's largest free trading markets, in 2019, the CPTPP generated £9 trillion in GDP (Department for International Trade, 2021). The UK formally applied to join the CPTPP in 2021, which will significantly increase current UK and CPTPP trade levels, which were £53 billion on imports and £58 billion on exports in 2019 (Webb and Ward, 2021).

2.2 Economic

The Covid-19 pandemic has had a significant impact on the UK economy. It is calculated that during 2020 the UK economy saw a decline of 9.8% in GDP, the most significant decline since 1948 (Hariari and Keep and Brian, 2021).

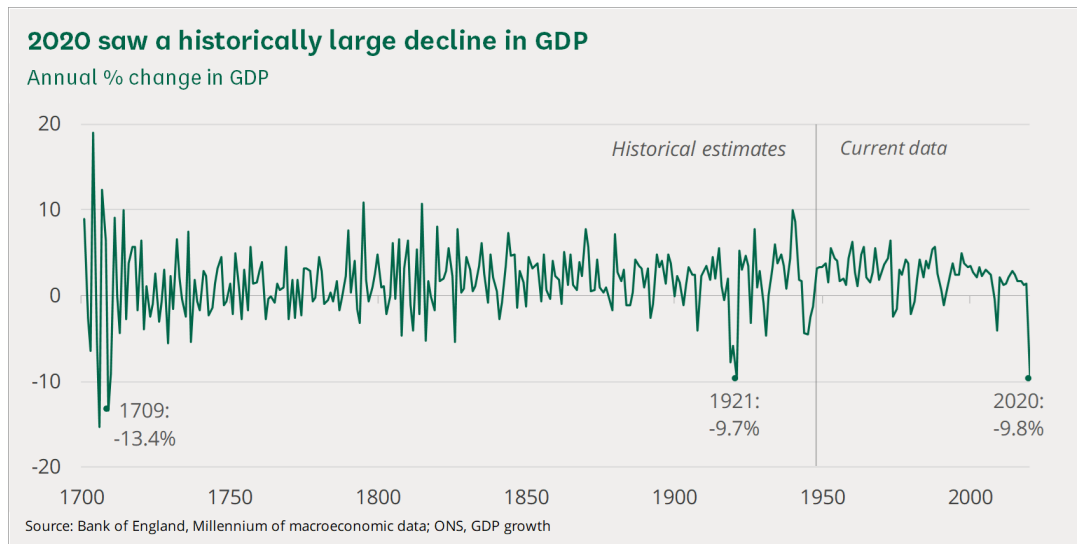


Figure 1: 2020 GDP Decline 9.8% (ONS, 2021B).

The UK economy saw a strong recovery from spring 2021, resulting in GDP rebounding to only 2% lower than pre-pandemic levels. Subsequently, the economic recovery has caused inflation to rise, with an expectation to continue rising into 2022 (Hariari and Keep and Brian, 2021). It has been reported by ONS (2021B) that the impact of inflation rises will lead to cautious consumer spending, contributing to a delay in economic growth. It provides further uncertainty within the labour market, which reports 862,000 vacancies from April to June 2021, which is an increase of 77,500 compared against the pre-pandemic level in 2020 (ONS, 2021A).

2.3 Social

Customer service experience has been moving to more of an on-demand model over the last decade. With the conventional 9-5 working hours becoming unable to meet customer expectations. The main reason is globalisation. Potential customer markets have significantly increased, creating extra demand for the service experience offered across different continents and time zones (Kamalaldin *et al.* 2020).

Organisations have been adapting to this increase in demand, with remote/flexible working becoming part of standard working practices. Taking advantage of the unique requirements that certain employees have regarding life commitment and their availability to work.

Providing businesses with the opportunity to meet customer expectations by allowing employees to work remotely with flexibility gives the business increased access to customer support resources (Philips, 2020).

