

# Ayala corporation



Case Analysis guidelines for Ayala Corp. Ayala Corporation is a holding company for the diversified interests of the Ayala Group. It was founded during Spanish colonial rule and is the oldest and largest conglomerate operating in the Philippines. The company has a portfolio of diverse business interests including investments in retail, real estate, banking, telecommunications, electronics, information technology, water infrastructure and management and business process outsourcing. Swot analysis Strengths Weaknesses ?

Ayala Corporation had evolved from a real estate company ? Since Ayala Corporation is widely diversified into what was now one of the largest, most respected, and business groups in South East Asia. It may not most widely diversified business groups in South East Asia. have the flexibility of some of its more focused ? The Ayala's groups of businesses accounted for almost a quarter of the market capitalization of the Philippine Stock ? Ayala Corporation does have a diversified Exchange. range of Businesses.

However, the income of ? Ayala Corporation put into practice by diversifying and the business is still heavily dependent upon its restructuring the company using innovative financial share of the market. This may leave it strategies. vulnerable if for any reason its market share ? Ayala Corporation built a track record and a basis for trust in erodes. capital markets. It also gives the opportunity to access capital at some of the most difficult moments in the country's economic crisis and use it as a competitive advantage. The Ayala Corporation owns a substantial amount of land in the rural-urban area of Manila. ? Ayala Corporation is a Philippine-based holding company of diversified business groups. ? The Company operates in segments, such as

real estate and hotels; financial services and bancassurance (is the term used to describe the partnership or relationship between a bank and an insurance company) telecommunications, electronics, information technology and business process outsourcing. Opportunities Threats ? Due to the fact that many of the skilled and semi-skilled ?

Because of political instability and corruption, many Filipinos emigrated to other countries to work. Ayala's market skilled and semi-skilled Filipinos had emigrated to other began to hamper in which in need to cater to products and countries to work and send money back home. This services to the vast so-called " sachet market". hampered the growth of the vibrant middle class that was the backbone of Ayala's market. ? Ayala Corporation continue in planning and developing residential and commercial real estate via a long list of ?

The Philippine socio-economic environment raised operating subsidiaries, each of which targeted a particular additional constraints to the growth of Ayala segment of the real estate market. Corporation. This document is authorized for use only by Arvin Gray until October 30, 2010. Copying or posting is an infringement of copyright. Prepared by Ricardo S. Biason, Institute of Management, University of the Philippines. List of objectives and strategies from the case ? Diversification is a form of corporate strategy for a company.

It seeks to increase profitability through greater sales volume obtained from new products and new markets. Diversification can occur either at the business unit level or at the corporate level. At the business unit level, it is

most likely to expand into a new segment of an industry which the business is already in. ? Market Capitalization Strategy -Currently, most investors use market capitalization rankings to define size, rather than sales and profit rankings. Application of management functions (planning, organizing, leadership and control) ?

Planning Application of both the organizational process of Ayala Corporation is creating and maintaining a plan; and the psychological process of thinking about the activities required to create a desired goal on some scale. As such, it is a fundamental property of Ayala Corporation. This thought process is essential to the creation and refinement of a plan, or integration of it with other plans, that is, it combines forecasting of developments with the preparation of scenarios of how to react to them. ? Organizing Ayala Corporation is a diversified business group in south East Asia.

But even it has different business ventures the corporation is well organized in different business unit and specialization. Leadership As to leadership, Ayala Corporation pioneered forward. Preserving assets sounds fine in theory. Given the fact that happened to economies around the world, it sounds like a sound strategy. But it thwarts the spirit of taking risk, and that is an issue that any family business will have to face. Control Ayala Corporation has the process of regulating diversified business ventures and organizational activities so that actual performance conforms o expected organizational standards and goals. ? ? Management and business lessons from the case. ? ? ? Diversifying on different business ventures. Passion for the enterprise is the formula for growth. Blood relations (family members) running the enterprise is not a guarantee for growth. At best, it's

coincidental, not essential. This document is authorized for use only by Arvin Gray until October 30, 2010. Copying or posting is an infringement of copyright. Prepared by Ricardo S. Biason, Institute of Management, University of the Philippines.