Sample essay on strategic management and strategic competitiveness

Business, Company

Walt Disney Corporation is one of the planet's most reputable entertainment companies, and the corporation established in 1926. The company created the first Steamboat Willie cartoon which introduced the planet to Mickey and Minnie Mouse in 1928. This particular cartoon launched the image that has been continuously used by the Disney Company in carrying the majority of its branding processes. However, the company's continued success can be attributed to its early appreciation of globalization and technology to steer up its growth. Globalization refers to the increased mobility and connectivity of world markets and businesses through the expansion from domestic trade to international trade (Hitt, 1999). Both globalization and technology go hand in hand, and the latter has been revealed to be speeding up the process of globalization by facilitating a smooth transition among markets and businesses.

In its efforts to embrace change in globalization and technology, the company has made significant progress in ensuring diversification of its products so as to suit the differentiated needs of the global markets. As a result, the company is divided into five business divisions that include; media networks, interactive media, parks and resorts, consumer products and studio entertainment. The company has then incorporated technology to improve its brand image along the variety of products that it has developed. Consequently, the company has also undertaken foreign direct investments (FDI's) in countries with high affinity to its products. The FDI's have assisted the corporation to enhance its overall growth exponentially owing to the high levels of globalization in its business. However, the given level of globalization has been attained during the use of sophisticated expertise that provides the infrastructure for ensuring interconnectedness amongst world markets.

The resource based model (RBV) stipulates that the company’s resources are the essential determinants of performance and competitive advantage (Amores, 2013). Hence, according to this approach it is only the organization’s capabilities and resources that should form the basis of strategic decisions. Therefore, under this view the external environment is not considered in strategic decision making. The company can achieve competitive lead through acquisition and using the worth of company resources. The role of the organization is to identify and acquire the most valuable resources in its ownership. Hence, in this case Walt Disney should recognize their most important resources. One of its key resources is the Mickey and Mouse brand of the company. Disney should add value to this product so as to ensure that it yields increased returns to the organization. The idea would be to ensure that this product becomes extremely unique and hence difficult to imitate. This would result to the products non-substitutability which would translate to increased company performance and competitiveness. On the other hand, the industrial organization (O/I) model is based on the fact that the company’s external environment is the most vital determinant of its organizational strategy and not its internal decisions or resources. The approach specifies that the external environment offers opportunities and possible threats to the company. This view also believes that, in a competitive market, all firms have equal admission to the available resources, and hence, resources are assumed to have mobility amongst the companies. This model upholds that for a company to realize improved performance it must incorporate pricing and differentiation strategies so as to compete effectively with other organizations in the market (Fleisher & Bensoussan, 2003). Thus, for Walt Disney to improve its average returns, the company must adopt low cost pricing strategies to ensure its products are offered at a lower cost than those of its competitors. Consequently, the company can also allow for differentiation of its products so as to increase its consumer base and hence achieve increased profitability and competitiveness.

The vision statement of Walt Disney is " To Make People Happy". This represents a very concise vision statement that broadly describes the overall purpose of the company. Furthermore, the vision statement is developed in a way to express the global perspective of the company. Thus, the company recognizes that it has to carry out its operations on a global level so as to satisfy the formulated vision statement. As it has been described previously, the idea of globalization by the company has enabled it to realize enormous success and expansion of the company to address the high global demand (Hitt, 1999). Consequently, the mission statement of the company is to be the global producers and providers of information and entertainment. The mission spells out the company would use its product portfolio to differentiate products and services as it seeks to establish the most innovative, profitable and creative entertainment in the world.

The mission statement of the company specifies what is to be achieved to change the vision into actionable plans. The mission also stipulates the activities to be performed and the end beneficiaries of these actions. The mission statement of the company has enabled it to adopt advanced technology so as to produce innovative and creative brands for the world. The mission has also incorporated the practice of differentiation of products in order to satisfy the varying consumer demands. Hence, it is evident that the mission statement of the company has a direct relation to the planned success of the company. The company's stakeholders refer to the different people that have some link with the organization. These stakeholders include; employees, customers, suppliers, distributors, government, public and the media. It is important to note that every stakeholder plays a significant role in ensuring that the company has constant success in its performance. The company employees put their efforts relentlessly to ensure that they develop brands that would be suiting to the consumers. Consequently, the customers of the company are an important part of the company because they provide the market for the products and services of the company.

Hence, they perform an important function that makes it certain that the company would be profitable in the market. The company suppliers also play an essential function of ensuring that the company obtains the relevant materials to develop the products and services. On the other hand, the distributors of the company ensure that the products and services are distributed along the value chain to reach all the consumers (Fleisher & Bensoussan, 2003). The government provides the necessary support to ensure that the industry in which the company operates is furnished with the required resources as well as infrastructure to enhance business growth. The government also offers legislation that controls the different players in the industry hence ensuring harmony which is a vital value for success in business. The public provides the market for the company products and services, as well as upholding loyalty to the company which boosts its popularity. This also adds on to the success of Walt Disney. The media also facilitates advertisements for the company thus, helping to increase its client base. In conclusion, all the stakeholders of the company have a given responsibility that is vital in determining the overall success of the company.

References

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