The Covid-19 pandemic has exponentially increased the rate at which flexible /remote working has evolved within a business. ONS (2021C) explains, “The proportion of working adults who did any work from home in 2020 increased to 37% on average from 27% in 2019”.

For many businesses, the pandemic has forced their development of flexible/remote working adaptability has been key to their survival, with many adopting the new style of working practices into everyday operations. This shows the adaptability and change of businesses that promote individuality, and inclusive working environments maximise their scope and diversity of talented individuals.

“Online job adverts including terms related to “homeworking” have increased at a faster rate than total adverts, with homeworking adverts in May 2021 three times above their February 2020 average” (ONS, 2021B).

2.4 Technological Advancements

Globalisation has created opportunities between different geographical regions. However, the advancement of digital communication technology and systems has provided the most significant opportunity for organisations to enter new markets. Digital platforms are creating remote manufacturing facilities capable of providing live data accessible remotely. The growth of the internet of things (IoT) and industry 4.0 are pivotal in advancing digital manufacturing trends (McKinsey & Company, 2016).

“Many of the challenges associated with digitising national economies are now playing out on a global scale. Industries are being disrupted by new entrants, value chains are re-forming, and profit pools are shifting.” (McKinsey & Company, 2016, p. 21).

Combined with the technological advancements within digital communication has enabled organisations to connect with customers in ways that were not previously possible a decade ago (Kamalaldin *et al.*, 2020). McKinsey & Company (2020) described that customer hyper-personalisation would play a pivotal role in creating a competitive advantage for organisations through strategic customer-orientated experiences.

Previous to the Covid-19 digital customer personalisation was an integral function of customer service models. However, the pandemic has accelerated this trend with the rise of flexible/remote working with customer expectations aimed more towards digitally-focused

platforms, which removes the traditional barriers of set working times and availability of information (CIPD, 2021).

Omni-channels are gaining popularity through seamless customer experiences across various digital platforms, ensuring customers have a standardised hyper-personalised experience integrated into their general environment. When combined with technological advancements within AI, Omni-channels can offer customers an integrated experience with 24/7 information/support that remains current regardless of customer engagement styles (Barger and Payne and Peltier, 2017).

2.5 Legal

The transition into a digital-focused era has increased consumers digital footprint and data generation; however, industry requirements for handling customer data are becoming tightly regulated. The UK implemented the Data Protection Act in 2018 to regulate how general data protection regulations (GDPR) apply. The implications of organisational data breaches, regardless of the cause, hold serious consequences. Kamleitner and Mitchell (2019) explain that data collection from the perspective of an organisation create a sense of responsibility in how data is analysed. The increase in data protection policies globally will significantly increase as the adoption of data analytics becomes further accepted over the next decade. This will lead to the complexity of regulations as countries adopt their standards (Kehr, 2015).

2.6 Environmental

Organisations across the globe are focusing on creating a sustainable world. Topics such as reducing waste reduction, reducing carbon footprints and achieving natural carbon status are now expected from organisations. The rise of corporate social responsibility (CSR) holds organisations accountable for their impact on the world. Carroll (2021) explains in a report examining the future of CSR: “With the recent COVID-19 pandemic, however, the stage has been set for businesses to upgrade their CSR, purpose, or sustainability initiatives and commitments” (Carroll, 2021, p. 1276).

The impact of business travel is reported as a significant contributor to global warming. It is becoming essential that under CSR, organisations look at an alternative to long-distance travel when conducting business to reduce carbon emissions. The progression of technology and digitalisation allows business to be conducted globally with limited or no travel required. This has been further advanced during the Covid-19 Pandemic. It is reported that the Covid-19 pandemic is responsible for the most considerable reduction in carbon emissions experienced since the end of World War 2 (Nguyen et al. 2021).

3.0 SWOT Analysis

3.1 Strengths (Internal)

IMI provides a vast product range covering numerous industries, naming its main largest sales areas: Nuclear & Defence, Oil & Gas and Medical Life Sciences. The organisation's main strength comes from its global reach, which provides the business with the ability to offer a varied range of market requirements, such as:

- Large complex turnkey engineering systems.
- Single replacement products.

