

# [6 - 7](https://assignbuster.com/6-7/)

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Article Wal-mart’s organizational strategy has enabled them to become one of the leaders in the business. This strategy can be summarized into one competitive business model that starts with meeting consumer needs when they are due. One of these ways is by diversifying their business to serve as many consumers as possible, which is done by selling different products. This would also include vertical integration with other players in the market. Other strategies focused on include low-cost leadership that reduces the costs faced by suppliers and ultimately reducing the costs to the consumers of their products. Strategy is done through the application of Porter’s five force model to reduce supplier power, which enables them to price their goods at a lower price than competitors in the market.
Article 2
One of the factors that have also helped Wal-mart is innovation and change management. With an embracement of change through creative ideas, Wal-mart is able to stay before other competitors by continually changing their strategies to fit the market. As already mentioned, using a business model based on cost leadership has also helped Wal-mart. This strategy helps them manage their suppliers and share business risks with them, thus reducing costs and ultimately the final price faced by the customer. However, despite the market leadership enjoyed, Wal-mart has continually lost customers to its competitors who have attractive prices and better convenience. This can be related to problems of managerial capability, which can be overcome by innovation. Wal-mart needs to stop focusing a lot on meeting shareholders’ needs and instead focus more on customers’ needs.