

# Strategic management, case study-1

Business



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Chapter 1: A Mandate for Strategic Management Liberty industries, a firm founded in 1964, specialized in wooden package products, such as pallets, and was only a tiny three-person organization for nearly a decade. By 1987, however, the firm's sales grew by a factor of 20 approaches \$20 million a year". The planning system that had always been effective was no longer adequate to meet the challenges facing the organization.

t With the help of consultant, the firm developed a nine-step planning process: 1. 2. 3. 4. 5.

6. 7. 8. 9. Define the organization's purpose and reason for being. Monitor the environment in which the organization operates.

Make a realistic assessment of strength and weaknesses. Make assumptions about unpredictable future events. Develop specific and measurable objectives in areas contributing to the organization's purpose. Formulate strategies on how to use available organizational resources in addressing environmental conditions and to meeting strategic objectives. Develop long and short-range plans to meet objectives.

\_ constantly appraise performance and evaluate gaps between performance and objectives and purpose. Reevaluate purpose, environment, strengths, and weaknesses before setting objectives for the next year. n identifying Liberty's purpose, managers developed a mission statement that included the following . , Liberty is in the business. of marketing industrial packaging products and services worldwide in order to, realize a profit for the benefit of stockholders, employees, customers, and suppliers.

Any industry that transports and/or warehouses its products is a potential recipient of Liberty industries services. " With this short statement, managers identified the firm's product/market domain and its obligations stakeholders. to key With their environmental analysis of opportunities and threats, the managers identified the following key issues: E E Annual growth in demand of wood pallets was expected to be only 3 to 5 percent per year. Plastic packaging was expected to grow at a slightly lower rate than wood in the short run, and to represent substantially – ' greater growth opportunities in the future. Analysis of internal strengths and weaknesses revealed that: a z f E Source: the firm had a strong reputation for providing quality products and services. New manufacturing capabilities were opening up in the plastics market thanks to a joint venture with a leading German packaging firm.

n house design and engineering capabilities were inadequate for continued high level of service given the recent growth. Operating efficiencies related to weekly information transfers between the corporate and regional offices were limiting profits. Based on information found in migilore, Henry R. products business, Planning Review, p9. 30-37 & Ringness Ronsld C.

(7987, May-June). Noilin down a future for o smel! woad- Questions: 1,. Is the new mission statement Financial objective oriented or Strategic object oriented? 2. What all should be included in your adaptive/ reactive strategy