

# [What is scrs and how walmart and netflix should use it](https://assignbuster.com/what-is-scrs-and-how-walmart-and-netflix-should-use-it/)

[](https://assignbuster.com/)[Business](https://assignbuster.com/essay-subjects/business/)

As you look at your company, there are a few key things that can help you to better understand how to deal with your business and your customers. That’s why the acronym, SCRS can help you; this is actually a series of four words that are set up so that you can understand different areas in your business.

SCRS stands for strategy, current state, requirements and solutions and is one of the best analytical tools for business analysis. In a business, as you start to look at different types of problems that you have, you want to create a plan of action. You want your plan of action to be something that gives you the best resolution to a problem. That’s why you want to strategize and look at every area that you can. Let’s look at an example to help you to better understand how this works:

Walmart

When Walmart first set up their global offices in other countries around the world, they started in areas like Mexico, for example. First they looked at:

Strategy: They had to set up a plan to make sure that they would be able to set up their stores in areas and communities where people would buy their products.

Current state: They looked at the different types of stores that were already in Mexico and they realized they couldn’t just call their store Walmart because people may not want to buy from a store that came from the United States. They decided to give some of their stores Spanish names so they would blend into the environment.

Requirement: As they moved into the area, Walmart knew that because the air was very poor, they would have to sell their products at prices that were the lowest in the area to draw customers in. That meant they’d have to sell at prices that were lower than their competitors.

Solution: What Walmart did to make sure that they could sell in stores in Mexico, was to offer prices that were cheaper than any of the stores in the area. Through research, they were able to find the lowest rates, and then they worked with their production teams and suppliers to make sure that they could get better deals on the products that they were selling.

They did this for a period of time to make sure that they could get more people into their stores. As people were buying their products and coming into the stores, that meant mom and pop stores would have to close down because they weren’t making money.

Once the smaller companies were forced to close and leave, Walmart then raised their prices so that way they were the only store within a wide area, and people had to pay the prices at their stores because there were no other available stores to shop in.

While this is not the best example because you don’t want to think of a company that will try to take money from people, this is actually a good example because it shows you how a company can strategize. In order for a company to be strategic, they have to make sure that they put a full plan into place ahead of time. Let’s look at another example.

Netflix

Netflix, when they started out with their business, knew that Blockbuster was not doing well. They were only getting customers through foot traffic. That means that people were, for the most part, only coming in and out of the stores. They had a DVD service, but Blockbuster didn’t use it that much early on. This was in a period of the early 1990s. DVDs were starting to become popular. There wasn’t a way to stream content or movies online like there is now.

Strategy: Blockbuster was renting physical videos in the form of VHS tapes that you had to buy and rent in their stores. You couldn’t go online and buy these from them for a long period of time. You also had to go to a physical location in order to get DVDs from there. It took them a long time to start an online business where you could rent movies and see what was available. Netflix knew that this old business model wouldn’t continue to work for long.

Current state: Netflix knew that was the current state of Blockbuster and Netflix knew that in order to get into stores, and to get the business from people, they had to do something better than VHS tapes in physical stores. That meant they had to go online and stream the content.

Requirements: By looking at the requirements it meant that Netflix would have to set up a streaming service where people could watch all of the movies that they wanted to anytime online.

Solution: They came up with a way to watch movies online and stream videos. They were able to start a new and better way to show movies and videos. With this new way to show videos online, Netflix knew that they could offer a low price every month. By saying that their services were unlimited and you watch as many movies as you wanted to, people would buy the product. Their sales took off and people were able to watch unlimited content.

Just remember that when you set up your SCRS model, you want to map out strategy, current state, requirements and solution with each problem that you have. SCRS is a plan of action, a business analysis tool to help you get a resolution to your problem each and every time. The benefit to using this is that it will help you to make sure that you’re looking at the full problem. You’re also looking at the current situation and you know what is going to be required in order for you to get a solution.

When Netflix started to raise their rates, they didn’t factor in that people might not like that. They then had to issue a public apology. When this happens, sometimes a company has to go back to the drawing board, so to speak, to make sure that they went back to their original model.

In any business, you can’t make rash decisions and you can’t act in haste. That means you can’t suddenly say let’s do this, without thinking it through. Always use your SCRS model to get the answers you need.

Image: © Jorge Perez | Dreamstime. com