Example case studies for examining strategic decision making

1Strategic Decisions are the selected options that influences the key factors that establish the success of any organisation's strategy, can be tactical decisions which changes the day to day implementation of steps required to reach the objectives of a specific strategy. (BusinessDictionary. com)

Both reports present a picture of difficulties that could have been escaped if some other steps could have been followed.

2The Honda company should have done a thorough research and also to familiarize with the U. S. market. For example selling season for motorcycles for U. S. was only April to August; they would have known the engine sizes since their motorcycles can travel for a long distance before implementing or starting a business and shipping all its items to the U. S. The language barrier was another problem which needed to be dealt with before starting business. The use of Japanese English speakers or translators would have helped the communication process.

It is important to use both consultants and victims to find an in-depth root of something. For instances, the use of BCG report was very helpful but together with the Honda employee report which was as well essential since you get to feel the emotional part of difficulties that they went through.

The use of both emergent and deliberate strategy, however having deliberate strategies is important but sometimes thinking fast on how to tackle problems when they arise the use of emergent strategies can be very helpful, when they use small Hondas to move around town to run some errands ends up for them being promoters of small Hondas.

The needs of consumers should be considered, for example a decision of re-modeling the cycles due to the leakage and creating larger machines for 250 cc and 350 cc.

1http://www. businessdictionary. com

2 Case 1: The Honda Effect, 2010

Tutor's notes on Strategic Decision

Case Study 2: Laura Ashley

Laura Ashley's stakeholder's power /interest matrix

Introduction

A stakeholder is a person, organization or group that has a direct or indirect interest to an organization since it may affect or be affected by the existence of the said organisation's objectives, policies and actions. Stakeholders differ according to their interests to the organization as well as their power of impact to the organization's performance. (J. Pearce & R. Robinson. 1999)

Low High

A

Competitors

Retired CEO

Analyst

B

Management

Competitors

Franchises

Community

C

Customers

D

Malaysian United Industries (MUI)

Founder

Current CEO (Rescue team)

Board of Directors

High Low

2Stakeholders in A have a low interest in the organizations as well as low power to impact the Laura Ashley's efforts though Laura Ashley needs to keep this group informed on the progress but no need of investing much on them.

Stakeholders in B have a very high interest in Laura Ashley's actions, though they have limited influence or low power but they are valuable allies in all important decisions.

Stakeholders in C have low interest and high power to the Laura Ashley's affairs and they can have a huge impact on Laura Ashley. Laura Ashley should involve these stakeholders accordingly when need arise.

Stakeholders in D are the key players with high power and high interest which can impact the Laura Ashley's developments. These should be involved in all matters within Laura Ashley. For example the founders can decide to sell the company or change the type of business.

1Strategic Management, Formulation, Implementation and Control, John A. Pearce and Richard B. Robinson, Eighth Edition 2002

2, Tutor's Notes on Power/Interest matrix

Case Study 3: Applying a Balanced Scorecard

Organisations often find the implementation of the Balanced Scorecard difficult in practice.

Introduction

1The balanced scorecard is a tactical setting up and management scheme which used widely in organizations, government and non-profit organizations to line up business actions to the idea and plan of the business, develop internal and external communications, and keep an eye on organisation performance beside strategic objectives.

Customer Perspective

How an organization should appear to its customers

Financial Perspective

To succeed financially to impress the shareholders

Learning and Growth

How the organization will sustain the ability to change and improve to achieve its vision

Internal Business Processes

What business processes that will be practices to satisfy the shareholders and customers.

Difficulties on implementation of balanced scorecard:

Number of measures are unpredictable, it is difficult to know how many measures

If measures are wrongly selected, it can be misleading, so great care is needed when selecting the right measures.

It is time consuming and expensive to implement

Resistance from workers since they do not want changes

It is more theoretical than practical

Setting lower standards can be tricky and lead to having lower performance.

