

Disney case write up

[Business](#), [Company](#)



Before being able to make recommendations on the Walt Disney Company based on the value they are (and are not) able to create, one must first analyze the company's capableness and resources that provide such value. Being a member of the entertainment Industry, their primary activities revolve around the operation of theme parks that are located all over the world, as well as running media outlets, creating studio entertainment, and selling various consumer products.

With regards to the services offered by the company, not only does Disney offer world-class quality management and customer service in all of its markets, but brandloyaltyand admiration by consumers across the globe make it clearly superior to its competitors, as well. On the other hand, another function, marketing and sales, is something that Disney could potentially improve upon in the future, as it is currently equivalent, at most, to its competition in this area.

Since Disney is stretched Into so many different areas of business, the capital that is necessary to become the top marketers In most or all of them Is simply too high. Therefore, In a nutshell, the company's strategy Is to spend a little bit (relatively, of course) In each of Its primary Industries, rather than spend a lot In specific Industries. Other primary functions include logistics and operations. Being in the entertainment industry, Disney's inbound logistics do not represent a major activity, similar to that of its competitors.

Thus, Disney's inbound logistics are roughly equivalent to its competition. With regards to operations, Disney's top quality management, as mentioned

earlier, along with creativity and innovation in all aspects of business, give it another competitive advantage and make it superior to its competition.

Finally, outbound logistics, in an industry that is driven by convincing people to go out and spend their discretionary income on theme parks, movies, and other forms of entertainment, is not a huge industry driver.

As a result, Disney's outbound logistics are equivalent to that of its competitors. The secondary functions of Disney are headed by their firm's infrastructure. Potentially one of their top competitive advantages, Disney's infrastructure is superior to their competitors because they have consistent values throughout their many areas of business, they have the capital (roughly \$75 billion in total assets as of 2012) to support their various operations, and were able to expand further into TV, movies and other media outlets during such a short period of time during Michael Sinner's tenure.

In addition, Disney's capital, leading innovation, and drive to be 'pioneers' in every area of business in which it competes give it another advantage over its competition in the superior function of technological development. Finally, with regards to the other two secondary functions (human resource management and procurement), Disney is relatively equivalent to its competition. Disney, along with its competition, is not too heavily concerned with inventory numbers, being that much of its worth is in intellectual property and other non-manufacturing-related assets.

Additionally, being in so many areas of business like its employees as the rest of the industry. To summarize, I believe that Disney's core competencies lie in the functions of operations, service, technological development, and

firm infrastructure. This is because the company's unique and inimitable features such as top-line innovation and creativity, expansive reach, and quality management all heavily contribute to the ND user's enjoyment experience, while being able to consistently create value amongst all of Disney's products and services.

On the other hand, logistics (both inbound and outbound), marketing and sales, procurement and HRS management do not count as core competencies in Disney's case. The company's inability to secure an advantage over its competition in these areas suggests that some of these functions need not be competitive advantages in order to succeed in the entertainment industry, and that some must be improved upon or outsourced if Disney wishes to remain an industry power.

With this analysis in mind, I would make the following recommendations: Disney should outsource its human resources functions in order to secure the best and brightest talents entering the industry. While this would not represent a large financial gain for the company, it would be a move in cooperation with the company's high-innovation motive and could, in the long-term, allow for better technological development, service and operations. * From a marketing standpoint, Disney should either stop expanding into new businesses or contract less profitable to focus sales efforts (and budgeted expenditures) on the more profitable sectors.