

Business strategy assignment



Further this report discussed on three strategy examples and the comparison of those strategies gaining the reader's ability to think strategically. The continuation of the analyzing the first part will give a better understanding about the effective strategic planning. For the understanding about examine approaches to strategy evaluation and selection the report discussed about the evaluation possible alternative strategies for substantive growth and limited growth on retrenchment.

Further discuss about the future strategies for the selected organization. *

Introduction This assignment is all about the Business Strategy module which has been taught to us throughout this semester. The research is done through the Internet and the text book which has given for us. This assignment includes all the details regarding the question which our lecturer gave and those been explained in a manner where anybody who reads or go through this assignment.

The main objectives of doing this assignment are to make sound understanding of stakeholders, how to maintain relationship with them, Involvement of the stakeholders In decision making, how to improve the relationship with stakeholders, use of new technology to improve the relationship between stakeholders. Further on in this report described the improvements need for the selected organization to make good communication method by evaluating the existing process of communication, the communication skills of employees have been described in this report to obtain an Idea to develop them.

Picture 7 More Nestle Chocolates 21 Table 1 Comparison of the strategic objectives 12 Figure 1 Stakeholders of Nestle Company 7 Figure 2 Structure of Milliner 24 Figure 3 Structure of MASS intimateness Task 01 : Introduction to the company and Identify an appropriate business and an industry Nestle can be recognized as one of largest food manufacturing companies world-wide. Distributed around 480 factories approximately in around 87 countries throughout the world and helps the employment level massively of the world by employing around 265, 500 people worldwide.

By Today, Nestle has been recognized y almost everybody in the world as one of the largest food Multi-national companies which is there in the globe. Furthermore Nestle has altered itself with time to satisfy and meet the expectations of their consumers. The Vision of Nestle “ The vision of Nestle is to be the leading nutrition, health and Wellness Company in the world,” The mission and core competences of Nestle “ At Nestle, we believe that research can help us make better food so that people live a better life.

Good Food is the primary source of Good Health throughout life. We strive to bring consumers foods that are safe, of high quality and provide optimal attrition to meet physiological needs. In addition to nutrition, health and wellness, Nestle© products bring consumers the vital ingredients of taste and pleasure. ” Define the context of the business. The bottom line is that Nestle has become very successful due to one core reason which is, that they do not sacrifice long term goals and objectives for short term profit.

Business in the context of it is that the way how organizations used their infrastructure and how to use their employers , customers , bank is what

makes the context of business, the way how the CEO or the COO of the organization uses, in this organization Nestlé is a wide vast organization and their context of business is all about food products which is very needed in one's self in day-to-day living societies. Justifications to why you selected the particular industry organization will value into my concerns in time to come, this organization is one of the world's leading organizations.

The particular need in this industry is that we all can learn how well this organization is disciplined, organized. All this is very important while selecting as to what I have selected, my personal opinion is that this is the best view taken forth for. Strategy formulation Stakeholder analysis Identify the organizational position in the market This refers to the market the organizational position in the market. This will also help the organization to identify their weaknesses and strengths.

To identify the strengths and weaknesses of an organization This refers to identifying the internal and the external environment of Nestlé Private Limited and identifying the internal and external factors which affect the organization. To identify market gaps in an organization Certain stakeholders such as managers are interested in business activities to identify the small market gaps in the market where certain people demand for special goods and satisfying those special customers appropriately. To utilize limited resources to achieve organizational goals The main organizational strategy is to increase the performance to make more profits.

Stakeholders are the parties who are affected by an organization also have an interest in how the business is operating and what it achieves. Stakeholders are people

who will be impacted by the strategic plan of the company, who have information, experience or ideas that will be helpful in developing the plan and are visionary thinkers interested in exploring new opportunities.

Customers, suppliers, employees and community are the main takeovers of souls. External and internal stake holder analysis External External analyses are the people or the party who are interested in a particular organization externally.

