

Kodak vs. fujifilm



**ASSIGN
BUSTER**

What causes a company to declare bankruptcy? This is what most business entrepreneurs fear the most something they work so hard for to fail. There are ways to mitigate the risk of starting a business and ways to save one that is failing. Eastman Kodak Company is a large multinational company that has recently filed for bankruptcy. Exploring what has gone wrong with their business plan and how their competitor Fuji Films has gotten that equation right can help larger corporations like them in the future.

We can evaluate their performance by looking at all aspects of those companies from their history. Approach to management in order to embrace innovation, management aspects that have differed wealth each corporation, and evaluate their approaches to ethical and social responsibilities. This paper will also discuss how their managers adapted to changing market conditions, and recommend ways any company should build in flexibility to back up their decision-making processes to adapt to changes. George Eastman founded Eastman Kodak Co. in 1888. Mr..

Eastman developed the first simple camera that could be used by consumers. Mr.. Eastman was a high school report and came from a poor childhood background, his gift with business however lied within organization and management. And his inventive mind helped him become a successful entrepreneur while in his twenties. Mr.. Eastman had changed the development from rigid glass plates to a flexible tiling. He believed that most photography business's would jump at the opportunity to use the lighter easier to use cameras and film but he soon found out that was not the case.

In order to have his business grow he realized that he needed to reach the general public not just the large photography firms. George Eastman's first slogan " You press the button, we do the rest. " Helped him become recognized within a year (Eastman Kodak Company 2012). Fuji however was founded many years later in 1934. They were originally founded so they could be the first producer of bibliographic films in Japan. They developed technology not just photography but also cinema and the medical business. In the 1930s Fuji started to produce optical glass for the Japanese military to use.

They also started developing cameras by 1948 to fill a gap where professionals needed the speed of 35mm but a larger format. Fuji became the most agile company among filmmakers in adapting to the digital era (Gammas, 2013). Kodak's management did not adapt to the changing market conditions around them and throughout the world. The strategic decisions that were made by the new CEO and upper management did not happen quickly enough to stay in the relevant consumer market that the photo industry had changed to.

This caused Kodak to take a large fall and in the end they were forced to file for bankruptcy (Cotter, 2012). Kodak like many companies that have fallen on hard times during the recession or within the past couple of years, it was not the economy that did them in. It was complacency, lack of focus, greed, and perhaps even denial that contributed to the downfall of this once great company. These are the four lessons that should be learned from the mistakes Kodak has made. Starting with complacency for a while, Kodak's sales and profits did not climb.

As such, management had an easy job of simply refining existing products rather than creating new ones, motivated by the "why fix what isn't broken" mentality. Next would be that they lost focus by spending portions of their cash reserves on unrelated industries like newspaper editing software and household cleaners (Gordon, 2013). Ignoring competitors is another area that Kodak has caused their decline of their company because for decades they were the only source for film. Until Fujifilm entered the market in the 1980s with a comparable, but much less expensive product.

Kodak then refused to lower its prices, because they believed that consumers would still be willing to pay more for their product. Fujifilm began investing millions into developing digital cameras, Kodak decided to upgrade the 35mm film to a proprietary Advanced Photo System. Kodak had invented digital cameras in the 1980s however they resisted introducing it to the market because they believed it would kill their film sales. When the market changed to digital cameras and photo printers Kodak then found that they had gotten left in the dust by Fujifilm and other companies (Gordon, 2013).

Fujifilm's management on the other hand was quick to adapt to the changing market conditions. By creating a plan that allowed them to continue what they were doing in the film camera industry for as long as possible, and to start moving over to the digital camera industry to keep forward and looking outside of their normal consumer market for other ways to stay in the eyes of the consumers. One of the most important moves that Fujifilm made was staying with what they already knew they were good at and began learning how to adapt it to other markets arenas.

Fistful unlike Kodak transformed from a fairly narrow bibliographic supplier into a diversified company with significant health-care and electronics operations. They looked into more than just simply moving to digital photography from analog. They tapped into its chemical expertise for more uses, such as drugs and liquid-crystal display panels. These panels were used for televisions, computers, smartness and other devices that are the future of innovation based on their prior work with film and chemicals.

Another field where they are entering is cosmetics using their knowledge on how to keep photographs from fading in time. Another surprising area that Fistful has entered is medicine, which is again using their chemical knowledge in a vastly different way. They also broke into the cosmetics arena because it seemed that the process for stopping photos from fading could be used on skin. To survive the advance of digital photography Fistful began by restructuring and venturing into these new business areas.

According to Mr.. Kombi CEO of Fistful " The most decisive factor for our success was how drastically we were able to transform our businesses when digitization occurred. " Fistful was able to overcome company loses by diversifying (Nagasaki, and Osaka, 2012). Social responsibility and ethics needed to be taken seriously other wise there would be a several impacts on Kodak and Fistful's profitability. First, with holding ethics in high regard can make a company more attractive to current and future employees.

Kodak was added to the list of Best Corporate Citizens was because they (" Business Ethics Names Kodak Among 'Best Corporate Citizens' in Annual List. 2004). Prospective employees that are looking for a future company to work

for will usually evaluate not just their potential salary but also the potential benefits they can receive. Companies have the potential for huge savings if they avoid high turnover rates and keep their employees happy. Both Kodak and Fujifilm take measures to ensure that their companies are acting in an ethical method towards their employees, consumers and the planet as a whole.

Social responsibility does have the potential to drain company profits if not managed correctly. However when they gain respect public relations their sales may actually increase in the long run. Society is becoming more and more interested in the way that corporations aid the underprivileged or needy population. Society enjoys seeing companies that get involved with local aid and not just on how much of a profit they can make. Increasing social responsibility policies at a company can actually attract new consumers to their brand and help keep older customers loyal with their brand.

One way that a company can build in flexibility to their decision-making process in order to adapt to changing market conditions is to continually analyze the market that they are in and to identify the current trends that could have an impact on their sales. Then, next would be to take any reports that are created off of this analysis and bring them to the attention of upper management within the company to review and use these upcoming trends and make changes as necessary down line.

Another way that a company can build in flexibility is by finding ways to improve their agility to handle upcoming changes and trends. Having an analysis process in place to recognize these changes can be important, but

only if the company has enough agility to handle these changes as quickly as possible. Changes in the way that the company makes decisions may be necessary to cut down the time it takes to respond to the sudden challenges that a company may face in their market.

The last way that a company can build in flexibility is by changing their corporate culture to one that does not limit their view to past successes allowing the company to see the possibilities of future failures. This means that the leadership within the company should not let themselves get stuck in the mindset that because their company dominates the market above their competitors in the past that in present or the future they will do the same. A leadership that is responsive to change will be better able to keep their corporation flexible.

In conclusion, Kodak is a prime example of how a company fails at handling a changing market environment. Denying the reality of what caused them to fall within the photography market could end their brand all together unless they make the necessary changes. Going through this bankruptcy may be the one thing that could save their company if they use it wisely. Fujifilm is the complete opposite in that they realized what they needed to do to stay relevant within the market and they went with a decision that allowed them to use their core strengths.