

ANALYSIS OF AMAZON'S ORGANIZATIONAL DESIGN

Executive Summary

The e-commerce business has been emerging as the most competitive platform when it comes to shopping experiences. Customers do not need to step out their house to make any purchase. Moving fingers and making a couple of clicks, the goods/services will be delivered to the front door. This rising trend is enabled by the popularity of technologies such as digital devices (i.e. Laptop, tablet and Smartphone) and Internet connection (i.e. Wi-Fi, 3G and 4G). Companies across different industries have turned their eyes onto these market opportunities and opened up their own online business. Amazon, the most recognizable online shopping platform, is the leader in this field without doubt. Amazon not only has its own products, but also has a powerful connection with all types of sellers across the globe. Individuals can sell/buy/exchange stuff on Amazon while big brands look for collaborating with Amazon to support their online business.

This report will discuss the e-commerce business using Amazon as the example. Research was conducted to learn the key strategies that Amazon creates and proves to be a success. Meanwhile, different factors of Amazon's organizational design were reviewed and analyzed to get a better idea of what contributes to their popularity. Methodology introduced by the course Organizational Design was adopted as the guidance and direction for the analysis. 10 aspects - structure, external environment, internal environment, interorganizational relationship, manufacturing and service technology, information technology, organizational culture, innovation and change, decision making and conflict, power and policies were went through to have a comprehensive view of Amazon's organizational factors.

Conclusion and Recommendation:

- Amazon has divisional structure to provide high quality services specific to each product/service category. However, cross-departmental communication and coordination need to be enhanced through adopting more methods to tighten up the links between different units.
- Technology development benefits Amazon in more than one way. Externally business running, Amazon achieves closer relationship with its customers, suppliers and partners. Internally organization operating, Amazon improves the productivity and efficiency, and establishes better internal communication with the help of technology.
- Because online business is a field that is evolving rapidly, Amazon has to be flexible and dynamic enough to adapt to the fast changing environment. Learning what is new on the market, understanding how customer's preference changes and adopting the newest thinking are essential for Amazon to survive today's market place.
- Establishing collaborative relationships with different parties is important. For example, working closely with different brands and helping them achieve high

volume of sales can create the win-win situation for both ends. Negotiating with suppliers and distributors to get a common ground of providing more real-time responses to customer's requests can improve the customer satisfaction significantly. Utilizing social network to promote the company and its products/services can reduce costs associated with marketing and public relations. Creating a rich network involving all functions is crucial for better allocating resources and achieving the most optimal outcomes.