Conclusion:

The Balanced scorecard converts the organization strategic plan to attractive marching orders for the daily operations which makes it easy to achieve its goals and vision.

1Modern Competitive Strategy, 2nd Edition, Gordon Walker 2007

2 Tutor Notes on Balanced Scorecard

Case Study 4: Fiat: Rebirth of a Carmarker

SWOT analysis at the time of Sergio Marchionne's appointment at Fiat in comparison to SWOT analysis for year 2008.

Introduction:

1A SWOT Analysis summerises the key issues from the business environment and the strategic capability of an organization that are most likely to impact on strategy development.

SWOT for the year 2004 during Mr. Marchionne appointment

SWOT for year 2008

Strength

Fiat quality brand was internationally recognized due to its originality.

Fiat had variety of brands of vehicles e. g. Alfa Romeo, Lancia

Fiat had experienced and skilled employees

Weaknesses

Fiat had a beauracratic structure

They lacked innovative tactics and creativeness

They did not have stylish vehicles

They were in high debts and very poor cash floor

Strength

Improve technology by introducing the use of computers.

Starting making stylish and fuel-efficient vehicles.

Fiat became a market leader in Brazilian Market.

Weaknesses

Had very limited resources.

They experience a poor performance in China market.

Opportunities

The introduction of new brand e. g. Panda

The growth in car manufacturing markets

Threats

They face a stiff competition from rivals

The financial crisis was emerging

Opportunities

The wise decision of terminating a contract with GM

Fiat joint venture with TATA and SAIC companies

Threats

They face a stiff competition from Citroen, Peugeot, VW etc. from European countries.

The new policy on Carbon dioxide emission in Europe poses a threat to Fiat.

Conclusion:

Mr. Sergio Marchionne's appointment to Fiat made some very positive effect to Fiat's performance compared to the time before his appointment.

1Hill, Exploring Corporate Strategy, 8th edition by Gerry Johnson, Kevan Scholes and Richard Whittingon, Prentice Hall

http://www. wordiq. com/definition/SWOT_analysis

2 Greenwich case study on Fiat: Rebirth of a carmaker

Tutor's Notes on SWOT analysis

Case Study 5: The Profitability of U. K. Retailers

Introduction:

1Profit is the positive gain from an investment or business operation after subtracting all expenses or in other words it is a surplus remaining after total costs are deducted from total revenue. (Investorwords 2010)

2British supermarkets had way of gaining more profit than the counterparts only by having strength on the following:

They had a lower labor cost compared to others

They had a high demand, which means the higher the demand, higher sales which leads to higher revenue.

They had good distribution system which make lead to a good timing between ordering and delivery which increases their efficiency.

Despite the strength on some aspects, still the British supermarkets had lower average Return of Capital employed as well as very high building costs compared to its counterparts in Europe and U. S. Another low on U. K. firms is that the most of the supermarket were publicly owned which are normally having poor performances compared to the private ones.

Conclusion:

Each country has its own way of defining the accounting concepts, so the profitability perspective will also differ from country to country.

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1 http://www. investorwords. com

http://www. businessdictionary. com

2 Case Study 5: The Profitability of U. K. Retailers

Tutors Notes on Profitability

Case Study 6: Novotel Value Chain

Introduction:

1Competitive Advantage is a state that enables an organization to function in an extra efficiency or in a more productive and highly quality way than the other firms that competes with and ends being more powerful compared to the other firms in the industry. (Investor words, 1998) operate

Competitive advantage results from comparing core competencies with the opportunities. Business Dictionary, 2011

Novotel's had many competitive advantages which make it doing well in business, among the others, here are some of the important few:-

2Hospitality – When guests arrive at the Hotel are warmly received with greetings and personal warmth, which is a plus to the people who expects to enjoy and relax from stress.

The layout of the Novotel is one of the advantages; guest does not need to look for places when they visit Novotel, all directions of the locations are clear.

Their distribution system is good hence makes the marketing a lot easier.

