

Organizational behavior

Business, Company



In this economy companies need to create realistic long-term goals and objectives to be successful. A strategic plan can assist the company accomplish this goals and objectives. The forces and trends vary from company to company but ultimately profitability is the final goal for each company.

Forces and Trends

Both forces and trends act to help define the company's business and strategic plans. The short term, as well as, the long term goals should be reviewed in terms of the forces and trends as they pertain to the company's internal analysis and external environments. This paper will offer interpretations of the teams chosen companies with a focus on their competition as they relate to industry and remote priorities. The paper will also define strategic adaptability and the relevance as it pertains to the strategic mindset in the business world.

Company Reviews

Office Depot- Paul Bruner

In 1987 Office Depot opened its first store in Fort Lauderdale, Florida. David I. Fuente assumed the positions of Chairman and Chief Executive Officer. In 1988 the company was taken public company. The Executive Team immediately began to execute an ambitious strategic plan to expand the Company's footprint in key U. S. markets. Through the Executive team's vision and well thought out strategic plan, Office Depot had acquired 173 stores in 27 states by the end of 1990. (Office Depot).

Once the company established their footprint in 27 states, they continued to expand geographically outside the company's traditional markets. In 1993, Office Depot entered the stationer business by acquiring two market leaders: Wilson Stationary and Printing Company and Eastman Office Products Corporation. " As part of the Executive Team's plan Office Depot announced its merger with The Office Club, Inc. This acquisition provided the company enough resources and attributes to become the largest office products retailer in North America" (Office Depot).

Office Depot continued growing by moving the company in a global direction. Office Depot opened stores in Hungary, Thailand, Mexico, France, and Japan under joint venture agreements. Later, the Office Depot acquired the interests of its joint venture partners in both France and Japan making the company the leading provider for office products in the world. While the company's plan was being executed very well the company felt that they could acquire more of the market share by implementing a web based unit of the business. This plan established Office Depot as the industry's technology leader, expanded its domestic e-commerce capabilities, and ultimately extended the range of products and services the Company could offer their customers (Office Depot). Today, Office Depot has more 30 + 10 websites that facilitate their transactions and product deployment.

Up to a year ago, Office Depot had over \$15 billion in annual sales, and another 4. 9 billion in online sales. The company employed approximately 49, 000 associates around the world. (Office Depot) Office Depot acknowledged their success was linked to the execution of the Executive

Teams strategic planning and decisions. The long-term objective was to become the number one office product provider. The company's Vision statement and philosophy was used as a guide to accomplish these objectives.

Today, the company's trend is to consolidate where possible. This also includes where and how the company does business in terms of customers and suppliers. The company has also decided to reduce the amount of North American stores in light of the waning economy. Recently, the company announced that they are going to shut over 100 North American stores in order to help the company sustain the economical downturn while maximizing profits. This is in contrast to the company's original strategy of expanding the company's stores. This shows that Office Depot allows for Strategic adaptability based upon economy and customer demand.

JP Morgan Chase - Dennis Glover

Banks that are getting taxpayer bailouts awarded their top executives nearly \$1.6 billion in salaries, bonuses. JP Morgan Chase chairman James Dimon ran up a \$211,182 private jet travel tab last year when his family lived in Chicago and he was commuting to New York. The company got \$25 billion in bailout funds. (Bass and Beamish, 2008).

Homeowners are facing tough financial times. JP Morgan Chase Chairman and CEO James Dimon says he expects his company to identify and work with as many as 400,000 customers who may be in danger of missing

payment . JP Morgan will allow borrowers who face imminent financial difficulties to request loan alterations. (Harney, 2008)

Federal regulators adopted sweeping new rules for the credit card industry that will shield consumers from increases in interest rates on existing account balances. The rules will take effect in July 2010, will allow credit card companies to raise interest rates only on new credit cards and future purchases or advances. Restriction on credit card lending practices as allocating all payments to balances with lower interest rates when a borrower has balances with different rates. According to statement from Democratic Senator Carl Levin, " Every day the taxpayer is being asked to foot the bill for our biggest banks' irresponsible lending practices. We want to prevent a number of unfair, deceptive and predatory practices that saddle many American families with crushing debt. America's banking giants can not be allowed to dig themselves out of the hole they are in by loading up American families with unfair fees and interest charges."

