Walt disney's corporate strategy

People

It is a vital business formula, which does not lend itself o a generic approach that can be copied or tailored to fit. Unlike any other company, Walt Disney's corporate strategy is one of the key components to its magical success. The five main ingredients to Walt Disney's corporate strategy areleadershipexcellence, cast excellence, guest satisfaction, financial results, and repeat business. The company has thrived off of this formula for decades and still remains one of the topfamilyfriendly places to visit. According to the Disney Institute, the foundation to successful leaders is throughcommunication.

In order to engage and foster within he collaborative companyculture, its leaders must encourage the creativity of his or her employees. The goal here is to create a safe and comfortableenvironmentfor one another to share ideas. Leadership excellence is of main importance in Disney's chain of excellence, due to the fact that leaders are responsible for the work environment. Overall success will lead to employee retention, employee satisfaction, and more importantly a positive experience for its customers. One of the company's main priorities is employee satisfaction not customer satisfaction.

Disney has it's win unique business language. Top management strongly believes that it sets the right tone amongst those within the company. Instead of using the word employees they are known as cast members and customers are referred to as guests. The Jobs that employees hold are called roles. These are intentional elements of the company culture. They are meant to be well defined, clear to all, and ultimately goal oriented. Leaders are required to hire employees through a process known as selecting the culture. Attitude versus aptitude is what leaders are looking for when seeking out future employees.

Disney is highly known for their strategic hiring methods. Understanding their customer's wants, needs, and emotions is a process that Disney uses is known as astrology. Top management believes that having a deep understanding of these elements can better the company's unique quality standards. These elements have been very helpful in measuring their customers overall level of satisfaction. Disney believes that placing high importance on its customers wants is where they are able to differentiate themselves from the competition. Financial results and repeat business have not been a problem for Disney.

The company's internal service quality is responsible for customer value, revenue, growth, profitability, and shareholder value. Top management has strongly voiced that the company is able to see financial results along with being able to foster repeat business when the chain of excellence is in proper working order. 9-cell industry attractiveness/business strength matrix Disney Industry attractiveness High Medium Low Strong Average Weak Competitive Strength/Market Position II= lamentation Weight SIR= Strength Rating WAS= Weighted Score Media Parks and Studio Interactive Products Consumer Entertainment Networks

SIR was Resorts Operating Income 2. 5 Market Share Brand Image 10 . 75 . 10 . 20 . 05 1. 00 8. 45 1. 8 1 . 05 8. 2 . 35 6. 25 CustomerLoyaltyProduct Quality . 15 Range Geographical Expansion Sum of Importance Weights Weighted Overall Competitive Strength scores 1 . 35 5. 35 The Walt Disney

Company's business units were organized into five divisions in 2012: media networks, parks and resorts, studio entertainment, consumer products, and interactive media. Media networks are a huge source of income for the company and should continue to grow.

The company has been able to be profitable by using the studio ND the network to support the creation of high quality film entertainment. Disney has taken advantage of what has been a real growth in the consumption of American based film entertainment. Most of their stations, which include ESP., Disney, and BBC, have been rated number one in the market. The company's parks and resorts are globally advanced and popular. Disney World Parks have become so popular that they have been attempting to open up Disneyland theme parks across the globe.

They have been doing this in order to better accommodate their customers so they do not have to feel cramped. The studio entertainment has grown drastically over the years. With the recent purchase of Paxar and Marvel, the company plans on doing two films a year. This may seem small, but the movies they put out usually top the box office. Due to merchandise licensing of Disney's characters along with the children's books, consumer products have had enormous sales. Disney has also come out with kid friendly APS to support their interactive media division.

This division also includes games and a number of different websites. The interactive media division is small in comparison to some of the other divisions they have. The company has invested large amounts ofmoneyinto this division; unfortunately they have seen low profits and even losses.

Overall, the company has great strategic fits for four out of its five categories. The only category that seems to need improvement is its interactive media category. The opportunities to share value-chain matches are numerous. In the supply chain they have a matches of media networks and studio entertainment.

For their manufacturing and operations, they have a matches of media networks as well as studio entertainment. As for the company's distribution, parks and resorts matches tit consumer products. Along with sales and marketing include media networks, parks, resorts, studio entertainment, and consumer products. Skies are the limit as far as opportunities go for Walt Disney's future. The company is still exploring new ways on how to improve the performance within the gaming industry. Although they have been lacking in the interactive media division, the company is back on track to continue sales and earn a profit.

However, if they decided to bring the same awareness as they have for film making to the gaming industry, they should see improvements. With the addition of Paxar and Marvel, Disney needs to utilize these two companies so that they can develop games for different consoles. This would tremendously boost their sales, due to the high volume of games that are sold across the globe. The company's performance has been commendable in almost every year since Walt Disney created Mackey Mouse in 1928" (p. C-273). The financial and operating performance in fiscal years 2010-2011 was not any different, once again proving excellent results.