- Engineering services such as repairs/service programs.
- Technical applications support.

Its global reach provides IMI with access to numerous skill sets, enabling individual IMI business units to support each other when required. This harnesses the skill level capabilities of IMI, providing it with engineering solutions that provides a superior product/service to that of its competitors. IMIs internal global resources bring the advantage of being very competitive on price. It creates one point of contact for a customer, which reduces the complexity of any customers supply chain in coordinating and delaying with multiple third-party product suppliers. Kinkel (2016) describes the development of capabilities and knowledge-based resources within an organisation as a competitive advantage that is quality-focused and sustainable, providing flexibility and adaptability to process.

IMIs global reach and capabilities have contributed to developing its long-term, high-value contracts with the Ministry of Defence, Rolls Royce, BAE Systems and Northrop Grumman. Creating a solid branding for IMI products allows it to charge a premium for its services.

3.2 Weaknesses (Internal)

Long project lead times and customer experiences during development projects are the most extensive area of weakness within IMI's business model. IMI has extremely high-level engineering capabilities globally; however, different skill sets and capabilities are in different global regions.

The poor customer communication is created from IMI's strategy to use economies of scale to provide unique products to its customers. The results are that customers are provided with

bespoke complex turnkey engineering systems, but they must be transported globally during product development. This creates several customer communications issues, accounting for the highest negative score when requesting customer feedback on project completion. Spider (2015) describes poor customer communication as potentially losing further business and impacting any professional recommendations.

When a customer places an order with IMI, they are given a customer services assistant, who is available for any questions and provides updates on the status of the customer's product with regards to factors such as lead times. All customer assistants were previously based in IMI head office in Birmingham, a business administration site. This creates problems for the customer services assistant in tracking products and their progress, which could potentially be at any of the twenty engineering facilities worldwide. Customer services assistants are disengaged from real-time manufacturing and constantly lose time trying to track down customer orders.

The Covid-19 Pandemic has further increased the challenge for customer services assistants who, in the majority, work from home. This has further disengaged IMI's internal customer's services ability to provide IMI's customers with an accurate, personalised experience in communicating the stages of manufacture and current manufacturing lead times. Hafermalz and Riemer (2020) have researched the impact of the COVID19 pandemic on increased remote working and explored productivity issues. They have identified that there is also a severe risk to employee wellbeing from disconnection from an organisation.

3.3 Opportunities (External)

The acceleration of digital platforms has rapidly changed how businesses monitor their performance through data analysis tools and live generated data from the developments of industry 4.0. These digital manufacturing tools are becoming standard practice within all manufacturing sectors. Providing organisations with the ability make to informed business decisions based on accurate and real-time data (McKinsey & Company, 2016). It provides IMI with the opportunity to develop its manufacturing control further and, combined with its global presence, ensure that the business operates as one entity across all its manufacturing facilities.

Real-time data platforms within IMI's manufacturing facilities would also improve IMI's customer service experience. Customers would be given live and real-time data on their orders, with regular updates from automated feedback systems reducing customer resources when tracking orders.

The technology section of the PESTLE analysis has also shown the increase in Omni-channels providing customers with a seamless single digital platform for all their requirements. Creating an Omni-channel that combines digital manufacturing data, customer orders, and other requirements creates a customer-centred experience. It is this increase in customer experience that would create a competitive advantage over IMI's competitors.

Offering an Omni-channel experience also benefits IMI by building a customer portfolio, providing valuable insights covering buying habits, analytical data, and customer

requirements. In turn, it helps them develop and improve customer personalisation which can be offered (Barger and Payne and Peltier, 2017).