JP Morgan Chase invested more than \$110 million in the communities by supporting in excess of 2, 800 not-for profit organizations globally. They carefully select partners that promote economic stability, improve access to quality education and inspire communities through the celebration of arts and culture. The investments span the globe, positively impacting communities in nearly 500 cities across 33 countries. JPMorgan Chase's philanthropic goal is simple, meaningful, and positive sustainable change within our highest need neighborhoods and communities across the globe. In 2007, JPMorgan Chase gave more than \$100 million through grants and

sponsorships to thousands of not-for-profit organizations around the world. They also support the individual interests of their employees through the Matching Gift and volunteer programs. (JP Morgan, 2007).

JPMorgan, the nation's second-largest bank, which was implicated in the Enron scandal, has been contracted by the Coalition Provisional Authority to run a consortium of 13 banks from 13 countries that will constitute the Trade Bank of Iraq. JPMorgan Chase & Co is one of the heavy hitters when it comes to political contributions. According to the Center for Responsive Politics, JPMorgan Chase & Co is the 28th biggest donor from 1989-2008 - donating a total of \$17, 937, 783. For the 2008 campaign cycle, JPMorgan donated \$2, 449, 541 with top recipients Barack Obama (\$333, 857), Hillary Clinton (\$254, 244), and John McCain (\$111, 650) (CRP, 2008).

Building on its \$30-million investment in a partnership with Syracuse University, JPMorgan Chase today announced the site for a new 200 thousand square-foot technology center it will build in upstate New York. The Technology Center will be the site for financial technology internships and an opportunity for students to work alongside JPMorgan Chase employees. The Technology Center will bring together students, faculty and JPMorgan Chase employees who will work side-by-side to pool their intellectual capital to make a difference in the financial industry and higher education.

JPMorgan Chase will assume a leadership role in the financial services industry by helping to reduce greenhouse gas emissions in our value chain and internally. They will work with the financial industry, clients and policy

makers to establish a policy framework for direct and indirect greenhouse gas emissions reductions (JP Morgan, 2008).

Soni Interiors - Freddy Cordero

Rug King was established in 1990 by Ashok Soni. His vision was to be the top seller of imported and domestic rugs in Florida. The Ashok Soni and his immediate family strive to quickly expand. Through the Soni's vision and Rug King expanded and started to other divisions Soni Interiors and Laminate King (Simes, 2008).

Catalina Research has uncovered many trends in their in-depth analysis of the North American flooring industry (marketresearch. com 2008). U. S. shipments, exports, and consumer trends are evaluated for flooring products. The comprehensive analysis covers U. S. shipments, imports and exports, residential and nonresidential markets, retail sales, the installation contractor business, factors affecting domestic demand and distribution, the cost structure of flooring plants, the competitive environment, and the world market situation. In addition, major North American- and foreign-based manufacturers are profiled in order to uncover competitor strategies (marketresearch. com, 2008).

Soni interior uses analysis such as the ones provided by Catalina Research to see what trends affect their company. The trends that effect Soni Interior's strategy are economic, outsourcing, and buyer power. Five years ago all three divisions of the company combined had gross sales of over 3 million dollars. However, this year the company will only have approximate gross

sales of 1.5 million (financials statements, 2007). Keeping the weakness of the economy in mind the Ashok Soni has decided to change the strategy of the company from expansion to buyer power to keep the company profitable. He has analyzed the trends seen in the buyer's wants and needs and adjusted to accommodate the changes. The economy has alternated the buyers' purchase choices. For example five years ago imported quality handmade rugs were the best seller where now the domestically machine made rugs are on top best seller list.

Outsourcing rugs was extremely popular especially from India. Since the buyer choices have changed with the economy so has the outsourcing trend in this industry. The company outsourced about 90% of the handmade rugs from India, China, and Persia. The cost of these rugs ran from \$500.00 to \$50,000.00. Buyer power is not as strong these days as it was five years ago, meaning that spending \$20,000 to 50,000 dollars on a rug is not a reality at these moments (rugsofindia.com).

