

Successful management unit 4

Business



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Successful Management This paper conducts a research on the best ways on how to respond to issues and circumstances surrounding and affecting an organization. The circumstances and environment surrounding an organization is hostile and unpredictable. The paper will also explore the process involved in strategies planning using the generic strategies model. There will be three retail firms involved in our study; Abercrombie & Fitch Stores, Home Depot and H. E Butt grocery Company. An investigation will be carried out on each firm's, on the tactics employed and strategies. Strategic Planning is an instrument of management that aids a corporation in concentrating its energy on warranting that members of the corporation are steering towards the same objectives, to evaluate and regulate the corporations course in according to the prevailing economic climate. In a nutshell, strategic planning is a methodical effort to yield essential resolutions and actions that shape and control what a corporation is, what it is involved in, and why it is involved in it, while focusing on the future. The generic strategies model (cost leadership, differentiation and focus) is used by firms and organization to gain competitive advantage in a competitive environment. The Abercrombie & Fitch store is a casual clothing retailer that focuses on young people, primarily college students. The company supervises about 250 stores countrywide, ordinarily in shopping malls, and likewise advertises its clothing on the internet and in collections. The companys style has come to be recognized with the more risqué characteristics of upper conventional youth culture, way of life, outlooks, and music (Bryson, 2008). The company adopted a differentiation strategy in order to maximize on net income and also increase sales. This in return

makes the company have competitive advantage. In one case scenario, in the year 2010, \$2.97 billion worth of sales was reported by Abercrombie \$3.037 billion by Fitch and \$298.2 million by Hollister. Aéropostale reported a \$2.4 billion in sales while \$5.37 billion worth of sales was generated by Old Navy during the same time frame. It competes with other outfitters, Aerospatiale as well as a few smaller companies. (n. d) . The Company employs two most significant tactics: significant expansion and diversification of its products and services

The Home Depot is a household appliance retail corporation located in the USA. The Home Depot assimilates a self-motivated corporate level strategy corresponding to its skillfulness in sustaining fast growth. Subsequent to its inauguration in 1978, The Home Depot has experienced an average of 30% in annual rate of growth. Their remarkable growth rate is a partially as a result of their corporate level strategy. The Home Depot has principally used a Concentration or Horizontal strategy to attain unparalleled growth. The firm's emphases is on growing their products into various geographic localities and also in their value chain, whereas at the same time growing the variety of products and services obtainable in the current markets. For example, as the organization infiltrated markets all the way through the U. S. Sunbelt, they carried out trials by expanding their store's garden hubs and introduced an "Expo Design Center" storefront. The expo hubs are a geographic market niche that hopes to get the attention of upmarket homeowners by employing computer-aided design technology (CAD) and presenting exquisite and fashionable kitchen appliances. The company has adopted differentiation and expansion strategies (Alfred, 2009). H. E Butt Grocery Company is a major food retail outlet in USA that has diversified its service and products to

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also offering tickets sales, alcoholic beverages and pharmaceutical products (prescribed drugs). The tactics involved in this retail is also diversification and differentiation and expansion to other states/countries (Johnson 2010). Strategic planning process involves planning since goals are set here which assist in determining an approach to be adopted and shaping the future performance of an organization. The three companies have their corporate level management designing both long-term and short term strategies that stabilizes their companies and remain in operation. Hence with the strategies in place, major operations in the companies flow smoothly and major decisions can be made. References Byron, Sunders (2008). Inductive Origin of a consensus definition of the field. Strategic Management Journal. Volume 28, Issue 9, pages 935–955, September 2007. Alfred, Simon (2009). Competitive strategic management, Englewood Cliffs, NJ: Prentice-Hall. Johnson, G, Scholes (2010). Exploring Corporate Strategy, 8th Edition, FT Prentice Hall, Essex.