The PESTLE analysis identified a significant change impacting the external environment because of the Covid-19 pandemic of how the “normal” working environment has adapted into an increase in remote and flexible working—allowing IMI to employ more customer service assistants to cover its global presence. Breaking away from regular “9 to 5” working conditions will allow the business to access talented individuals currently excluded under the standard “9 to 5” business model. This opportunity further increases when reviewed against the Economic section of the PESTLE, highlighting that the number of job seekers has increased in the UK by 77,500 since 2020 (ONS, 2021A).

The PESTLE’s acknowledgement of the UK potentially increasing global trade through its application to join the CPTPP, allowing IMI to increase overseas trading. The requirement for customer services assistants working a range of flexible hours would solve different time zones as global trade increases (GOV, 2021).

3.4 Threats (External)

PESTLE analysis of the political state analysis identified that as the UK enters a new position of negotiating free trade agreements such as with Canada (GOV, 2021). The CPTPP, as of 2019, generated £9 trillion in GDP and is categorised as one of the most comprehensive free trade agreements in the world (Department for International Trade 2021). This opens the door for countries to enter UK markets for supplying engineering systems. An example of a CPTPP member is Japan, one of the world leaders in engineering capabilities defined by its reliability and cost-effective production systems. Japanese engineering/manufacturing

capabilities are an area of interest that researchers focus on for best practice studies (Yusof and Othman, 2016).

The current situation of IMI's staff being offered remote and flexible working conditions also creates the threat of further disconnecting employees from its core business focus engineering services. There is potential that employees working from home will shift their workload to on-site employees, creating a cultural upset. This disconnection threat may also impact customers who require project updates whilst customer services assistants work from home (Hafermalz and Riemer, 2020).

The rise of remote and flexible working also poses the risk of direct competitors poaching staff as with remote working, the location of the workforce is not an issue. For example, it gives competitors access to IMI's customer services assistants who work from home regardless of where the competitors' facility resides.

As the engineering sector becomes more digitally focused globally, there is a threat to customer data that companies store. Currently, IMI does not use any industry-standard data protection leaving it open to cyberattacks, potentially creating a lack of customer faith, significant fines and damage to the business and loss of customers (Kamleitner and Mitchell, 2019).

4.0 TOWS Analysis

	External Opportunities	External Threats
	Advancing Digital Technology	Remote/ Flexible employee working being poached by competitors.
	Increase in Global Free Trade Agreements	Customer data protection
	The Digital revolution across manufacturing and customer services.	Increase in Global Free Trade Agreements advancing nations (Japan).
Internal Strengths	S-O Strategy	S-T Strategy
Wide global reach for manufacturing and engineering sites	The advancing developments within digital technologies are enhancing the connectivity of organisations and customers. Geographical barriers are reducing. The customer service experience is moving to a 24/7 on-demand personalised function, providing a seamless customer experience that personalises and engages. IMI's global reach can capitalise on this technological advancement and extend its global engineering reach to its customer services through digitalisation. Reinforcing its brand association of complex engineering capabilities provides a competitive advantage through a customer-centric approach.	The increase in free global trade for UK based companies and the potential accession into the CTPTT creates an increased risk in competition for IMI. The numerous markets that IMI operates within may become more competitive with an increased supplier range for customers once current trade barriers are removed/reduced. However, IMI's global solid branding and global footprint will counteract an increase in competition from lesser-known brands within specific geographical regions. The promotion of IMI's brand will increase through the quality and complexity of its turn-key
A diverse range of engineering capabilities and remote working.		

Strong Branding and globally certified for a range of applications.

Implementing digital platforms such as Industry4.0 within IMI's manufacturing facilities will create a customer-centric approach that provides customer service assistants with real-time information regarding customer orders.

Increasing the accuracy of customer information whilst reducing customer resources in tracking their orders.

Using an Omni-channel delivery method of customer information will ensure all customers receive a personalised experience, creating data of spending habits and customer patterns. Providing IMI with data to identify individual customer requirements.