Soni Interiors' adaptability to the market is important to keep growing. If the company does not change as the economy, buyer power and needs change. Then they will not be profitable and will not succeed.

Hitachi, Ltd. - William Robinson

Founded in 1910 and headquartered in Japan, Hitachi, Ltd. is a multinational corporation specializing in high-tech services and technology. The company, as part of the larger DKB Group companies, is the parent of the Hitachi Group. Hitachi has industry segments in seven different operations including:

Electronic Devices, Digital Media, Financial Services and others (Kazuo, 2008).

Hitachi operates from a corporate philosophy using technology as a means to contribute to society. Loosing their pioneering determination is not an option in the ever changing market of technology. In essence of global change becoming more forceful, Hitachi, Ltd. Has managed to maintain their mission which is to "Inspire the Next" (Kazuo, 2008). This mission is the company's guarantee that the Hitachi brand will continue to meet the expectations of their customers ions. Hitachi's vision is a guarantee that their brand will not only meet the expectations of customers but also inspire generations to come with the highest quality, products and services. (Hibatchi, 2008).

Hitachi, Ltd. and its ancillaries utilizes highly developed technologies, operates in an extensive facet of business operations and conducts business globally. It is consequently exposed to risks innate in individual industrial segments and investments, risks accredit able to the economic environment and risks associated to operations. This paper will outline forces and trends that may influence Hitachi's businesses (Kazuo, 2008).

By raising their price Hitachis' business results will be negatively and the demand for their products and services will decrease. Reductions in equipment investment, consumer usage and private division plants due to economic downturns in key markets where Hitachi does business.

Hitachi's businesses that hold their assets and liabilities that are in foreign countries are exposed to risks due to fluctuations. Thus Hitachis' financial

outcomes are effected by variations in foreign currency exchange rates (Hitachi, 2008).

The competition for Hitachi's business lines and industrial segments have recently increased. Hitachi's competitors range from specialized companies to massive global corporations. This diverse range of competitors is continuing to develop high tech products in low cost areas. Increasingly strong price competition for several of Hitachi's products is a direct end result of how globalization and minimal cost manufacturing of the world markets have hastened the introduction of particular products (Hitachi, 2008). Computer related products including digital media, disk array subsystems, hard disk drives, optical disk drives, semiconductors, liquid crystal displays are displaying decreases in prices. When it comes to engineering sophistication, price, quality and brand value, Hitachi believes their products and services are viable. As a result, Hitachi is seeing sections of their business emerge as technology continues to advance (Hitachi, 2008).

With the speed of technological innovation being particularly prominent in the fields of information systems, electronics and digital media, new technologies are quickly emerging in the segments in which Hitachi does business. The continuous improvement and successful marketing of Hitachi's products and services is indispensable to keeping a competitive advantage (Hitachi, 2008). If Hitachi should fail in their endeavors to achieve market acceptance and incorporate advanced technologies, the results could negatively effect their business.

In order to achieve this and maintain a good financial position, Hitachi will need to focus on the business areas of the company that show the highest potential for financial growth. Such areas consist of their social, information and industrial business segments. To improve earnings throughout the organization, corporate governance is being thoroughly strengthened and equity affairs are being reviewed. Diverse partnerships are being utilized in the Hitachi Group to strengthen collaborative business understandings. By emphasizing the collaboration of partners and group companies, the vision to "Inspire the Next" can be achieved.

Conclusion

Due to the current business environment, organizations are faced with many challenges. This paper has addressed the forces and trends that affect not only organizational behavior, however management response as well.

Strategic adaptability is defined as "a firm's ability to adjust its business practices and competitive tactics in response to the perceived efficacy of its strategic actions, this can be a strong determinant of organizational performance" (Kimberly M. Green, Jeffrey Covin, Dennis Slevin, 2007). The companies we discussed show how innovations and technology has not only changed the way we work and the length of time work is completed, it has also impacted our organizations negatively with respect to loss of jobs. External forces do affect how successful or how unsuccessful an organization will be.