

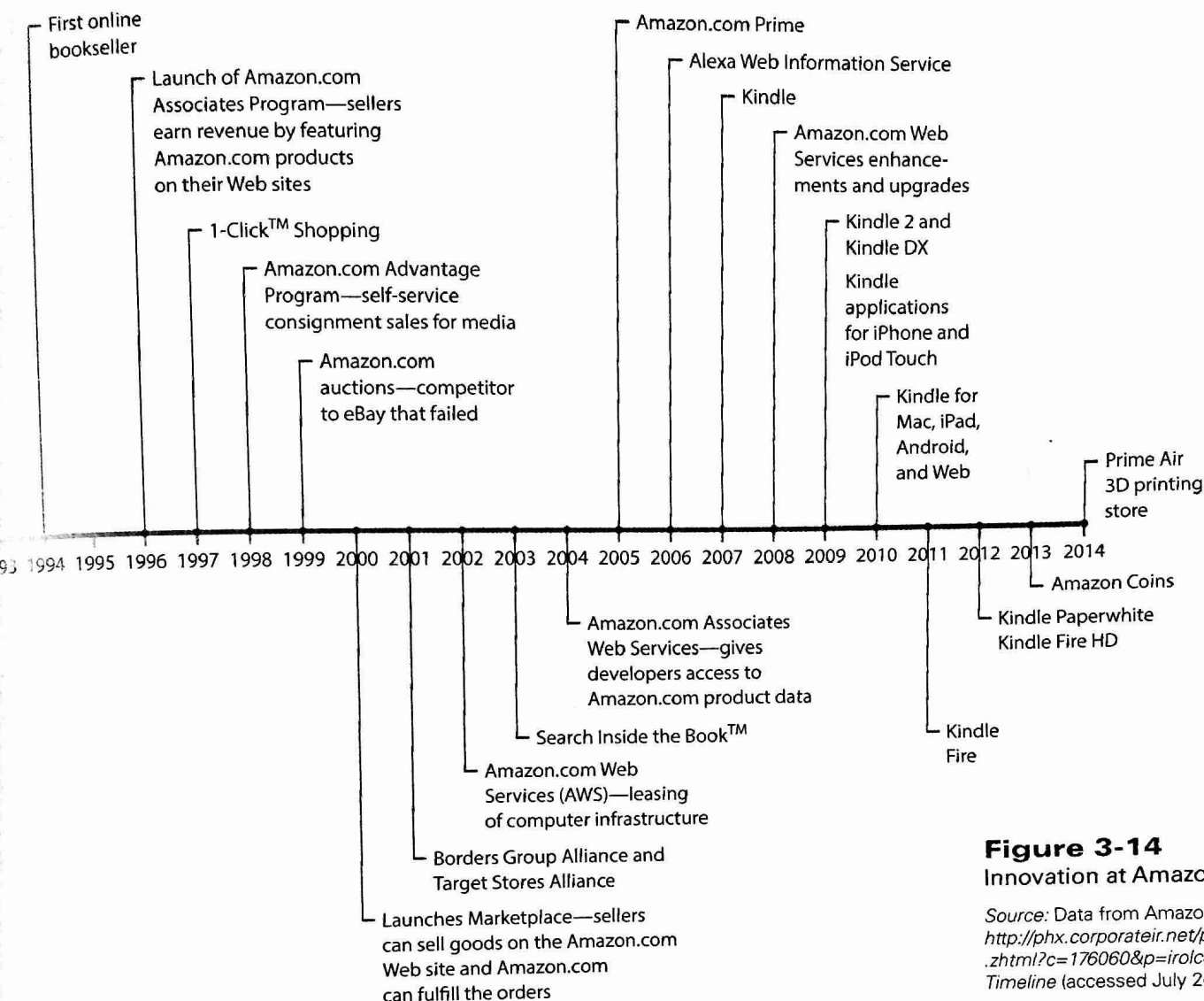


Figure 3-14
Innovation at Amazon

Source: Data from Amazon.com, <http://phx.corporateir.net/phoenix.zhtml?c=176060&p=irolcorporateTimeline> (accessed July 2013).

FBA enables companies to outsource order fulfillment to Amazon, thus avoiding the cost of developing their own processes, facilities, and information systems for this purpose. Is FBA right for AllRoad Parts?

QUESTIONS

- 3-8. Based on the facts presented in this case, what do you think is Amazon.com's competitive strategy? Justify your answer.
- 3-9. Jeff Bezos, CEO of Amazon.com, has stated that the best customer support is none. What does that mean?
- 3-10. Suppose you work for Amazon or a company that takes innovation as seriously as Amazon does. What do you suppose is the likely reaction to an employee who says to his or her boss, "But, I don't know how to do that!"?

- 3-11. Using your own words and your own experience, what skills and abilities do you think you need to have to thrive at an organization like Amazon?
- 3-12. What should UPS and FedEx be doing in response to Amazon.com's interest in drone delivery?

In answering questions 3-13 through 3-18, first assume that AllRoad Parts does not use 3D printing to manufacture parts.

- 3-13. Summarize the advantages and disadvantages for AllRoad Parts to sell items via Amazon.com. Would you recommend that the company do so?
- 3-14. For items that it sells itself, compute AllRoad Parts' cost of using FBA to process:
 - a. An order of 10 sets of bicycle pedals weighing a total of 25 pounds.
 - b. An order of a single set of bicycle pedals weighing 2.5 pounds.