IMI's support of remote and home working increases its potential to diversify its workforce and creates the opportunity of expanding its customer support. In conjunction with the increases in free trade agreements and the possibility of joining CPTPP, a more diversified customer services department located globally will reduce common global trade barriers such as language and cultural requirements.

solutions supplied globally. This is possible from its diverse skills and workforce. The strategy should be an aggressive marketing approach within countries with similar engineering capabilities, such as Japan, to take a strong foothold in their markets.

Customer data protection creates a risk to IMI as it develops its digitalisation within its manufacturing facilities and collects customer data for marketing purposes. As IMI's digital footprint increases, so do the opportunities for a data leak to occur in the form of a malicious cyber-attack or accidental internal leakage. To avoid the severe implications of a data leak, IMI should use its sizeable global footprint for job advertising for the most incredible talent in cyber security systems, implementing robust safeguarding systems to protect the data it acquires.

As industries are more towards remote/ flexible working, this creates a risk to IMI that its employees maybe be poached by direct competitors and also other business sectors. This can be countered by IMI's strong branding, which signifies high-quality products and the personal development of staff,

Ability to provide turnkey solution		which comes with an array of additional benefits and the added attraction of job security due to the organisation's size.
Internal Weaknesses	W-O Strategy	W-T Strategy
Long project lead-times.	The advancements of digital technology will help provide IMI with the opportunity to improve the weakness within its global communication platforms between sites. This will help reduce the long lead times customers are experiencing through live information sharing, providing customer services assists with real-time and accurate manufacturing information regardless of site.	A strategy implemented to reduce the disconnection that IMI employees feel from the business when remote working through employee engagement and promoting a one-team environment—promoting training, development and teamwork. This would significantly reduce the threat of competitors poaching staff with offers of development and training.
Global communication delays between internal sites and customers.	The current remote working disconnection, which is being experienced by IMI's workforce, will also be improved using a standardised digitisation experience. This is an area that will require constant review to take full advantage of potential free trade agreements, which will cause the business to expand into new geographical locations.	Improving the weakness of long project lead times through the lack of communication between IMI sites needs to be addressed to reduce the business losing customers to any new competition, which will enter IMI's markets as the UK's free trade agreements increase.
Employees disconnected from the business through remote working.		

Table 1: TOWS Analysis for IMI Critical

5.0 Porters five force understanding the competition

Porter's Five Forces philosophy will be conducted in this section. The purpose is to identify marketplace competitiveness from the five forces that influence IMI specific areas of operation:

Influencing Force	Forces Description
1: Competition:	IMI operates within industries with low competition from; SWAGELOK, Velan, FLOWSERVE and Suzler. All these companies operate globally with comprehensive resources available. IMI is of a similar scale to the competition. However, IMI has one essential product differentiation. They supply Suzler and SWAGELOK with several critical components for their systems; these are then rebranded as Suzlers or SWAGELOK'S own pressure systems.
2: Supplier Power:	IMI is self-reliant for all of its major components, utilising global manufacturing capabilities. The only components that will need to be sourced are standard components such as consumables. There is a wide variety of suppliers for these low-cost components globally. The results are supplier bargaining power is significantly reduced. This also creates the security that IMI can maintain its product quality levels internally.
3: Buyers Power	A few customers exist within IMI's industries, but customers will increase if free trade agreements expand between nations. A high level of research and development is involved before final products begin manufacture. These create a barrier for IMI as customers are less likely to switch to another supplier once the initial high-value research and development costs.
4:Threat of New Entrants:	The risk of new entrants is low due to the wide range of resources required in entering the market, such as; oil/gas, renewable energy, nuclear power and defence. There are also strict legal certification processes that require compliances. These regulations can differ depending on the country of supply, discouraging new smaller domestic-based market entrants.
5: Threat of Substitute Products:	The global demand for clean energy increases, and the nuclear industry is crucial for that growth. The product designs may adapt to meet changing requirements, but the nuclear sector holds a strong future for the foreseeable future.

