

The analysis of the facebook company

[Business](#), [Company](#)



Introduction

Numbers of startup companies are rising rapidly, however, not all of them attain success. Our topic is about a well-known company, considered a successful business, Facebook. According to the statistics of users, if Facebook were a country, it would be the largest country in the world. This demonstrates how flourishing and popular Facebook is, thus, we chose Facebook to be an example showing the company's background and analyzing on its management: the environments, SWOT analysis, and the application of four principles of management.

History of the company

In February 2004, Mark Zuckerberg, an enthusiastic computer programmer, at age 23 while he was studying psychology at Harvard University, he founded Facebook, a social networking website that was only available to Harvard University students. The name “ Facebook” was taken from Phillips Exeter academy, his high school. There was a book called The Exeter Face Book that contains all profiles of students and it was distributed to all students to know their friends better.

Facebook was extremely popular after it was published for two weeks and immediately expanded to other universities in Boston followed by the Ivy League and most universities in United States from the help of his friends, Dustin Moskovitz and Christ Hughes. Facebook. com is free to join, and makes a profit through advertising revenue. Yahoo and Google are among companies which have expressed interest in a buy-out, with rumored figures

of around \$2billion being discussed. Mister Zuckerberg has so far refused to sell. The site's features have kept improving. Currently, there are a market place, Nearby Friends, City Guides, and live video feature. The company published that the number of registered users had reached over 30 million, making Facebook the largest social-networking site with an educational focus.

Product Portfolio of the Company

Profile

Profile is where you can update what you do and who you are speedily. You can discuss what you want to post on your profile such as videos, photos, interests, and personal information.

News feed

News Feed is the page that updating list of stories from pages, friends, and other connections. Users can like or comments on the post that they saw. Each person's new feed depends on what they follow, and the post that their friend shared.

Messenger

Messenger is an application on mobile that you can send the message to your friend immediately. With Messenger, you can send stickers, photos, videos, and textes. Also, you can chat with groups, and you can call between countries without expenses. You can see who's active on Messenger and Facebook. All of iOS, Android and Windows Phone are available to use Messenger.

Groups

Group gives people a private area to talk with people in small groups on Facebook, like family, co-workers or friends. You can control private setting for each group. Users can post, updates, share photos, and files in the group. There are more than a billion people use Facebook Groups every month.

Events

People use events feature more than 550 million every month. Users can manage invitations, organize gatherings, send notifications and reminders to their friends. Also, they can use events to invite their friends to anything from a dinner party to a community fundraiser.

Search

Search is you can find the information, photos and posts that your friend used to share with you. You can see anything by your eyes from friend's posts. You can find and contact with both of your old friend or new friend.

Pages

Pages are public area that artists, public figures, businesses, brands, organizations and non-profits show themselves on pages in Facebook. The people will see the post of page in news feed when they like a page. Also, you may see the post when your friend like or comment on a page post for increasing the page's exposure and reach.

Free Basics by Facebook

Free Basics by Facebook provides basic services is all free in markets where internet access may be less affordable. People are allowed to browse employment, selected health, and local information websites for free. Now

the app is available in parts of Africa, Latin America and Asia, and will continue to spread to around the world.

Competition on National and International level

Facebook has had a sturdy operation, and many investors believe that the company will grow more than ever in the future. Under Mark Zuckerberg's leadership, Facebook has expanded to serve 25% of the global population, 1.7 billion people. The most significant threat Facebook faces is competition. While the company has managed to beat the opponent, MySpace, and Twitter, without any problem, the present competition is severe and holds several competitive advantages that the legendary platform will be difficult pressed to match.

International competition

Facebook faces competition from many international social media platforms. China-based WeChat, owned by Tencent, and the privately held VK, which is based in St. Petersburg, Russia are the two most influential. There are some competitive advantages over Facebook and will hamper The company's expansion in the Asian and European markets.

Size and structure of the company

Organizational structure of Facebook is a hierarchical and divisional system merge with more than 12, 600 employees worldwide, Facebook Inc. preserves a hierarchical organizational structure integrating multiple levels of orders from CEO Mark Zuckerberg to common programmers and designers. But, there are product-based divisions and global teams that emphasize particular products such as Messenger, Facebook, WhatsApp,

Oculus, and Instagram. Product-based teams also employ in the improvement and development of a wide range of services offered by the company. For instance, services such as Newsfeed, Messenger, Profile, Events, and Groups presented within Facebook social networking site is the result of work done by product-based divisions.

