

# Phillips matsuhisha case analysis



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1. PESTLE Analysis, SWOT as well as Porter's five forces can be used as management tool to analyze and identify issues in the case. PESTLE will be more appropriate in terms of explaining and identifying the external causes of the changes that took place over the period of time within both the companies. Over the period of time, not only political changes forced the restructuring within these companies but also other factors such as technological changes also forced companies to reconsider their options. SWOT as a tool is critical too because it allow organizations to evaluate their strengths and weaknesses against the external threats and opportunities. One of the strengths of SWOT lies in the fact that it is easier to use and provides a comprehensive analysis of the key drivers of changes that organizations must take into account to deal with the emerging changes. Further, Porter's five forces is also one of the most effective management tools to use as it provides a very comprehensive overview of the different factors affecting the firm at the same time. What is also important to understand is the fact that Porter's five forces provides an opportunity to analyze the factors which are unique to each industry or firm thus each firm can tailor its strategies according to relative influence of each factor its success and failure.

2. The facts provided in the case study indicate that there are various symptoms which are leading towards a common cause of the problem. What is critical to note here is the fact that both the companies made changes into its organizational structure and refocused their strategic direction due to changes taking place externally i. e. most of these changes were reactive rather than proactive therefore strategic management at both the companies was relatively weak and reactive. Thus what were corrected

during all this period were the correction of symptoms and not the correction of actual root cause of the problem.

3. Ford is one of the companies which faced extreme volatile market conditions in the wake of current credit crunch and have to face the ultimate reality. Since 2006 it was not only slashing its number of employees but was closing its plants too. 1 Similarly, HSBC's US operations also suffered huge losses due to market conditions and inability of the bank to anticipate the changes taking place in the market. HSBC's mortgage portfolio in US suffered huge losses due to too much focus on short term gains rather than focusing on delivering long term value. 2 Kodak was once a pioneer in its industry however; it is also facing the tough competition from different sources and as such struggling to reclaim its lost legacy. Over the period of time, it has struggled to meet the rapid innovative change due [http://www.businessweek.com/magazine/content/06\\_48/b4011421.htm](http://www.businessweek.com/magazine/content/06_48/b4011421.htm) to its bureaucratic style of management and lack of anticipating the future strategic changes that took place especially with the introduction of digital camera. 3

4. In order to overcome the problems, it is important that both the firms must learn to be proactive in nature. Anticipating the changes that are going to take place in future is the key to success and management must develop abilities to be more proactive.