Table 2: Porters Five Forces Analysis IMI

6.0 Identifying Competitive Advantage Strategy

The theory of Micheal Porter generic strategies will now be conducted to determine the direction of focus IMI should take to develop its competitive advantage within its marketplace. The results of the prior Pestle, SWOT and Porters Five forces models will be used as the baseline for this analysis.

Porters model is sectioned into four quadrants:



Figure 2: Porter's Generic Strategies Model (MindTools, 2021).

IMI does not sit within the cost leadership quadrant and does not follow the general characteristics of a cost leadership strategy, containing: high volume production and non-customisable products. The business benefits from its global footprint in terms of manufacturing capabilities and utilises economies of scale; however, products are not low-cost compared to competitors and are not widely available to all potential customers. IMI

does reduce manufacturing costs as part of its continuous improvement programmes; however, the aim is to increase product quality. The cost reductions pass onto the customer; however, these are not reduced to win customer orders. The features and applications of the products IMI supplies are complex and advanced, with customisable features as per customer specifications.

It is this product uniqueness and customisable options that fit IMI within the product differentiation strategy. IMI uses this product differentiation to charge a premium price within its market using its global reach to further promote perceived quality through solid branding and collection of loyal customers. The customers' markets that IMI operates within allow the business to charge a premium for its services and products based on quality, uniqueness, loyalty, and strong brand association, allowing IMI's customers a reduced sensitivity to price (Tanwar 2013). The use of customer loyalty and strong brand awareness also creates an entry barrier to new/potential competitors. To attract new sales, competitors need to offer a service or product that a customer values higher than what IMI currently offers.

IMI, to some degree, also sits within the differentiation focus bracket for the defence markets. Using Bowman's strategy clock in conjunction with Porter's generic strategies model creates a more visual indication of where IMI gains its source of competitive advantage, which is between four and five on Bowman's strategy clock. IMI's differentiation focus is created in its defence markets, providing customers with projects teams specific to their needs which help them concept, design and manufacture a product. This goes beyond product features and focus on customer engagement and providing additional resources to assist customers. As Tanwar (2013) describes, competitive advantage is a differentiation focus through an organisation's effectiveness rather than its efficiency.

7.0 IMI's Customer Strategy – Digital hyper-Personalised Customer Care

IMI's customer-focused strategy will create a competitive advantage through its ability to provide a world-class customer service experience. The strategy will focus on how new and existing customers receive exceptional service built on the foundation of IMI's creation of an omnichannel digital service experience. This will change how the entire business operates across all divisions and ensure that customers receive a seamless experience when dealing with IMI.

An omnichannel service will further enable IMI to personalise its customer experience through:

- Automated project generated updates.
- Product & Sales lead generation.
- Only advertising products that are relevant to customers.

An Omnichannel service will leverage digital technology, assisting customer engagement through digitalising manufacturing facilities. An Omnichannel system will allow IMI to improve its competitive service by incorporating its manufacturing process across its global footprint. The key is to connect the entire business as one singular entity, reducing delays in information and project updates between sites.

Customer services need access to real-time data with the ability to track customer orders regardless of location. This will provide customers with real-time project updates on demand and fit their time constraint schedules. Plus, reduce customer resources in gathering updates creating a saving and extra provided value.

IMI will improve its customer experience further using Hyper-personalisation of consumer interactions and sales to build individual consumer portfolios. This will allow IMI to serve its customers individually and personally, strengthening the brand's customer engagement. The benefit to the customer following a hyper-personalised experience through an omnichannel service is that their purchasing of IMI products will be tailored to their previous requirements reducing the potential for customers to become overloaded with IMI's extensive product range. The value would be customer pain points being addressed quickly and reducing resources required to determine product solutions.

Data collected on customer interactions will allow IMI to understand how its products interlink and are perceived within their marketplaces, resulting in marketing strategies. The collaboration of multiple product data would provide IMI information regarding market areas and identify areas of growth and market shrinkage, allowing accurate resource management to be applied to create an effective business strategy.

