

Strategic planning goals for sony inc

Business, Strategic Management



Sony's current financial difficulties are tied into its corporate culture which was stated over 30 years ago. With such a large multinational corporation, greater planning and more use of strategies should be pursued. Sony could start with the implementation of a new mission statement, with profit and benefits of the company tied more closely to everyday operations. Internally, the four forces, the management, the designers, the production and the marketing should achieve better communication and cooperation. Alliance and cooperation between competitors should also be actively sort after in order to create standards in new fields. Sony should aim at being the leader instead of being the maverick. As for cost cutting, Sony should seriously consider setting up operations in other Asian countries in order to take advantage of the cheap labor and the budding markets. Finally, diversification, instead of pursuing the fast changing and easily imitated consumer goods market, Sony should use its technological know-how for high end business and office equipment.

With SWOT analysis and Porter's competitive forces model, we can view that the market is much more competitive with less profit margins and lead-time for product innovation. The conclusion is that change is needed in Sony. However, even with strategical and structure change, the Sony spirit of innovation should remain intact because that is what made Sony grow and would make it stay strong.

Task 1:

Sony Corporation is the electronic business unit and the parent company of the Sony group; it is engaged in its business through eight operating segments which are consumer products and devices, networked product and

services, disk manufacturing, pictures, music, financial services, Sony Ericsson and all other.

It is the first thing that comes to people minds about Sony company and its products is its high technologies filled with gadgets and product innovation, it was this innovation that has made Sony a big brand. It has used innovation in building markets out of thin air that changed everyday household lives forever.

History and culture

The current Sony corp. has a unique culture pattern in her history which is firmly rooted in relationship to her two founders Masaru Iuka and Akio Morita. As everybody knows they both were the most dedicated electric engineers and geniuses above their business talent. They made umbrella strategy where lower engineers actively learned, developed and improved on the vision.

Also it has been observed that the R&D section of Sony differ greatly from other companies with its greater flexibility. In Sony there is a life time employment with strong norms and values which in turn create strategy through their actions. Collective vision and stress can be clearly seen in the strategies.

Effects of current business plan

The strategic planning team is the visionaries behind our business. The key components to Sony electronics is that they support and drive the developments and execution of company wide initiatives. More importantly

is that they touch the very aspect of business. Whether it's from engineering to marketing they assist Sony business units in generating new and emerging business and cross organizational opportunities. They provide overall advisory and financial analysis support across our global portfolio of B2B and consumer electronics product groups.

Sony has also announced significant moves to strengthen its competitiveness for which it is continuously focusing on electronics, games and entertainment. Also the company is revitalizing its electronics business through further structural reforms and promotion of a well defined growth strategy.

Sony is also centralizing its decision making authority over key areas under electronics CEO. For product planning it is focusing on technology procurement and streamlined decision making across product lines. This in turn would permit uniform development between our products and thus assures decisive and rational R&D planning and spending.

For our growth strategy in electronics business they are leveraging all resources including motion, pictures, music, games and our brand recognition to deliver more appealing products and services as the worlds leading electronics and entertainment company.

SWOT ANALYSIS

Strength

Sony's greatest strength is their ability to produce innovative, quality products. Its web page itself states Sony innovation has become part of

mainstream culture which includes the magnetic tape and tape recorder in 1950 and so on.

Its PC world also published the most innovative products for the year 2006. It has continuously managed to be competitive and stay powerful organization by learning from past failures. It has been continuously learning from their mistakes and has always taken corrective measures in effective and efficient manner.

And strength is their ability to be successful in several different markets. They have made an impact in the video game market, the PC market, and especially the television market and there are still numerous others.

Weakness

Sony's biggest and most recent weakness is their lack of innovation with PS3. Sony focused on digital technology when building the PS3 and it has the ability to export video in high definition. But later on the result came out to be where it was clear that this technology can be viewed on a high definition TV, also lot of people will not be able to see the full potential it has to offer.

Opportunities

It seeks a lot of opportunities that utilize their strength in innovation.

The best opportunities which the company is having are design also it is integrated into every step of process-intelligent feature, user friendly application, innovative materials & of course visual appearance. Sony is also known not to copy any of its competitors so it has gained reputation. The marketing department of a company has also increased advertising

techniques due to which it is having an opportunity to attract new customers. Also the company is trying to sell there products at a cheaper rate to attract customers. It is also having opportunity and can decide to extend more overseas.

Threats

A common threat which the company is facing is in sales. Sony Vaio is it newest innovation in notebook computer for which it needs to compete with the brands of other companies who are already there in the market from long time. Competition in not the only threat which the company is facing recently it had to make a public apology concerning the use of a back drop in a violent video game.

Also the recent reports have showed that most of its products are forged and sold as fake product. It also lacks the direction of strategy.

TOOLS

Pest Analysis is another marketing tool to analyze the strategies and functioning of a company. PEST analysis examines the change in the market place caused by Political, Economical, and Social & Technological.

Political factor changes involve one party to another who are in control for e. g. Rise in private healthcare & privatization which is under the conservative government.

Whereas social factors will include changing lifestyle & attitudes

Technological factors involves changes as the public see it this creates opportunities for the new product such as internet, e-commerce.

Last not the least economic factors changes include such as recession creating activity at the lower end of the product price ranges.

Political factors within Sony

These factors can have a direct impact on the way Sony operates as we know decision made by government effect everyday business and can come in the form of policy & legislation. These factors have a huge influence upon the regulation of businesses if you talk about the company the factors which includes government laws such as the introduction to the minimum wage affects the employees of Sony as the hourly rate increases each year every time.