Partnership programs at Novotel is worthy since it links with supplier of both scales and improves the marketing relationship.

Since Novotel trains its staff and place them in the flexible working pattern, creates accumulation of multi-skilled staff which is a plus to the hotel industry.

Conclusion:

Novotel through its list of core competencies has a good competitive advantage to win the hotel business.

1http://www. investorwords. com/competitive_advantage

2 Case Study 6: The Novotel Value Chain

Tutor's Notes on Value Chain

Case Study 7: The Levi's Personal Pair Proposal

Introduction:

1Core competencies is unusual capabilities which an organization acquires over a period of time. It can be after passing through certain experiences and earn respect and or gain loyalty from the customers. These capabilities cannot be easily imitated by any other firms.

Levi's had many unique resources and core competencies, among others, here are the important few:-

2Levi's core competencies among others were:

Well organized organization whereby manufacturing was a key and is managed to maximized resources values.

Levi's has a very strong brand image which makes it marketable as genuine while enjoys customer support and care.

Levi's has the history of branding loyalty to customers and internationally recognized by the customers

Its products are inimitable unlike their competitors

Levi's provides good packages to its employees and hence keeps the good human resources

Conclusion:

The four major core values of Levis are empathy, originality, integrity and courage with all these core competencies Levi's will be able to take the competitive advantage compared to its competitors.

1http://www. businessdictionary. com

2 Case Study 7: The Levi's Personal Pair Proposal

Tutor's Notes on Core competencies

Case Study 8: The Virgin Group

Introduction:

1 Virgin Group is a corporate business which has many units competing in individual particular markets. The diversification on its activities is the strategic option of the group. (G. Johnson et al)

The corporate rationale of the Virgin Group

2The Virgin Group has some core values that are sharing within each business units. The main asset concerns the name and the brand of the group. Indeed, “ Virgin” symbolizes the purity, the renewed success and the ability to enter new and particular markets.

Its ability to select the future business units is the Virgin group’s second asset. The group concentrates on innovation, valuable and growing sectors in order to secure its growth and generates big profit. The group is flexible and has the capability to narrow risks and to look for value at the corporate level due to its plan of diversification.

Finally Group composed with the joint venture that utilizes partners for capital generation.

Conclusion:

The corporate rationale of the Virgin group is promote its brands and bring value to all businesses that owe the strategic partnerships.

1Exploring Corporate Strategy, 8th Edition by Gerry Johnson, Kevan Scholes and Richard Whittington, prentice Hall 2008

2Case Study 8: The Virgin Group, 2011

Tutor’s notes on Corporate level strategy

Case Study 10: Mantero Seta a Strategy for China

Mantero entry into the Chinese market is very obvious due to its sustainable competitive advantages. The only way is to establish a set of actions to ensure the Mantero stays competitive and on the top of textile industry in China.

The second advantage which will promote entry into China is its product life cycle. The pace of change in the whole market is high, the company is flexible in changing styles depends highly on season and the subtle changes in the atmosphere since it posses the resources to compete with other companies within the industry.

Another advantage to put Mantero into the Chinese market is its value chain. There are attributes that the company can apply to realise its penetration and success into the Chinese Market. Mantero has focussed on improving its reputation, designs and production methods.

The reputation holds a deal for a smooth entry, the unique and creative designs are also the attractive measures to hold the market in china since they show strong differentiation capabilities.

The formation of products balancing the geographical differences of the country, using proper communication ways and proper marketing systems are key factors that Mantero Spa could use to determine its performance in the entry into the China market.

Conclusion

The competitive advantage of the Mantero shows their strengths to penetrate into the Chinese market effectively.

Recommendation:

I would recommend Mantero entry into the China market, they need to do is to invent a plan that would give them enough flexibility to deal with the slight changes and essential adjustments that takes place in their operations in China.

Case Study 10: Mantero Seta Spa: a Strategy for China

Tutor’s notes on International Strategy and Globalization