

Riordan manufacturing strategic plan research paper examples

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What role should ethical and social responsibility considerations have in Riordan's strategic management plan?

In recent years the concept of corporate social responsibility (CSR) and its implications in strategic planning have been fervently discussed among management theorists and practitioners. This concept suggests that company's activity and long-term decisions influence not only shareholders, but the society in general, therefore, company's responsibilities are way broader than making profits.

While there have been many arguments whether CSR is a crucial point for being a profitable operation or a barrier for economic growth and prosperity, Carroll prioritized four responsibilities any company has, and proved that social and economic responsibilities are not contradicting, but significantly connected matters and should be performed in a particular order to make a company fulfill all strategic objectives.

This hierarchy of responsibilities should come in handy for Riordan strategic plans and help managers to balance interests of the society and stakeholders in an ethical manner to introduce an applicable strategic plan.

Carroll divides all responsibilities in four groups: economic, legal, ethical, and discretionary and put them in descending order (Wheelen & Hunger, 2011).

1. Economic responsibilities force company to provide goods or services for a certain price to satisfy the financial needs of shareholders and guarantee a return on investment.
2. Legal responsibilities are set by the government and are not allowed to be

violated.

3. Ethical responsibilities contain shared beliefs about behavior in society and assume dealing with different ethical issues.

4. Discretionary responsibilities are totally voluntary obligations a company chooses to fulfill.

Riordan Manufacturing recognizes the business challenges of a modern world and expectations that different interested group put toward the company and its products.

Thus, company's strategic plan should reflect ambitious economic-oriented goals, such as becoming the best plastic manufacturer at a global scale; being recognized as a leader in beverage containers and bottles production; achieving a top-notch financial performance and a significant increase of the market share in both governmental and corporate sector, along with social-oriented objectives such as producing more innovative and environmentally friendly products; being perceived as a desire corporation to work for and build a career with.

In order to make Riordan's strategic plan work effectively and meet the needs of all interested groups, company's strategic goals should be reasonably prioritized and put into action accordingly. The primary focus of the company is to accomplish basic responsibilities - economic and ethical, that keep organization on the market, and, therefore, provide opportunities and resources for growth and fulfilling social responsibility that includes both ethical and discretionary obligations.

What competitive advantages does Riordan have, and which competitive strategies should Riordan utilize to improve innovation and sustainability in

both domestic and international applications?

Every company whether big or small wants to position itself in some way that can grant her an advantage among competitors. Moreover, all businesses have been started with the intention to demonstrate outstanding performance and to ensure above average financial results.

With this in mind companies try to find out what their main strengths is and transform it into a competitive advantage that helps to build up a successful business.

Michael Porter (1985) identified two fundamental types of competitive advantage a company can possess: low cost or differentiation. These two basic forms of competitive advantage should be combined with the package of related activities that should help a company to achieve stand out from competitors.

Overall, Porter (1985) distinguished three main strategies for becoming above average performer in a particular industry: cost leadership, differentiation, and focus. The focus strategy has been divided into two directions: cost focus and differentiation focus.

According to the strategic direction represented in the performance scorecard of Riordan Manufacturing, company focuses on producing innovative high-quality goods at a low price. In the case of Riordan, these, at first sight, ambivalent features of a product as superior quality and affordable price can be successfully combined through thorough implementation of an appropriate strategy.

Using such a strong competitive advantage as well managed and highly professional R&D division, possession of numerous patents and licenses

polymer materials and, moreover, executing of modern ERP and MRP operation systems company has decent chances to become an industry leader in the nearest future.

All of the above mentioned company's strength may lead either to more effective processes and commercialization of completely new or substantially modernized goods, and if properly executed will lead to tremendous cost reduction.

Low cost for innovative and well though product can boost Riordan chances to win the competition on both domestic and international market.

Thus, the best competitive strategy that can be applied for sustainable growth is costs leadership. This strategy implies that Riordan strives to become a low cost producer in the beverage containers and bottles production industry. The company has the potential to use existing competitive advantage, built on proprietary technology to become an industry leader.

However, Riordan should seek for new ways to go above and beyond the cost reduction, figuring out the factors that might be a source of further cost advantage, for instance, exceptional access to raw materials, economy of scale, etc.

Although cost reduction might be a great strategy for Riordan, management should not forget about social responsibility of business and support cost-cut initiatives that can be harmful to people and environment.

References

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