This will be communicated with the IMI value proposition statement:

“Innovative Engineering Systems, Simply Executed, Clearly Communicated!”

8.0 Strategy Tools Implemented

The PESTLE analysis identified crucial external factors which IMI has no control over; however, the SWOT analysis highlighted the significant factors to the business which could become opportunities or threats. Conducting a TOWS analysis in conjunction with the SWOT and PESTLE analysis has given a clear view of the opportunities and threats that may impact the organisation and creates a cross-reference strategy table containing IMI's strengths and weaknesses (internal) in conjunction with opportunities and threats (External). Shabanova (2015) states that PESTLE analysis identifies critical elements in an organisation's

environment, but these are uncontrollable macro factors. Organisations need to understand and identify its internal factors, such as through the use of SWOT analysis.

Using a combination of strategy tools has helped understand IMI's influencing factors but does not represent where the business sits within its markets. To further understand these requirements, Porter's five forces model was conducted. This was selected over the Blue ocean strategy (BOS) because IMI sits within a marketplace already defined by highly regulated restrictions. BOS would have been applied if IMI were looking to develop an entirely new innovative range of products creating a new untapped market. Burke and Stel and Thurik (2016) discuss the differences between BOS vs Porter's Five Force in their report that both highlight the importance of avoiding intense competition. The main difference being Five Forces takes a resources-based approach to avoid competition whilst BOS focuses on innovation in creating an entirely new market to avoid competition.

The final stage of IMI's strategy analysis was conducted using Porter's generic strategies model, which determined that IMI generates its competitive advantage through differentiation and not cost due to its unique and customer-specific products. Due to the complexity and the different markets in which IMI operates, it was determined that the organisation sits at a midpoint between differentiation and differentiation focus. Bowman's strategy clock was implemented to visually represent how IMI creates its competitive advantage, defining this as between four and five on the clock face. Utrilla (2012) explains in a research article discussing strategic choice and its impact on business results that Bowman's strategy clock is an excellent alternative to Porter's Generic strategies model as it provides flexibility in interpreting competitive advantage strategies. Whilst relaxing some assumptions from Porter's model, which have proven inadequate in the business practice.

9.0 Critical Evaluation

This report has reviewed the external and internal factors impacting IMI, a global leader of engineering systems. During the PESTLE analysis, it was discovered that the UK, now an independent trading partner, is establishing free international trade deals. The trade deals provide an opportunity for IMI to enter new regional markets. However, the recent application to the CPTPP, one of the world's largest accessible global trade networks, also brings the risk of increased competition as trade barriers such as tariffs on goods and import quotas are removed (Webb and Ward, 2021). This threat is further confirmed during the SWOT external analysis in which Japanese engineering systems were identified as a severe competition risk to UK based IMI (Yusof and Othman, 2016).

Combined with the weakness of IMI from the SWOT analysis of long project lead times, poor customer communication and inaccurate manufacturing updates from globally positioned sites could seriously impact IMI market hold. These factors are increased by flexible/remote working, currently contributing to further accelerated employee disengagement because of the Covid-19 Pandemic highlighted in the social section of the PESTLE analysis (Hafermalz and Riemer, 2020). However, the report does recognise the strategy of utilising flexible/remote working trends to further improve customer interactions by offering customer services on a 24/7 basis (CIPD, 2021).

It was identified during Porters five forces analysis that IMI currently holds its market share and is protected by the low threat of new entrants into its market and low competition from existing competitors. However, as mentioned above, global trade for the UK is rapidly increasing with reduced tariffs and the encouragement of international trade. IMI will need to

stay current and updated with any new international trade deals and re-conduct Porters five forces analysis to ensure they remain competitive and robust within its market.

