

Essay on better place company

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



- What was the business-level (competitive) strategy considered by Better Place Company? What makes you think that? Is that a viable strategy for the kind of industry Better Place Company chose to compete in? Why/why not? (2 points)

While Better Place Company considered a number of strategies at different levels, the most prominent business level strategy it adopted was a mixture of differentiation, convenience and low prices that were the results of subsidizing efforts by the organization. Unlike other players in the industry, Better Place Company endeavored to have their cars sold at a price \$5000 lower than the gasoline cars. This, coupled with the convenience offered by the payment system, saw the organization penetrate the global arena of the automobile industry. What makes me think this is the business level strategy is the fact that it makes the organization appear attractive in form of prices and customer friendliness. Similarly, it differentiates the organization from the gasoline using vehicle manufacturers. The strategy is a viable option for this industry because customers will achieve many positives, which will outweigh the negatives. Most notably, people will afford environmental friendly cars at a lower price. Additionally, this strategy makes market penetration easily achievable.

The international or global strategy adopted by Better Place Company is that of arbitrage. This approach, arguably one among the approaches considered obsolete, has not completely lost place in the modern world. Apparently, this approach emerges as the primary global tactic adopted by Better Place Company because, evaluated from all perspectives - economical, cultural and geographical - it clearly deals or aims at markets and countries with

similar characteristics. Culturally evaluating the targeted points, western culture is conspicuously identified as the main characteristic. Such western countries as Canada and Australia are among the foremost targets. Economically speaking, these countries are among the most stable. Western culture is arguably the most particular culture when it comes to such things as environmental awareness. In adopting this approach, Better Place Company forms an alliance with Renault-Nissan. What makes me think that this is the most notable approach is because looking at it from different dimensions, it reflects strong defining characteristics. The approach is viable because gaining acceptance begins with an organization selecting and addressing a need - in this case, the need is the substitution of gasoline cars in the western world.

- As early as 2008, Better Place Company has announced a partnership with the Renault-Nissan alliance. Discuss pros and cons of such cooperative strategy on the part of Better Place Company. Do the benefits of such cooperation outweigh potential drawbacks? (2 points)

The partnership between Better Place Company and Renault-Nissan is a cooperative agreement with both pros and cons. Among the primary advantages is the actuality that Better Place Company will have its products and services easily penetrate the international market because, Renault-Nissan is an automobile organization that is widely recognized in the global arena, and this will provide Better Place Company with an easy entry. Secondly, Better Place Company will be associated with quality because Renault-Nissan is a brand name. The third pro is that Better Place Company will be better placed to deal directly with experts with whom they will consult

on technical matters. The first disadvantage is the reality that the services of the organization may not sell in market niches where Renault-Nissan is not accepted. Secondly, there are likely to be wrangles relating to policy among the leaders in both organizations. Thirdly, Better Place Company services may be required by other automobile manufacturers. By attaching itself with Renault-Nissan, the competitors of R-N will seek to downplay Better Place Company. From the foregoing, it is clear that the cons outweigh the pros as the cons - in the event that they occur - will drive the organization out of business.

- How does the initiative of battery-charging and battery-switching services for electric cars fit Renault-Nissan's corporate-level strategy? What are the incentives and possible benefits? How likely is this strategy to succeed if implemented by Renault-Nissan? Why? (2 points)

The corporate strategy of Renault-Nissan Alliance embodies diversification. The strategic alliance endeavors to make the entire organization to stand out as a corporate among its competitors through diversifying its products in an effort to differentiate its services and products. In point of fact, manufacturers in the automobile industry mainly focus on vehicles that consume gasoline. Gasoline, a non renewable source of energy, is associated with a number of disadvantages, among them being such factors as environmental pollution. This violates the CSR endeavors of the organizations. With battery-charging and battery-switching options, the cons of the gasoline are solved. With the intended partnerships, Renault-Nissan will not stop manufacturing the gasoline cars. This means that the organization will have expanded the scope of products through offering the

variety that describes diversification. Among the possible benefits is the reality that the organization will enjoy a wider market as the emergent demand for the electric cars will direct its attention to Renault-Nissan. Secondly, the option will make Renault-Nissan appear like an organization that prioritizes CSR hence fostering customer loyalty. The strategy is highly likely to succeed if implemented because the method of penetration is friendly and the Better Place Company services are unique and highly demanded in the world with environmental awareness being on the rise.

- Chrysler has not had a truly successful program of its own to exploit the opportunities that open up in the global market for electric cars. Would it make sense for Chrysler to consider Better Place Company as a potential acquisition target? What are the possible benefits and drawbacks? If Chrysler were to move with the acquisition attempt, how should it approach it to maximize the chance of success? (2 points)

It would not make sense for Chrysler to try the acquisition option because acquiring Better Place Company is not a guaranteed success. This is simply because its failure at capturing the opportunities in the market is an indication that there is something wrong with the integration of the electronic car program. One thing worth noting is the fact that Better Place Company has not established roots in the global economy. As such, the first drawback is the fact that customers, both corporate and individual will associate the electric program under the acquisition with the previous failed attempts. It would only be sensible if the organization acquired Better Place Company after a period of establishing roots in the international economy. However the organization will enjoy some benefits. For instance, it would

gain from the specialized and expert knowledge of the Better Place Company - a synergy associated with brand names. If the acquisition option was to be adopted, Chrysler should consider accompanying it with intensive marketing and make it more of an alliance than an acquisition. This way, there would be a perception that Better Place Company has considerable position in the new combination.

- Given the clear international focus of Better Place Company, how should it align its strategy along the Adaptation-Aggregation-Arbitrage dimensions? What implications does it have for the business-level (competitive) strategy it adopts? (2 points)

The international focus of the organization is aligned to the countries mentioned above. While the organization endeavors to operate globally, there are those countries and particular cultures that are targeted as the key markets. These include Denmark, Australia, Israel, Canada and Australia. Speaking of adaptation, aggregation and arbitrage, it simply means that the organization should seek to employ such tactics as price discrimination. Price discrimination can be a potent tool to use in introducing the use of arbitrage. Arbitrage refers to where the organization classifies the nations according to some common binding characteristics. Such characteristics include economic strength and cultural practice. The strategy should therefore be aligned in such a manner that it reflects the different needs of different societies. This will affect the business level strategies since the prices will not be even, as the level of adaptation and aligning the product to the needs of the particular cultures affects prices.

- In its quest for global opportunities, how should Better Place Company

incorporate the notion of the CAGE distance (cultural, administrative, geographic, and economic) into its strategy development efforts? What are the additional insights it could gain from adopting the CAGE framework into its strategy development? (2 points)

One fact that has been overlooked in the modern business world is the actuality that distance - cultural, geographic, administrative and economic - still matters. In a quest to achieve its international endeavors, the organization should focus on incorporating the CAGE distance in its strategy development through various ways. The primary approach to adopting CAGE would be the employment of cultural diversity in its primary functions such as the HRM function. About managing geographical distance, the organization can, upon establishment adopt franchising as a way of reducing the costs associated with geographic distance. Economic distance can be addressed through classification of markets and adaptation of products including price classifications. The additional insights the organization will gain from adopting CAGE revolve around the fact that distance, affects the organization in various ways but at the same time offers opportunities that, if exploited will boost the organization. Additionally, it may be important to note that with cultural distance, the organization should anticipate different reactions from different regions.