

# Nv philips case study.

Business



There have been many attempts at designing models which describe the nominative environment and the determinants of profitability from Western competitors. The first element is that of the existing competition. Philips' market for their products are elevating domestically and emerging internationally, however the environment in which it operated in for both of these markets is highly competitive. The way in which the products are perceived had changed over the last decade may have been seen as a luxury by the domestic markets are now seen as becoming more and more a necessity as technology moves into the home internationally.

According to Canners, the name Philips is well known, indeed it is ranked as the global brand leader in electronics Canners Research and in terms of Inter-brand's World's Most Valuable Brands 2000.

However, there are also some problems with this and the way that it has been competing and brand awareness alone does not create sales, socially in a market where there is firm competition. 2. Describe why Philips had low profits during the sass's and ass's The problem faced by the company may be seen as a result of the lack of change and the inability to identify the way the market was moving.

In the sass's and the sass's here were different market drivers and challenges. Phelps has many different products, and with such a diversified portfolio there has been a spread of risk, but this has also lead to a lack of specialization. This is partly being corrected with a concentration on video cassette recorders.

Other companies have had a higher level of differentiation due to the way in which they have been able to identify with a single product, and this has enhanced their reputation, such as Sony and Matthias initiating VS..

This is an industry where reverse engineering is extensive and many competitors will be working on similar Congolese . Inner nave Eden some areas winner ten addle Toto Innovate Ana Drill this to market quickly have been seen to emerge, such as the Philips VIA standard unit had demonstrated that this can be done and possibly accepted world wide. 3. Describe what Philips should do to survive in a changing global environment.

ID expected outcomes. In preparing for challenging times ahead, the reality hits home hard. There is no time for non-productive activities.

To ensure survival, organizations must immediately shift their emphasis on getting business. Restructure the organization and move people to beef out these areas which will require layoffs and dismantling divisions of operations. A changing environment, companies have to be capable of discerning environmental shifts and rapidly realigning their strategies and internal capabilities consistent with the environmental changes.

This requires companies to learn to continually re-interpret and respond effectively to shifts in the marketplace.

Each relevant shift in the environment requires a corresponding real-time strategic response and a corresponding transformation of the company's capability. The scope of this transformation includes changes in impotency, structures, processes, practices and tools in order to support the strategic

change. Flexibility, velocity and adaptability are essential to survival, and the strength and profitability of a company will be proportional to its strategic effectiveness and its operational responsiveness.

Organizations that do not learn to respond effectively to global environmental shifts can run the risk of losing market share and ultimately their existence. When there is a need for urgency to bring in as much business as possible to build up cash reserves that also includes multiple mergers.

It is of strategic significance to go in as much business or contracts of longer term basis to cushion tough times ahead. One excellent way of getting the message down the line is for Coos and top management themselves to play an active and direct role in assisting to bring in the business.

In preparing for the challenging times ahead, Coos and top leaders in the organization should change their mindsets and start to look at business development and revenue generation as their strategic role in strengthening the company. 4. Identify Phillips source of inertia, specific ways to overcome and suggestions The company need to adapt and change.

There are three main strategies we can recommend. The first is a series of investments to concentrate on the core competences. I Nils will allow ten company to roué ten development ODL t II less Ana help create synergy.

The funds raised may then be used for either more acquisition, but this time those that are able to add value to the core operations and may look to vertical rather than horizontal diversification. This builds on the existing

practice of using internal suppliers and will also help to create value. The second strategy is one of increased centralization and the transfer of staff teens the different operations to increase communication and reduce the costs.

The company was not always as separated as it is at the current time.

The irony facing organizations in an imminent economic slowdown is that people are paralyzed by fear and they wait for the anticipated downturn to take place. They engage in negative thinking and they sit down doing little and act out their nightmares. They see in their minds, cost cutting measures which include reducing head counts and budget trimming. Staff morale takes a plunge and this is followed by the sales performance of the organization. To prevent this self-fulfilling prophecy from becoming a reality, leaders need to reemerging people in these challenging times.

They need to get people focused on a goal that helps them breakaway from this vicious cycle. Get them focused on the marketplace: the customers, the competitors and the industry. In my opinion Philips NV will have to find new ways of value and creation. In the future it wont be enough to offer Just high quality products and good service. Therefore Philips NV is on the right track to connect the whole thing with their innovative products.

This will give hem a very high competitive advantage. Furthermore it will be necessary to cut costs in order to make better offers.

Otherwise the consumers are likely to switch to no name products which have equal technical standards. With their Structural Reform Program Philips

NV is on the right track but it will have to make further, faster improvements in the resource sector. I also recommend that they should cooperate more intensive with different service companies, so that they can offer the optimal “ product mix” and re-establish customers wants. Also careful cooperation’s with competitors like “ Sony and Matthias” will be accessory in a growing market.

In addition to that I see a little conflict in the managerial ways the company is going. We are of the opinion that the Eastern managerial styles cannot work in the Western world. Although Philips NV has widely accommodated the leading styles worldwide, there are still quite some points that are “ strictly” Japan-related and may not be implemented correctly in the Eastern Hemisphere. Bibliography Cannors Research Sales Estimates Electronic Business News Letter retrieved on June 1 5, 2005 From [http://www. Reed-electronics.](http://www.Reed-electronics.com/electronics/index)

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