The recent increase in technological products has given rise to the age of digitisation identified in the PESTLE. The developments provide the pivotal foundations for IMI's strategy to increase customer service care and provide a hyper-personalised approach. IMI will increase its communication channels through technology between its internal sites showcasing manufacturing information on a live feed accessible to all customer services assistance, providing real-time updates on all of IMI's current projects (McKinsey & Company, 2016). In terms of the customer, IMI will improve its customer engagement by implementing an omnichannel service. This will increase the information available to customers, track their orders, and provide accurate updates on a standardised platform (Barger and Payne and Peltier, 2017). However, this style of automation will not replace current human customer services assistants but generate more available time for them to deliver actual value for IMI's customers. This will create a hybrid of automated customer care and customer services assistants with enhanced capabilities and resources, delivering hyper-personalisation (McKinsey & Company, 2020).

The increased implementation of digital manufacturing does come with its downside. This is that customers will be able to identify delays within their projects and the cause of the manufacturing site causing the delay. This will force IMI as a business to refine its engineering processes due to its openness with customers. There may also be an increase in pressure for high throughput production sites within IMI, requiring prioritising from the global senior management team at IMI. This will redefine how IMI allows its current sites

directors to manage their site activities as the organisation seeks to operate as one entity instead of multiple individual sites.

The PESTLE analysis also identified the repercussions of mishandling customer data and new regulations such as GDPR 2018 (Kehr, 2015). The rise of digitalisation and omnichannel services creates a potential risk to IMI in data privacy and the information collected from customers. The collected data will benefit IMI in building customer portfolios and risk data leaks from internal sources or malicious cyber attacks. With the restrictions on digital customer information becoming more and more restricted across all industries, this will require investment from IMI to counter any future problems Kamleitner and Mitchell (2019). IMI will also need to be reactive in staying ahead of current digitalisation data trends. The world is opening up to increased trade, and different countries impose their regulations for conducting business with their regions.

Fundamentally IMIs customer-focused strategy to offer a hyper-personalised service is based upon the findings within this report. Considering aspects from PESTLE, SOWT and TOWS analysis, these have shaped how the strategy was formed. The key results from Porter's generic strategy and Bowman's strategy help define how IMI competes and identifies the business within the product differentiation range.

IMI's customer value proposition statement:

"Innovative Engineering Systems, Simply Executed, Clearly Communicated!"

To achieve the value proposition statement, IMI will need:

- Adaptable to ensure innovative engineering solutions and also how it operates as one interconnected global organisation.
- Flexible in approach as competitiveness comes from differentiation. Differentiation in IMI's products and services need constantly develop to hold market share and remain innovative.
- Repeatable for customer service across all of its engagement platforms as is required from an authentic omnichannel experience. This will portray the "Clearly Communicated" within the value proposition statement.

10.0 Conclusion

The power of using multiple strategy tools to define and improve IMI's customer experience has highlighted the interconnected relationships between external and internal factors. The importance of assessing internal and external in comparison to each other has identified strategic strengths and opportunities and strategic weaknesses and threats.

There is no one size fits all strategy. Developing a strategy to redirect IMI's customer services approach requires a strong understanding of all external and internal factors impacting the business. The ability to define value in the customer's eyes is also crucial in helping to shape the business as ultimately IMI is providing products and services that customers determine the value. This is particularly relevant as IMI follows a product differentiation approach to determine the source of its competitive advantage.

As discussed in this report, the customer-centric approach to IMI's services will become part of the IMI strategy. It will improve product differentiation by working towards its overall service package. However, there are clear obstacles from internal and external factors that must be fully assessed to mitigate all risks associated with the new strategy.

The key to the success of IMI's Customer-focused Strategy – Digital hyper-Personalised Customer Care will rely heavily on senior management and global communication for the vision and communication of the roadmap. A poorly implemented strategy with an undefined roadmap will ultimately create an adverse effect of what the overall strategy aims to achieve, resulting in a potential to reduced perception of value IMI can offer to its customers.

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