

Ministry of sound case study

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1. From the offset Ministry of sound has had to deal with numerous environmental factors that has fashioned the club in the early stages and in the later years. Weather it has hindered its development or accelerated it is up for analysis. During the early stages logistically they had to deal with the issue of the clubs location being in a high crime rate borough of Southwark situated in Elephant & Castle. Also with “ Acid House” derived music, the nightclub inherited the underground rave culture that is synonymous with the designer drugs of the 90’s such as ecstasy. The national drug offences crime rate is at 4. 5 were as Southwark council is 18. 6 far exceeding national average, this is shown in appendix 1.

These factors could have been detrimental to the development of the club and portray the label in a negative public image. In addition with the security team fuelling the drug trade within the club could be seen as one of the principle threats. But with the overhaul of the security team and the zero tolerance on drugs, they managed to change the clubbing ethos to a cleaner and safer environment. During the later stages one of the weakness could be the commercialisation of the brand, loosing the “ edgy” and “ underground” crowd that established the club. However this also means commercial success with ministry of sounds DJ Eric Prydz “ call on me” reaching number 1 for 16 weeks in 2004.

2. The capabilities of ministry of sound has vastly increased over its life p with itself becoming a brand, gaining brand recognition. Which could be now recognised as a worldwide music lifestyle. With its product portfolio ranging from; record labels, branded apparel/electronics, worldwide tours, radio and fitness DVD’s. it has outgrown its venue in south London from just a

nightclub to a movement, being able to influence popular music trends and unearthing new styles and genre of music. Ministry of sound has now achieved a significant presence within the industry, which allows the company to expand and diversify its product portfolio successfully within the mainstream markets.

3. To identify the main stakeholders we have to differentiate the qualities and recognise the levels of significance they hold to the organisation. We can do this by analysing stakeholders by categorising them, such as internal and external stakeholders and by using the power interest matrix as shown in appendix 2.

There are 4 categories within the power interest matrix that we can apply to Ministry of sound. The first being A “minimal effort” which is low power and low interest, they do not have any authority they can exert onto the organisation. Then there is B “keep informed” these stakeholders have high interest and limited ability to influence directly, for example those who visit the nightclubs and events and retail customers. However they do expect a high quality service or product, whilst expecting a euphoric experience.

Category C “keep satisfied” are stakeholders that have low level interest but can exert change relatively easily, such as government bodies or local authorities. Their expectations seem to be generic to all other organisations, follow laws and regulations and act coherently within society. Lastly being arguably the most important stakeholders are D “key players” these are employees and investors like venture capitalists 3i, who are key players in

ministry of sound organisation. Expecting good return on investment and dividends, whilst expanding creating growth and longevity for the company.

4. Strategic choices at this point are vital to the prosperity and future of Ministry of Sound. They are required in this case to develop their strategies to improve the performance of the organisation in accordance to their external factors.

Taken from Johnson, Scholes and Whittington “ Exploring corporate strategy” states there is a strategic model where a business route will be taken in relation to three requirements. Suitability, does it make economical sense? Also would it be suitable in context of environment and capabilities. So if Ministry decided to open a new super-club in Dubai, would it make economical sense? Dubai may have high levels of disposable income within its population, but the market may not be as strong or cultural differences may occur. Another is a financially superior competitor may invest more entering the market. Feasibility, are the resources available to execute the strategy? Includes cash flow analysis break-even analysis and forecasting. Acceptability, this is in relation to the risk involved in the project and the returns gained. Also to do with stakeholders, it requires the company to review the reactions and the possibilities of the venture.

5. Another factor they should include is when entering new markets and countries, they should employ mid level native managers. This is to extract local knowledge of laws and cultural differences, in order to maximise company competency within the new country. So when considering reorganisation and the three divisions, each need to be catered in forms of

correct management style and strategy implementation. I agree with the reorganisation of the company as it separates departmental aims and outcomes.

This intern specialises each department, however the company should employ previously successful and experienced department managers. This would ensure the running of the departments to be more efficient and productive. In conclusion the reorganisation is key to the development of company, and now relies on the implementation of the key strategies. With the rearrangement of the company, different aspects can get specialisation and close focus rather than being neglected that could be detrimental to the organisation. This is imperative for long term orientation of the product portfolio and expansion prospects.

Bibliography

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