

Critical thinking on strategic management

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



Strategic Management remains the backbone to any company as far as its growth is concerned. Therefore the success of the company is depended on how articulate the strategic managers are and how their decision affects the progress of the business.

I will stand in as a strategic manager for Yahoo!. This is an online marketing company was founded in the year 1994 and it acquired the name Yahoo! by late that same year. It just started as a guide for people browsing through the internet to such for contents ranging from entertainment to interesting materials. It gained a wide recognition and eventually became peoples' best. Early in 1995 it was incorporated formally and by mid of that same year a detailed business proposal incorporating media agencies was implemented. Most of the company's revenue comes from online advertisements, merchandising, direct marketing, promotions, sponsorships as well as ad placement fees. Revenue also came from the commissions from online sales as well as the monthly hosting fees for websites. The fame of the company grew immensely through the 1990's and by the year 2000 it was the leading brand for the internet business with over 180 different visitors.

Finding of fact #1: Yahoo! despite all the success, by the close of the year 2000, problems started to arise. Technology was changing at a faster rate and more unique trends in the online business were taking place. The management was reluctant to echo to these new changes and this brought conflicts in the management of the company especially in the implementation of policies. Revenue started to take a downward flow when the backbone business of the company, the dot. com became almost obsolete. This happening also saw to the rivalry of Jeffrey Mallet the

president and Timothy Koogle the CEO. Therefore, there were no new business models to cater for the growing demands of the customers. Some senior personnel left the company at this particular moment and this worsened the situation.

Finding of fact #2: Another drawback came from the handling of some of the technologies possessed by the company. Yahoo! had both the search engine and the search advertising expertise. To integrate these two technologies posed a very big challenge. The engineers had to be convinced that a new technology was not necessary at all and all that was required is to develop on the existing technologies. Yahoo! Was therefore integrated with Overture and Inktomi to come up with an effective search engine. By mid of the year 2004, Yahoo! stocks went up. Through the use of overture, advertisement s were displayed according to the charges per click placed on the client so regardless of relevance, the adverts with the highest charges were placed on the top. Overture technology with time proved to be inefficient for it could not cope with the high traffic being created by the Yahoo! search engine. Thus, a lot of time was consumed for it required human intervention every time an advertisement needed review. The company therefore decided to spice up in terms of technology. A project named Panama was initiated but it never went into fruition for there was disagreement between the executives from both Overture and Yahoo!.

Finding of fact #3: The Company also faced a problem in the way its web content was organized. Although it seemed as a success that the company had adopted a business model whereby it was seen as the ultimate solution to any online need, this later became a huge impediment to its success. As

time went by, its home page became much cluttered. A very clear difference could be noted between Yahoo! and Google content arrangement. Some of the employees of Yahoo! became concerned and they said that the web content for the company presented many cooks in one kitchen. There was a great confusion and even the company lost its identity. One could not differentiate whether it was a search engine, Media Company or a portal. This completely chaotic situation made customers to change their preferences and this made the company suffer a great deal. It became so incapacitated that even efforts to acquire other internet companies for a boost became a nightmare.

Recommendation/ Justification #1: There was a need to restore the company's lost glory. The whole management process needed an overhaul. I would suggest that new strategies to be put into place to actualize this desire. Previously, the decision making approach was that of top- down and it proved impractical for it eroded creativity. This kind of management structure was complex thus conflicts always arose during decision making hence policy implementation became really hard. For a satisfying result, the complex matrix structure of management has to be done away with. There should be smaller groups, which are subdivided, and each group is assigned a particular duty, which has to be executed to perfection. This will ensure that accountability is much elaborated and also it hastens service delivery to the customer.

I will also bring related docket under one umbrella. The teams here will be dealing with much related issues and there will be an enhanced cohesion in the dealings. This will ensure that nothing runs completely out of control and

eventually the expectant customer is not disappointed at all. Another key area to look at is the advertising section. This is the department that sells the company to the audience. How they present it speaks a lot about the company and may build it or even demolish it. The department will be organized into three channels, which are supply channel, demand channel and finally the product channel.

Recommendation/ Justification #2: Truly, Yahoo! had created a huge base of clientele through its many years of operation, and so there were no need to abolish the technologies it was built with. The only solution needed would be to reorganize these technologies and make them user friendly. This process of revival lies squarely on the strategic management and I have now to be ready to tackle the problem at hand. Now having understood where the company is coming from, I have a clear picture of how it is run and the issues that need address if a smooth run is to be realized. I do not claim that it will be an easy exercise putting everything under control, but a step at a time will bring a huge change. The bottom line here will be to erase the mismatch that has been in the company in terms of technology and the prevailing trend. First, I will work towards eliminating bureaucracy. I will change on how the process of decision-making flows in my department. This will be achieved through working to change the mentality of the employees and make them feel part of the decision making process. A bottom- up approach is the best. Through this, I will be able to tap on the unrealized potential within the entire team hence igniting a new spirit towards success realization. I would suggest that the technology team be divided into two sub- teams. The infrastructure and the platform sub- teams. The entire team would be responsible for

product development. They will work to develop products of global standards and place the company at a competitive advantage with the existing internet giants and also new entrants in the market.

Recommendation/ Justification #3: I would also ensure that a strong customer care department is in place. This would enhance the customers' trust and promote a feeling of belongingness for their queries about our services and products would be handled promptly. This would ensure that customers are retained and also new ones are attracted due to the improved services. The whole reorganization process may not bring instantaneous results but with time, the company will realize a recovery process in the strategic management. It is through this gradual recovery process that I will be able to develop strong diagnostic measures so that the policies put in place will be long lasting and also very promising as far as an upward growth is concerned. I will also endeavor to make the company the most talked about. This is achievable since the clientele base the company has managed to create for the many years it has been in operation will be the audience. I will also strategize to ensure that the name of the company is visible in many search channels in the internet. This will also aid in its marketing strategy.