

Razor-and-Blades Pricing Revisited



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Stone Finch, Inc.:
Young Division,
Old Division

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ASSESSMENT of Jim Billing's performance as president of Stone Finch

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- Jim Billing's was identified as one of the best leader because he was a person that take risks, he was energetic and he had a good relationship whit the people that works whit him.
- 80% of employees followed him when the company was acquires by Stone Finch. Those were a reason why Richard Stone decided to acquire Goldfinch.

ASSESSMENT of Jim Billings's performance as president of Stone Finch

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- Billings showed innovate but he made very radical changes.
- He wanted to do rewards for motivating the employees and he did it but in a unfair scheme.
- He decentralized the authority.
- PROBLEM: he mixed the priorities and he forget the core business.

His leadership style

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We think that is a good style because he wants to know what are the problems that the employees notice and the suggestions or the opinions about how can they feel good with the company through the "jam" he worries about how to motivate and help them because that is a way that they also help the growth of the company but also we think that it's not enough for a company as large.

ASSESSMENT of the entrepreneurial subsidiary concept

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- Conducting subsidiaries is a good chance for workers to help in many areas of the company, as well as innovation in terms of technology. Bringing new options and initiatives that generate new strategies which make them unique.
- He was interested in putting in action the workers, who had noticed poor performance and discouragement regarding initiatives and effort.

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- He wanted to give incentives to the employees who generate great ideas and in general they support them to work better together.
- Employees would have a better position, a better salary (if they are successful) and recognition.
- Therefore we believe it was a good move, one that lacked support from the whole team and there was a lack of communication in the environment, which could have prevented the great problem that is.

Manage of the contradictions
of managing existing products
and innovation simultaneously

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- Motivate employees by adopting various methods such as periodic assessments, monetary and non-monetary incentives, bonuses, etc.
- Having a strong relationship between the two divisions of Stone Finch will help the company excel in technological innovation.
- Add a program of training and skills development in the organization for employees seeking growth opportunities within the organization.