Organizational Structure

In 2016 it has been found that the Organization was planning to restructure its shares to give Mark Zuckerberg uttermost control even as the social network's founder plans to sell most of his wagger in the organization. Previous that year, Mark Zuckerberg had published his pawn to donate 99% of his treasure to charitable efforts along with battle various diseases and climate change via selling his Facebook stocks. The new share structure to be introduced by Facebook Inc. is intended to guarantee that Mr. Zuckerberg retains his 60% voting power even after he departs with 99% of his Facebook shares.

A similar initiative had been introduced in Facebook's main rival company, Google, where founders Sergey Brin and Larry Page could retain control of the company through introducing stock restructuring. Report includes an extensive analysis of Facebook. The report represents the application of the important analytical strategic frameworks in business studies such as PESTEL, SWOT, Porter's Five Forces, Value Chain analysis and McKinsey 7S Model on Facebook Inc. The report contains analysis of Facebook's marketing strategy and discusses the problems of corporate social responsibility.

Data about the company

The timeline shows quarterly revenues of Facebook Company. In the most recently reported duration, the second quarter of 2018, the whole revenue is \$13. 2 billion, the most of revenues were from advertising. The market share of Facebook has dramatically fallen from 217. 50(July 25, 2018) to 176.

20(July 26, 2018) after that it is not stable until now. Environmental Scanning and Analysis of External and Internal Stakeholders

The General Environment Political-Legal Forces

Political is a legal righteous which must be followed having an impact on both individuals and organizations' opportunities and threats. For an example, Facebook is an open site making it is easy to approach any personal online information.

Economic Forces

The organization's performances need economic conditions to calculate its direction and successful rate. Knowing economic factors helps firm analyses its strategies better to get ready for a competitive environment as there are so many upcoming applications nowadays.

Sociocultural Forces

Sociocultural factors are cultures within the company's society which have a direct impact on relationships and values. In the role of company, cultures determine thoughts, feelings, and behaviors of workers.

Technological Forces

With technological developments, everything changes. Technology has bettered businesses' working system as communication becomes more convenient and information becomes more approachable.

International Forces

Nowadays, business goes international in every path--economic, political, legal, and technological global system--these factors are the major factors of all business which have to be taken care of. The company needs to do research to keep up with the interconnected market.

Demographic Forces

Aware of demographic forces helps the company to comprehend with its customer delivering products at its best ability and target-directed.

Customers

Customer is a factor which play the most important role in successful of Facebook and the potential customer of Facebook are users and advertisers' marketers. To Facebook users, Facebook attaches a lot of users because of providing a user-friendly, website, free website, and a place for making friends. The more users join in Facebook the faster Facebook become hot trend, the more famous it is. To advertiser Facebook makes use of having numerous face users every day, Facebook makes users become their target for specific marketing goals, they trade, sell personal information of users to advertisers and marketers.

Competitors

Instagram, Snapchat, LinkedIn, Google, Twitter. Instagram: It is more popular with teenager because it is simpler, more private and very visible in nature even though it is own by Facebook now. Snapchat: It has more privacy than Facebook because it allows people who use it sends a message or picture, video in a short period then never be seen again. It is unpopular as FB but it worth for finding new jobs or more than that it is the main platform of professional profiles. Google: Although Google social network is not strong as Facebook, both companies compete heavily in the internet advertising space, as they battle for market share. Twitter: Competing with Facebook for user and their engagement. Many people use Twitter instead of Facebook because its own advertisement. Twitter has been created account by many famous people, and it attached the curious and caring people.

Five keys suppliers

1. Dupont Fabros Technology. This company supply for Facebook in fields of back up data, cools, protects servers, essential mission and business applications.
2. Digital Realty Trust. This company supply for Facebook in fields of data capacity and storing Facebook's servers.
3. British Land Company. This company supply for Facebook space to expand Facebook's headquarterd in London.
4. Mail. Ru Group Ltd. Sponsored GDR, This company develops global web communications and entertainment services. Moreover, in 2013, this company sold its shares in FB and this thing help Facebook increase more revenues for Facebook.

5. Advanced Micro Devices. This company cooperate with Facebook to develop Oculus Ready PCs.

Distributors

A distributor sometimes called a middleman, is a person or an organization that helps another organization sell its goods and services to customers. The distributors of Facebook are app stores for mobile phones that will help people install it.

Strategic Allies

The term strategic allies describe the relationship of two organizations advantages to achieve advantages neither can perform as well alone. An example of Facebook strategic allies is Facebook with Microsoft expand strategic allies and Yahoo with Facebook launch strategic allies and resolve patent dispute.

Unions and Associations

The employees of Facebook have to create the new things for Facebook such as some new function, interesting activities for Facebook. They have to observe the post of customer that they don't post the rude thing.