For example we can take the above diagram into account, distributors, suppliers, Shareholders, Regulatory bodies, Government, Competitors and the business partners of Nestle Private Limited. Internal Includes the parties who are interested in the business organization within the same particular business organization are called as internal stakeholders. These can be managers, employees and directors and so on. According to the above diagram 2. The internal stakeholders of the Nestle Corporation are managers, Board of directors, Unions etc. Stakeholders of an organization organization.

This might be a member of an organization, volunteer, staff, management, board member, founder or a contracting body, client, community of interests such as locality or grouping of people who might benefit. Every business organization has a range of stakeholders. An organization is established based on blending the various interests of these stakeholder groupings. An objective to be the market leader of an organization will benefit all stakeholders because customers will chive high quality products, shareholders will receive high dividends, and employees will receive high wages.

The reader of this report can get a better idea regarding the stakeholders of Nestle Private Limited by viewing the following diagram ([Figure 1]) which explains about the stakeholders of Nestle Company. Figure [1] Stakeholders of Nestle Company Furthermore there are two types of stakeholders in an organization, stakeholders * External stakeholders Internal stakeholders Management * Internal The management is interested about the profit and the growth of the company Employees

The employees are interested of the company is to ensure that their Jobs are bean secured and the company is in a stable situation Suppliers The suppliers want their payments on time. They are also interested in the company growth so that they could supply more and more. Creditors The company has to pay the creditors on time. The creditors are interested about the organization performance because the company runs from the creditor's money External stakeholders Government The government wants the company to pay tax on time.

The government wants company to do well since it brings in large amount of revenue through taxation on importing and exporting goods . They also want the company to follow the government labor rules and regulations Competitors The competitors are interested about the company's performance and the products so that they could compete with the organization Financial institutions The financial institutions are interested about the performance because the company has to pay them the money back.

Customers Customers the company to produce good quality tea expects a good service from the organization Applying appropriate positioning strategies to analyze the selected business . Strategic objective formation e can apply positioning strategies analysis to the selected business in which ways it can overcome difficulties of the normal positioning , in which case the same in the fast moving consumer goods market in the domestic market as well as world- wide.

So in my perspective the organization should focus on technological developments along with human resource and marketing factor developments which will take the Nestle a step forward towards the achieving more market share and growth while maximizing profit and retaining and creating new customers. An objective can be defined as the specific targets that must be achieved if a equines should fulfill its aims. And in brief when a result of a goal is expressed in a more certain and a clear manner it is known as an objective.

Task 2 Strategic planning According to the above mentioned data we can easily conclude the fact that the organization is simply at the top of the fast moving consumer goods hierarchy in almost all the countries around the world. The strategic objectives which in my perspective I would like to develop for the next areas that Nestle© Corporation should take into consideration which is in as follows,(by using previous studies as well).

Increase the profit margin by 25% within the next two years (2012). *

Increasing the market share of the organization by 10% within the next three years (2013).

Double the productivity level within the time period of 12 months. * Gain a 15% increase in sales by the end of 2012. Comparison of the characteristics of objectives with the newly developed objectives Specific Simply all three objectives mentioned above are specific. All objectives are regarding profit maximizing, increasing market share, multiplying the productivity level and increasing sales of the organization. Measurable All the above mentioned objectives are measurable. Simply all of them have themselves a target time duration where the organization can measure the performance.

Achievable As mentioned earlier, Nestle is a highly reputed organization within the market for producing a variety of products. It is simply one of the best fast food manufacturing organizations worldwide. All the above mentioned objectives are basically regarding the maximizing profit, market share and doubling the productivity level are totally achievable by the organization. Realistic The above mentioned objectives can be achieved since the high reputation of the organization and the position of the organization within the domestic and the outbound market.

