

# Fifth section



Fifth Section Future growth and profitability of the company depends upon strategic vision and plans based on past performance and market forecast. Typically, the best overall outcome both collectively and individually, is achieved by free and frank exchange of information; yet there are almost always strategic gains to be made by withholding part of the picture (Johnson, Scholes 1998).

### Corporate Strategy

Corporate strategy of Able Corporation will be concerned with matching markets to distinctive capabilities. Profits come not only from distinctive capabilities but from possession of strategic assets, competitive advantages which arise from the structure of the market rather than from the specific attributes of firms within that market. One-year strategic objectives are to identify a market which most effectively exploited its capabilities, the market for cordless segments, and develop this market. The brand in turn should acquire a distinctive identity. That combination, a system of production which gives the company a particular advantage in its chosen market segment, a world-wide reputation for product quality, and a brand which immediately identifies the aims and aspirations of its customers, will make Able Corporation one of the most profitable manufacturers. Five-year strategic objectives are: (1) to develop innovative products and solution which meet needs of target audience and allow Able Corporation to sustain strong market position; (2) to penetrate new market segments of PEPT; (3) to become a leader in cordless market segment. A ten-year strategic objective include: (1) to transform itself from a medium-ranking company with uncertain future to Europe's leading PEPT producer; (2) to build two plants in Eastern Asia and (3) to penetrate Asian market; (3) increase market share in <https://assignbuster.com/fifth-section/>

50 % (McDonald, Christopher 2003).

### Business Strategy

Business strategy looks at the relationship between the firm and its competitors, suppliers, and customers in the markets which it has chosen. One-year strategic objectives are (1) the choice of market identified suppliers, customers, and competitors. Relationships with suppliers, customers and competitors are of special importance; (2) patent protection of products and innovations. Five-year strategic objectives are to create its own distribution network and to price at a level designed to recoup development costs. The company should establish a manufacturing plant in Asia. Ten-year strategic objectives are to maintain tight control over its distribution network. This control will support the brand image and also aid market segmentation. The company will position its products differently and price differently in the various national markets.

### Operating Level

In one year, the aim is to achieve a higher quality of engineering than is usual in PEPT; to develop effective budget system and introduce activity-based management. Five-year strategic objectives: while most plants have been taken over by robots or workers from low-wage economies, Able Corporation should maintain a skilled labor force. The company benefits will be an educational system which gives basic technical skills. Increase sales in 30% in industrial and consumer channels. A ten-year strategic objective is to make full use of segmentation and involved the creation of a distinctive distribution network which bypassed the traditional retail outlets; increase sales in both market segments in 90 % (McDonald, Christopher 2003).

### Functional Level

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One-year strategic objectives are (1) to improve communication between departments and introduce positive organizational culture, morale and motivation; (2) to provide market and competitive analysis; (3) train employees; (4) to improve productivity and (5) introduce quality control. In five-years the company will: (1) introduce TQM; (2) update the product lines; (3) build two new product lines for cordless segment; (4) develop effective advertising strategy; (5) create marketing strategy. A ten-year strategic objective is to introduce cross cultural management and update service quality and delivery according to market needs and customers expectations. Alternative strategies are to (1) penetrate South America and build a plan in this region; (2) focus on PEPT tools only.

#### References

1. Johnson, G., Scholes, K. (1998). Exploring Corporate Strategy. Hemel Hempstead: Prentice Hall.
2. McDonald M., Christopher M. (2003). Marketing: A complete Guide. Palgrave Macmillan.