

Assessing the value of ansoff matrix grid



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Harvard Business Review was the first publisher in 1957 for Ansoff Product/Matrix Grid, which is very well know tool for marketing growth tool. The article name was Strategic for Diversification whereby it was published. The tool suggests that new product in old market or old product in new market is the strategy where the growth strategy for any business depends.

The Ansoff Matrix tools suggested that the main strategy is the market penetration strategy where need to increase the market share by securing dominance in growth market. Secondly, strategy is product development into new and old market. Thirdly, market development is company aims to sell existing products in existing market. Finally, Diversification is the strategy where organization wants sell new products in the new market.

In order to adopt these strategies Google and Dell needs to look at market penetration, Market development, diversification and product development, as a results Google and Dell has to look upon different methods such as strategic alliances and partnership, etc. The methods are discussed below:

Joint Ventures and Strategic Alliances

A strategic Alliances can be defined the tow or more companies share their activities and share resources to practise strategy (Johnson et al., 2007). SA can be called also partnerships, which are combination of resources such as managerial, financial and technological and also competitive advantages. Moreover, Strategic Alliances are often called cooperative strategies, these cooperative strategies towards cooperation between two firms for sharing of marketing and production facilities of each other. Furthermore, the strategic alliances and Joint ventures are playing critical role to expand and

diversifying the products of the company. When intense competition is in the market the Google and Dell have decided to expand the business to create sustained channel in the business. Both the companies had made number of Joint Ventures and Strategic Alliances which are as follows:

The following is the list of main Joint Ventures and Strategic Alliances for Google:

Google has partnered with NASA Ames Research Centre in 2005.

Partnership with Sun Microsystems in 2005 for sharing technologies each other.

Strategic Alliances with AOL of Time Warner to improve the video search engine.

Mobi top-level domain for device of mobile such as Nokia, Microsoft and Ericsson.

Google has entered partnership with News Corp for \$900 million, this agreement provide to access popular social networking site Myspace.

The following is the list of main Joint Ventures and Strategic Alliances for Dell:

The one of significant partnership happened for the Dell with EMC Corporation. The main objective for this partnership was jointly design the products.

Dell made strategic Alliances with world best know technology brand and India's leading software company Tally. This SA provides potential revenue benefits and Dell computer will powered by Tally ERP9. these Vostro systems will bring new innovation technology in Dell's computer(<http://www1.ap.dell.com/content/topics/topic.aspx/ap/corporate>)

The reason behind the Strategic Alliances and Joint

New Technology

Develop the technology with the contribution of both companies can brought new technology beyond their capability. For Example, Google and yahoo partnership brought visual and technical enhancement to personalized searches.

Reducing Manufacturing Costs

Strategic Alliances provides both company's existing manufacturing facilities, whereby combined facilities can reducing manufacturing costs. For example, Dell's strategic alliances with Indian software company Tally will reducing manufacturing cost because Vostro systems will be making by Tally.

Entering a New Market

In order to enter a new market, Strategic Alliances is the best way to enter a new market. When any company very keen to enter a new market with their successful products, but lack of marketing expertise or lack of understanding local people want and needs could prevent them to entering a market. Moreover, does not know how to promote products and service or lack of knowledge of access to the distribution channels or trying to established

research centre in the new market which often proven failed to provide positives results. However, all the problems can resolve through strategic alliance with another local company which has same ambition and ability to produce same marketing skills. Furthermore, these methods of development may helps to reduce culture differences that may develop during or after the agreement. For example, Google made strategic alliance with AOL, Time Warner and Dell with Tally in India.

Improve Supply Chain Management

Strategic Alliances and Joint Ventures provide enhancement of supply chain management, this is another reason for SA and JV. For Example, Google has entered partnership with News Corp for \$900 million, this agreement provide to access popular social networking site Myspace.

2. b) Failure of Successes

The joint ventures and Strategic alliances can affect for the organizations in best possible positive way but these are not as beneficial as once thought. But still there is and potential benefits for both the firms can get if it is proper analysis and examine before made these methods. According to Arnold, (2005) even there is number of negative pitfall, still Joint Ventures and Strategic Alliances creates good relationship between the two firm, as a result by these methods can achieve competitive advantages, diversify the product portfolio.

2. b. 1 Action need to be taken

Selecting a Partner

When any firm is going for Joint Ventures and Strategic Alliances, they should have properly analysis of selecting partner. It has been proven that without the proper partner, a firm never be successes through these method of developments. Thus, both the companies should have brought their strength close to each other, whereby it can accessible to any partner. Moreover, both the firms should contribute equally in their contribution, win-to-win situation for both. Furthermore, they should have trust each other and

Overcome with additional barriers

The company must resolve additional barriers such as national culture, language, rules and regulations, foreign exchange considerations and not access to foreign products by the local community when the company penetrates into new market. So therefore, it can be recommended that incrassating the share for the host firm and try to encourage motivation in order to maintain in high level relationship with local government and local community. For Example, Google could take more cautious initiatives to prevent such incident occurred in China.

Recommendations

Continuous of Merges, acquisitions, Strategic Alliances and Joint Ventures are very difficult process if there is no trust on their strategic decision making. Each company has their own agenda and goals to achieve but most of the time management processes are creating further complications such as corporate culture of both firms. So therefore, it can recommend that both Google and Dell need comply with key principles:

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Strategy and responsibilities need to be clearly defined.

Take initiative for overcome with culture barriers.

Building the trust each other within the management processes.