Time bound Time bounded refers to a specific time frame which the objectives are been addressed to. All the above mentioned objectives are referred to a specific time limit in years and months in case of the third and the last objective. Category I I Specific I Achievable I Realistic Time bound Strategy 1 12 14 Importance of the strategic planning process * To utilize organizational resources at the optimum level to achieve organizational activities. * Decorate a fit between the existing resources of the many and the current organizational opportunities. To identify where the organization is positioned and to identify the path in which the organization should step

on to in order to achieve success. * To have a better planning process within the organization to achieve goals. * To gain optimum usage out of the opportunities the organization gains. Strategy 2 * Double the productivity level within the time period of 12 months It has been the employees within the organization which has led Nestle to such a successful and demanding position in the domestic and global market. Productivity refers to increasing the output level while minimizing the input levels.

The formula for productivity is $\text{efficiency} + \text{effectiveness} = \text{productivity}$ or $\text{output}/\text{inputs}$. The more the productivity the more the consumer gets persuaded. It's the organizational responsibility to measure the efficiency and to make sure that the organization is engaging in the business activities as best as they could and give 1st preference to the customer. Doubling the productivity level of Nestle can be implemented as follows, * Increasing and adapting new motivational strategies for employees. Adapting new and modern management theories. E. G. Bureaucracy Management approach Human relations approach * Employee welfare and satisfaction and Improving labor relations This is one of the ultimate goals of a Human Resource Manager. Employees should be treated in an appropriate manner and should be satisfied accordingly by providing them with necessary welfare services. The Human Resource Managers are responsible for improving labor relations within employees in a specific organization. * Utilizing new technological factors which there for the taking As mentioned earlier the organization is simply been run by high technological systems.

So Nestle can take it as an advantage and manipulate on that opportunity to increase the efficiency level while decreasing the occurrence of additional

costs. * Optimizing the level of Planning There are many methodologies in optimizing planning now a days in the world due to globalization development. So Nestle can adapt such methodologies in order to increase efficiency levels and effectiveness. Strategy 3 Increasing the market share of Nestle by 10% within the next three years Nestle is simply one of the huge dominator in the fast moving consumer goods market in the within almost any market world-wide.

The primary reason behind this is the following facts, * Innovation * High market awareness about the organizations products * Good planning and implementation of good plans (Promotional campaigns) Due to the above mentioned reasons, Nestle is one of the dominating organizations in the fast moving consumer goods market. The current market share of the organization is approximately amounted as 40% out of the total organizations in the specified industry.

However, in order to increase the market share of the organization the following should are my recommendations, * Increase the capability and strengths f the organization An organizational audit regarding the SOOT analysis is been analyzed earlier in this assignment. And in my opinion what nestle should do is to focus on their strengths such as Specialists in the industry, Generation of new products and The Profitable Location and improvise on the opportunities they gain to achieve this target successfully. * Importing new products which are not available This factor will be discussed later on this assignment.

Nestle can strategies themselves to bring down and import the products which are not available in the domestic market to capture the market . Simply in the domestic market, Nestle is targeting the children as their primary target market. So if they can widen their target market, they have the competency and have created the charisma to achieve profit within a short period of time which will lead to high market share. * Focus on increasing profit of the organization Nestle can focus on their profit maximizing strategies which are mentioned above to increase market share.

Task 03 * Evaluation and selection Evaluate strategies using appropriate methods Strategy implementation The current situation: The current market share of the organization is according to he researches is 6. 1% Objective: To increase the market share by 10% within the end of 2011 As I mentioned earlier Nestle is in a very demanding position at the current situation, the organization should strategies themselves to conserve and retain the position in which they are right now and to create more and more sales and maximize profit.

However in order to increase the market share from by 10%, the organization should identify the methodologies in which they can achieve the targeted objective by closing down the gap. Nestle can be recommended to follow the following business trceries in order to achieve the desired target. * Focus on good management of resources and increasing the productivity levels within the organization. * within the organization and Increase the motivational levels of the management. * Take modern management approaches to achieve short term goals which will facilitate the primary objective goals. Innovation of new product categories which are targeted at <https://assignbuster.com/business-strategy-assignment/>

new target market segments and improvisations. * Using the Pricing and promotional strategies as tools to create and retain customers while utilizing technology at its optimum. Identifying and evaluating resources requirements to implement the new strategy. Resources can be defined as a stock or supply of materials and assets. In economic terms there is a limitation in resources when compared to the unlimited wants of people. This been further defined by the term “ scarcity’.

