Case analysis: the honda effect

The two reports of BCG and the insider's account have a number of differences specified below:

The BCG report is a very brief report which just gives the overview of the entry of HONDA in the US market and explains how the market was and outlines the competitors like Harley Davidson etc. While the insiders account is a direct detailed narration which specifies the target market (Los Angeles) and also encounters the challenges they faced while entering in the market(the stringent monetary controls, being cash strapped, etc).

The BCG report emphasis deliberately re-addressing the black image of the motorcycles in US (advertising directly to the younger families, theme of " meet the nicest people on a Honda"), where as the theme of " meet the nicest people on a Honda" in the insiders account is an emergent approach to re-address the image of motorcycle which is brought about by student of UCLA.

The BCG report mentions the competitive advantage of HONDA (three-speed transmission, automatic clutch, five horsepower etc) on the other hand the insiders account mentions the different engine capacities which will be available (250cc, 350cc, 50cc super cub and 125cc).

The BCG report analyses HONDA's research and development effort by differentiating the number of staff (700 for Honda to 100 for all the rest o the competitors) while the insiders account is silent about research and development.

Having analysed the two cases there were a number of differences but the above mentioned were highly impacting both the reports.

Reference:

Case study 1 ‘ the Honda effect’.

Tutors notes on Introduction to strategic management.

MAP LAURA ASHLEY’S STAKEHOLDERS USING A POWER/INTEREST MATRIX.

LEVEL OF INTERESTStakeholder is a person or a group of people who have direct interest (stake) in the performance of a business. Stakeholders can be categorized as internal stakeholders (owners and employees) and external stakeholders (suppliers, government, customers, e. t. c.)

Minimal effort is where the stakeholders have less/ no power and low level of interest. The analysts and retires CEO’s can only write about the company they gave no powers to influence the decisions of management.

Keep informed is where the stakeholders have less power and high interest. Founders, franchisees and the community in this case are interested in knowing the performance of the company but have no power in influencing the decision making, however in some cases the founder member highly influence decision making in an organization.

Keep satisfied is where the stakeholders have high power and low level of interest. The customers have high power because if not satisfied than the organization will not make profits.

Key players are the stakeholders who have high power and high level of interest in the organization. Board of directors, current CEO's make the ultimate and final decisions and are most powerful.

Power/ interest matrix helps the management identifying the strategies to be used in an organization according to the power and interests of the stakeholders.

References:

Greenwich case study on Laura Ashley.

Tutors notes on purpose, expectations and ethics.

WHAT ARGUMENTS WOULD YOU USE TO PERSUADE AN ORGANISATION TO ADOPT THE BALANCED SCORE CARD APPROACH?

A balanced score card, developed by Kaplan and Norton is a tool that is used to measure affirms activities in relation to its vision along with its strategies.

The main components of a balanced score card are:

Customer perspective (how do customers see us?)

This can be measured by using questionnaires, customer services and customer satisfaction index.

Internal perspective (how do we see ourselves?)

Here we measure the efficiency, lead time and quality of an organisation.

Innovation and learning perspective (are we a learning organization?)

This is all about the creativity and staff development in an organization.

Financial perspective (how do our shareholders see us?)

This can be done by calculation accounting ratios of an organization.

WHY SHOULD A FIRM USE BALANCE SCORE CARD?

It helps in improving performance of an organization as each component has its own objectives, measures targets and strategies to achieve the targets set e. g. by improving customer satisfaction we increase the market shares however it does not solely focus on outcomes, but also considers measures that are performance drivers.

Balanced score card makes it easier for the firms to compare their performances. The comparison could be between the firms in the same sector and as well with a firm in a completely different sector, and comparison with the past performances.

It allows the firm to develop and expand as by measuring, managers identify the areas of the weakness and therefore make the necessary changes to create a better performing firm.

References:

Greenwich case study on Applying a balanced score card.

Tutors notes on strategy and performance.

USE THE INDUSTRY ANALYSIS FRAMEWORK TO EXPLAIN THE PROFITABILITY OF THE MAIN SUERMARKET CHAINS IN THE UK.

Industry analysis framework was pioneered by Harvard professor, Michael Porter which needs a firm to be attentive towards entering any industry. This framework alerts a firm on the impacts within the industry.

Industry profitability or attractiveness would depend upon the five forces:

The threat of new entrants, threat of substitutes, supplier’s power, buyer’s power and rivalry in the industry (Michael Porter, 1980).

Profitability of UK supermarkets is brought about by political ideology and the high degree of government involvement n this business.

Viewing the competitive rivalry entails that firms in Britain compete greatly in equal chances because of states involvement in regulating supplier pressures and owners just for societal welfare.

This leads to possibility of future entrants in the supermarket business because rule of the game is clear and publicly controlled. The massive amounts of capital needed might be an obstacle to small firms.

Moreover, profitability of main UK chains of supermarkets is guaranteed because similar products are made available to all customers. There are no close substitutes which could pose a threat to prosperity and growth of British supermarkets.

Furthermore, there is dominance absence by a few due to competitor balance by a chain of operators. Industry growth rate is due to increasing demand and not price competition because of public ownership.

Henceforth, their profitability is due to intentional measures imposed by UK government which makes them control and gain large market share in a great pace than competitors elsewhere.

Industry analysis: Five forces model.

References:

Tutors notes on competitive environment and slides

Greenwich case study on profitability of UK retailers.

WHAT ARE NOVOTEL'S COMPETITIVE ADVANTAGES?

