

Management for change: nestlé case essay sample

War



1. Did Nestlé undergo either first-order and/or second-order according to the case? Answer listing examples of types of changes from the above story.

Nestlé is a Swiss company leader in the food market, in the case we can see how Nestlé went through both first-order and second-order change. As first-order change, Nestlé in the 1900's changed its approach to global expansion by acquiring subsidiaries in other countries. Before that, Nestlé only operated with sales agents to buy their products out of Switzerland; so they changed their international strategy maintaining the company's goals and the organizational mission. During the First World War had increased the demand of diary product; so Nestlé took advantage of this fact as a way to expand itself into U. S. purchasing American factories, and continuing with their global expansion. In addition to increase productivity and efficiency, during the Second World War Nestlé moved out of Europe their executives. As second-order change, Nestlé in 1974 started to diversify their products in order to grow as company and increase earnings. Nestlé acquired a cosmetic company; they became the major shareholder of L'Oreal.

That was the first of different acquisitions of companies out of the food industry; Nestlé entered in the pharmaceutical market purchasing Alcon Laboratories, and enlarged their position in food market acquiring Carnation. Diversifying their products, Nestlé transformed the organization at its core; changing the nature of the organization. Nestlé drove away from their initial structure and created different products. 2. Brabeck-Letmathe emphasizes the need for an incremental approach to change. Do you agree that this is what he has done? Discuss the differences and similarities between his view and your view of what has occurred at Nestlé, both historically and in recent

times. I'm agree with what Brabeck-Letmathe did was an incremental change; he has established an incremental policy in order to change the company. Brabeck-Letmathe thinks that change should happen slowly; he didn't make sharp changes, because he thought that huge changes can create confusion in the company, and the resistance to change is always high. Historically Nestlé has adopted a more aggressive change policy; they have made some important first-order changes. But nowadays the company has gained an status that does not permit Nestlé to take changing decisions as it can affect at his reputation.