This implies, in brief there is limited number of resources to fulfill unlimited amount of wants. So the organizations should use these resources carefully and sustainable to make the future generation also have an amount of resources to be utilized. However when we discuss about the resource requirements o achieve the newly developed strategies for the organization, the most important point in perspective are people. By the term “ people” I refer to the employees who are engaged in organizational activities and Labor activities in Nestle. Implementing the strategy which I developed will come as a challenge to the Nestle.

And the capability of an organization to face challenges depend on a few things such as the culture, organizational hierarchy and the most important aspect is management practices of resources efficiently and to utilize the correct resource at the correct time. Besides all the facts the most valuable point which a manager should eye on is “ people”. Managing People are the ultimate objective for managers and it is the most crucial constrain that an organization faces. The respective parties should focus and should highly prioritize on people and human capital and labor rather than any other resource when achieving an objective like this.

The organization should be indulged with capable employees who can control people or subordinates of the organization. For me in my perspective human capital plays a vital role in achieving profit and arrest share for the organization because any organization should prioritize on customers and they should be satisfied efficiently and effectively to achieve goals and objectives. So in order to identify those customer necessities the perfect resource that can be utilized is employees itself.

Even though there are other resources such as Information and technological factors, they can only provide options to achieve targets successfully. But it will not generate 100% accurate decisions. So in my opinion Nestle should adapt Informational technology to gain information but the primary resource that they should focus on is “ people”. Selecting an appropriate strategy to implement. The strategic objective that I proposed to Nestle should be analyzed and monitored appropriately in order to make optimum usage of it and to identify that the organization is running on the correct path and track.

A Manager cannot perform and monitor all the functions of an organization, due to the lack of time and specialized knowledge, and in my perspective I would recommend Nestle to have a specific department which will monitor the performance level and the accuracy level of the strategy implementation which will enhance the quality of the work which are en done by the respective parties as well as it will increase the efficiency in department of any organization there is a process namely “ performance appraisal”.

Nestle can adapt and improvise on this and innovate a performance appraisal methodology to monitor the strategy implementation effectively

and efficiently. I would like to suggest to monitor the performance of the organization every 2 months so that if there is a specified department responsible for the strategy implementation they actually can inform the defects to the top level managers and take decisions in how to overcome those constraints and etc. The positive and the negative effects of the strategy implementation should be analyzed and the respective parties should take actions to minimize the negative effects and to optimize the positive effects for the organization. The reviewing process should be done accurately so that the organization can improvise in the opportunities they gain by analyzing these strategy implementation plans which will also benefit the organization in an enormous way.

However all in all this strategy which I proposed to implement will also create corporate social responsibility for the organization by creating more job opportunities for the public. So Nestle can take as an advantage to achieve their targets and desired objectives efficiently and effectively. Finally by reviewing this, the organization also can come up to alternative contingency plans to execute if something by any chance goes wrong in the uncertain environment for Nestle.

The organization also can take advantage of the technological factors which are available for them to monitor the performance as well. The following are some products which have been produced by Nestle which are extinct and yet and yet to be introduced to the domestic market. These can be taken as options available for Nestle to import to the domestic market as a product development strategy. Nestle Cappuccino Picture [1] Nestle Cappuccino

(Unsafe) This is a Nestle Branded type of Coffee which is not there in the domestic market and yet to be introduced.

So far in the Domestic Market there are no Cappuccino drinks available at market stores except for a specific number of hotels such as Tag Samara and Cinnamon Grand (Coffee stop). Introducing the Unsafe Cappuccino into Sri Lanka would be a perfect opportunity for Nestle to diversify their product options and to increase the market share which will indirectly increase the profit for the Uniqueness Cereal Picture [2] Uniqueness Cereal This is another Nestle Branded product which is being produced by Nestle and is still to be introduced into the domestic market.