With growth being a key financial performance indicator for The Walt Disney Company. The fiscal year of 010-2011 was a success with revenues increasing by $2, 830 million, and net income increasing by $844 million. There should be a continued rise into the future, with an additional $3, 559 million invested in parks, resorts and other property. As well as a $184 million dollar capital investment into acquisitions, ending the fiscal year of 2011. This should not only increase the market share in the company's current areas.

Walt Disney does business globally, yet they have also help expand into other developed countries. Overall The Walt Disney Company has had strong financial and operating reference in fiscal years 2010-2011, however, some strategic business units performed a lot better than others. Walt Disney is split up into five divisions, which include: Media networks, parks and resorts, studio entertainment, consumer products, and interactive media. The following table provides the amount of operating income/ loss each of the five units reported from fiscal years 2010-2011.

Business unit Operating income/loss for fiscal year ending 2011 Operating income/loss for fiscal year ending 2010 Change from fiscal 2010-2011 Media networks $6, 146 $5, 132 $1, 014 Parks and resorts $1 , 553 $1318 235 Studio entertainment $618 $693 ($75) Consumer products $816 $677 $139 Interactive media ($308) ($234) ($74) Totals $8, 825 $7, 586 $1, 239 Media networks: The strongest of the business units by a long shot in terms of operating income. It accounts for almost 70% of the total operating income Disney generated during the fiscal year ending 2011.

Disney is going to continue to invest in this business unit heavily, seeing that it has produced the greatest immediate effects, while the other units continue to grow. Parks and resorts: Unit accounted for almost 18% of the income in the fiscal year ending 2011. Investments are being heavily made into this business unit as well. This includes global expansion, upgrades to resorts, as well as adding additional cruise ships to the fleet. Studio entertainment: This business unit experienced a decline in net income from fiscal year 2010-2011.

The entire industry suffered; due to some of the changes the industry was experiencing. However, the media network business had increased results from the studio entertainment unit staying close to stagnant in the income generated. Studio entertainment accounted for 7% of operational income in the fiscal year ending 2011. Consumer products: Accounting for 9. 2% of operational income in the fiscal year ending in 2011. With the expansion Disney is making globally, the consumer products business unit will continue to increase its sales as it did from 2010-2011.

Interactive media: Continuing to see operating losses in this area, due to high competition. There are many opportunities to become profitable in the future, as game sales increased from $563 million in 2010 to $768 million in 2011. Interactive media accounted for -3. 9% of the operational income. There is a great degree of synergies existing between these units, as they continue o make one another better. As the studio entertainment industry struggles, the media network is right there to pick it up the slack.

The company is continuing to grow each of these units globally. This will increase revenues as well as the bottom line to achieve higher operational incomes. With high profits being generated in four of the five business units, the company is able to continue investing as well as making improvements in the interactive media unit. Disney plans to continue expanding its divisions in the years to come. Over the years Disney has established throng brand recognition, yet it was a smart move to add Paxar and Marvel into the company mix.

This has allowed them to stay on top of the competitive film market. They have done this by taking on some of the high quality computer animated films. Disney must sustain its edge when it comes to each of these brands in order to remain on top. Disney brands have made their global mark, yet the company is still mainly U. S. Based. The majority of their bottom line profits are coming from the U. S. Most of the company's capital is being invested in brand recognition. Staying brand soused is Disney's largest competitive advantage over its competitors within the market.

Seven years ago Disney took on atechnologyfriendly approach. This has allowed the company to thrive during different areas of technological development. This has increased the efficiency in connecting with their customers in a whole new way. Disney's focus on innovation has allowed them to stay on top during the reinvention of new technologies over the past years. Embracing new technologies has led them to the opportunity for growth and expansion. During the fourth courted of 2012 Disney had faced substantial investment issues.

Some of these investments included investing in capital, construction of new cruise lines, and funded an aggressive buyback plan that placed demands on cash reserves. The problem here was not all of these business units were providing the returns that the company had expected. This outcome had caused Disney much distress, which led them to reevaluate their corporate strategy. Their strategy was centered on creating high quality family content, exploiting technological innovations, and international expansion. Disney had originally broken the company down into five different divisions.

This included media networks, parks, resorts, studio entertainment, consumer products, and interactive media. This type of break down allowed them to envision all of the different avenues that they have available to them. This large range of services offered by Disney has led them to become a global leader in the family entertainment business. Walt Disney Company's management must stay brand focused in order to sustain a competitive advantage within the industries market. Remaining one step ahead with technological advancements is another way the company can improve along with increasing shareholder value.

Unlike any other company, Walt Disney's corporate strategy is one of the key components to its magical success. The five main ingredients to Walt Disney's corporate strategy are leadership excellence, cast excellence, guest satisfaction, financial results, and repeat business. The company has thrived off of this formula for decades and still remains one of the top family friendly places in the world to visit. With strong emphasis on brand recognition along with innovation in different divisions, this company's future outlook on success will continue in a positive direction.