Local Communities

Facebook can access the private information so, advertisers can buy the customer's private information from Facebook. The companies that they want to promote their products, they have to pay money to Facebook for Facebook users can see their posts.

Financial Institutions

Money is the important element of the company, so Facebook's internal stakeholders have to emphasize how to manage money in their organization the most efficiently.

Government Regulators

They affect Facebook Company since they are the agencies that establish and define the basic rules under the company may work, so they influence all activities of Facebook and Facebook has to obey and follow all the rules.

Special-Interest Groups

Members of special-interest groups try to affect specific issues, such as Demonstrate. Facebook should avoid risky performance that can bring the special-interest groups since they will bring the bad mindset to Facebook's customer and most people.

Mass MediaMass media completely influences Facebook organization – it shapes people's mindset about Facebook organization since it publishes both good and bad news and people around the world can see the news from it. If most people have bad mindset about Facebook, the organization will lose both money and customers, so Facebook has to pay attention to it by creating a public-relations person or department to communicate effectively with social media for protecting bad people's mindset about Facebook.

Internal Stakeholders**Strengths**

Facebook has 169 million of its daily users occupying major markets in the United States, Brazil, and India. Facebook has another competitive

advantage in collecting lucrative databases. Information about user locations, interests, and connections are valuable to advertisers because they can target the right audiences. The company also has a strong record of financial performance which makes it flexible in the market.

Weaknesses

Facebook's income only can be generated through advertisements making this one of its weaknesses. However, these advertisers allocated a small budget for Facebook. In addition, marketers may not like certain products offered by Facebook, they may be willing to give up their business dealings with Facebook, or they may be willing to pay less than the cost of advertising.

Opportunities

1. Artificial intelligence or Facebook's FAIR (Facebook AI Research) This feature helps Facebook understand better about their customers or users through their posts, photos, videos, social interactions. Therefore, it allows them to make a smarter product for data mining and targeted advertising.
2. Facebook Messenger: Using for many purposes, adding more conveniences tools into it, notification about orders, adding stickers, adding chatbot, mobile payments, especially it allows users to use Messenger application without download Facebook.

Threats

Facebook was blamed that they leakage data of 50 million users from 2016. It will cause the company to lose credibility, damage the business, or be stopped by the authorities. Facebook has lost 50 billion USD after that

threats. It allowed Cambridge Analytica to collect data not only from users but also from their friends. It hurt Facebook by decreasing 6, 8% of shares.

Application of the Four Functions of Management

Future planning and Goal setting We decide to follow the Growth strategy to achieve our goal – In 2 years, the company need the target of getting 3 billion Facebook users. Now, there are 2. 23 billion Facebook users. In half of 2019, the company have to get 2. 5 billion Facebook users, in the end of 2019, the company have to get 2. 75 billion Facebook users and in the end of 2020 the company have to achieve 3 billion Facebook users.

Organizing Resources

In order to accomplish the goals, resources are needed to be use efficiently. First, employees should be effectively recruited in each division and position. Second, within the company, work schedule must be made and obeyed. Third, money should be spent with the approval of the manager without any partial. Adhocracy culture would be fit to the organisation as Facebook is required to be able to create innovative products by being adaptable, creative, and quick to respond changes in the current marketplace. As Facebook is a gigantic company with over than 30, 000 employees, the organisation should be considerately structured. Multidivisional structure is a structure where people with diverse professional specialities are grouped by similar purpose, Facebook is exactly where the structure should be used.

The Balance Scorecard

In the technological economy, the most important for controlling a company when it has a systemic orientation to create values for organization in the

future, that is through investments in customers. Because, the position of Facebook is holding now which depend on a customer. If customers feel not satisfied, they will look for other suppliers, services, who can meet needs of customers. Therefore, if these perspectives of Balance Scorecard are in low performance, that will be a warning sign for Facebook.

Leadership style

Psychological empowerment should be a leadership style for Facebook is better, because he uses this leadership for empowerment employees.

Employees on Facebook can move out of bureaucracy and tradition in a creative way, and this exists in many other large companies. Managing a company with thousands of employees is a difficult task at a personal level. Legitimate power is better for Facebook, because he came up with an idea and turned it into an empire with his own skills and savvy. He changed the way we stay in touch. I going to follow his psychological empowerment leadership and legitimate power, because Facebook's employees be used to his leadership and legitimate power, if I change both leadership style and is vary hard for the employees and it also will lose some profit, so this is a big challenge. We will give the employees the some reward who works hard every years, because money is the best ways for employees work hard for our company.

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