Competitive advantages are the unique resources that a firm has which no other firm in the market obtains. It gives the company to have an upper hand over the market.

In the case of Novotel it has as exclusive layout which is friendly and has easy access to areas of the hotel e. g. the location of the bar and the restaurant which is exactly adjacent to the reception on the entry floor. (Paragraph 1)

Novotel provides training and development programs at the accor group which is the parent of novotel. The standardized layout and structures creates flexible working patterns. It develops a multi skilling staff who operate different functions at different timings. Service delivery and staff exchanges between countries creates a multi cultural environment within the work force which keeps the workers motivated and reduces the staff turnover rate. (Paragraph 2, 5 and 6)

The greeting and the creation of friendly environment for the guests arriving at novotel makes it a better place for them. The personal warmth given to the guests and other things alike guiding to the hotel room and other areas of services proves the good quality of the hospitality which creates loyalty to the novotel. (Paragraph 2, 5 and 6)

Partnership programs created at novotel give them another competitive advantage. These could be the link between novotel and its suppliers e. g. the company where they buy the televisions or furniture they are expected to build a reciprocal relation with novotel where they can utilize the hotel for corporate travel purposes. (Paragraph 4)

The firms competitive advantages helps them to have a better market share.

References:

Greenwich case study on Novotel value chain

Tutors notes on strategic capabilities.

WHAT POSITION IN THE MARKET DOES LEVI OCCUPY (USE STRATEGIC CLOCK TO CHARACTERISE ITS PORTION)?

Strategy clock is a suitable way of analyzing a firm’s competitive position in comparison to what is done by competitors. The clock was pioneered by Cliff Bowman who considered the work of Porters Generic Strategies.

According to Bowman, there are six core strategic options:

- No Frills.
- Low Price.
- Hybrid.
- Differentiation.
- Focused Differentiation.
- Strategies Destined for Failure.

From my understanding, I learnt that, Levi occupy fifth position which happen to be ‘ focused differentiation’. The position which means high perceived products benefits by customers with a high price charged on them.

Following are the reasons for Levi’s existence in the fifth position in the strategic clock.

Firstly, Levi identified the needs of a few (niche) which before were not met effectively and decided to produce products which will satisfy them in a most wanted manner. Levi brought products which were unique and different from those of competitors meaning it could set high prices due to values associated with them.

Also, Levi was really operating in focused differentiation as it did not maintain a large stock instead it received customers request orders with specifications and produced them n a ‘ Just-in-Time’. ‘ Order is transmitted electronically and the final product is shipped directly to the customer at his expense.’

Last but not least, Levi’s amazing position was reflected by concern shown to employees including salary increment plus other benefits which made them loyal and trustworthy to the company. Thus, employees act in a creative and innovative manner towards styling to express a customer’s needs.

References:

Greenwich case study on Levi’s personal pair proposal.

Managing strategy slides.

ARE THERE ANY RELATIONSHIPS OF STRATEGIC NATURE BETWEEN THE BUSINESS WITHIN THE VIRGIN GROUP?

Within Virgin, yes of course there are strategic relationships between the business maybe probably due to the inter connection and interdependency of the routine chore among them. The group is a central hub performing organizational core functions like a nucleus in a cell.

At the outset, the business at Virgin share a common identity which is its brand name helping it to penetrate different industries. 1 ‘ The brand is the single most important asset that we have; our ultimate objective is to establish it as a major global name.’

A further relationship can be seen from the growth strategies used by Virgin business such as joint ventures so as to minimize risks and share the available resources. In such ventures mostly Virgin offers its brand name while costs are mostly covered up by others but fruits enjoyed by 50: 50 basis.

Virgin was not a highly bureaucratic group as the managers were permitted to make decisions without interference from the central hub. This was done to create a sense of ownership so they could feel as part of virgin.

Moreover, all the businesses at Virgin were ring-fenced in the sense that, the assets of one business could be protected from invasion of outside lenders towards the others assets. Its financial operations had been managed from Geneva.

last but not least, the name virgin displays a clear message to the stakeholders in every business it enters that its ‘ fun’, ‘ innovative’, ‘ daring’ and ‘ successful’ which built a good reputation for them.

References:

1(Johnson. G, Scholes. K, Whittington. R, Fundamentals of strategy (2009), pp 199-200, Prentice hall.

Greenwich case study on The Virgin group.

HOW WOULD YOU CHARACTERISE THE EASY GROUP BUSINESS MODEL?

Easy groups business model is that one which works on a basis of a low price management concept model (no frills concept), yield management concept model and processes are technologically driven. ‘ The birth of the first venture under the strict concept of yield management was the basis and inspiration for every new idea that was later transformed into a real business.’ (Coelho, 2008)

As a company on no frills, easy aimed at meeting its client’s satisfaction at a lowest possible price than its competitors in every industry it enters but offering low perceived benefits. For example, at easy Jet flight meals were cut off so as to cut down costs. Direct competitors are few, for example virgin on some markets.

‘ Yield management is a methodology to optimize or maximize the revenue earned from a fixed, perishable resource by understanding, anticipating and reacting to customer behavior. The main goal is to sell the right resource at the right time. (Coelho 2008). This works by demand and supply forces. Turnover is increased through knowing the demand of the customers.

In addition, operations at easy are somehow with a low human intervention due to the fact that, technology is used at the best of ability towards minimizing costs. This however, is an electronic business model making use of internet and computing intensive system i. e. yield management.

Lastly, easy group model enables it to operate on a low cost as it made use of yield management and distribution systems such as the internet and phone charges bear by customers.