Understanding of activity from organization's in the market

Managing Strategic Uncertainty

The main thing which Sony must do is to make strategic commitments to unique assets or particular capabilities that will make difficult for competitors to imitate.

The downside of this commitment is that if you make the wrong commitments based upon incorrect beliefs about the future, it can take a long time to undo them and make new ones.

The responsibility must be charged in some organization for delivering on the commitments the organization has already made, for which the company need to make reviews of what it has set to achieve and regular follow ups

while other in the organization must take responsibility for mitigating risk that accomplish uncertainty and opening up promising new opportunities.

Task 2:

Need and Expectation of the Company Stakeholders

Every organization or company will get success in market by their product and services which is served by their employee. Thus employees are the key source of Sony Ericsson group and its main objective is to maintain high performing team which can attain all organizational objectives. Also looking for those employees who are self motivated and which can satisfy customer needs with their services and make difference to for shareholder, customer and themselves. Although company operates some training program as well to train their employees and to learn them more and more skills. Even Sony giving equal opportunities to their employee and also giving opportunity to get more experience from other organizational firms. Till financial year 2010 Sony has more than 98000 full time workers in different sectors, including managing body across the globe. Also there are large amount of workers approx. more than 40000 who are doing work indirectly for Sony Ericsson through agencies, distributors, contractors, etc. Eventually their human resource policy is fair enough for all employees as well and also it's regardless of gender, ethnic origin and disability. Sony has also providing extra facility to disable persons which motivates that person for their secure future.

Sony Ericsson has very vast list of their distributors which can deliver companies goal easily and effectively. It has around more than 25000

suppliers across the globe and invests approximately £30 billion in every financial year. Sony has majority to derive maximum value and also ensures actual suppliers who are engaged and operates in a strategic sourcing process.

Sony Ericsson served their customers in telecommunication sector across the world and aims for value package to customers and also offers basic discount to all segment of customers as per their worth. Also taking specific action to deliver customer services which aims to make good mobile products and accessories. Sony has one of the largest investments in communication industry. For making this worthwhile company has to study all facts related with market and consumers demand also get feedback from their fixed consumers. Otherwise the result will come out in negative sense and also new facilities which failed due to short earning and insufficient sales. However Sony has set of purchasing principles which ensure acts ethically and commercially, who will be responsible in business dealings with global supply. Sony realized that very well about their workforce who improves their efficiency and service.

By strategy implementation and several approaches Sony will get gain maximum contribution through senior management of the company.

Task 3:

Vision:

Sony has long term vision for their successful enterprise which determines to create and capture the market; where company wants to run their business

and achieve their organizational objectives. Also increase its durability and reliability.

There has been categorized in different manners which can describe below:

Environmental vision towards sustainability

The core responsibility of the Sony Group to society is to pursue the enhancement of corporate Value through innovation and sound business practices. The Sony Group recognizes that its Businesses have direct and indirect impact on the societies in which it operates. Sound business Practices require that business decisions give due consideration to the interests of Sony stakeholders, including shareholders, customers, employees, suppliers, business partners, local communities.

Sony today announced its environmental vision towards sustainability which outlines the Sony group fundamentals environmental policy. It states both basic philosophy and specific numerical targets and announces the target of double eco efficiency.

The growth of stakeholders concerned with environmental issues where consumers are expressing increasing concern, also the company has to rate themselves according to environmental measures. In many nation government is introducing environmental taxes and schemes for CO2 emission rights. Hence company knows and realizes the development of a sustainable economy it is necessary to combine ecology and economy together in management policy. The environmental vision towards

sustainability works from the highest concept to the most specific targets to realize a sustainable society.

Mission:

To give customer satisfaction in terms of good services and qualitized products and also want to measure their progress through key essentials which can described below:

Customer Service: It is an integral part of every business by which company get success and achieved all organizational targets or objectives. As fact shows that company is increasing their customer services on every year like in 2008 Sony provides service to their customer approx. 10% which increases in 2009 and reached upto 23% and in 2010 we will get very positive result which rise upto 35% ; by that companies trust and image is improving year on year.

Free Cash Flows: Free cash flow is increasing every year and it also depends on financial health of company which sustainable depends on company's wealth. Free cash flow in 2010 was £2143 million, compared with £1134 million in 2009.

Earning Per share: Every company has to maximize their shareholders similarly Sony has done with their objectives; by which company will move towards their indicators.

1) Building of strategy

With the succession of the two founders it would be very difficult for the company to find someone as visionary and for them to lead the umbrella

strategy company with Sony which is the international company having different major branches listed in 23 stock exchanges building a strategy is a tough job. Strategy should be made in such a way to generate more & more profit for which the greater emphasis should be on market share especially in Japan where Sony market is shrinking. There should be better coordination between the engineers in the R&D department.

2) Diversification.

For the company to diversify it should concentrate more & more on electronic know how in non consumer the competition are also able to copy in a much short time. This would make full use of the R&D department which is the strongest advantage of Sony without waiting for the price cutting & technology adaptation. It should also able to use its unique talent in videos & semi conductor technology to create its version of the office of the future.

3) Alliance & corporation

Sony should try to become a leader instead of maverick. The new product which the company is launching it involved both hardware & software so it should try to achieve industry wide standard. By pioneering in the field first & the standards is just a way to ensure stability to allows Sony to concentrate and on product development & improvement they also lack the know how to the creative software market. company should also focus on the product line to make it more compatible with one another which is crucial through the communication between groups & managers . So that it may able to build brand loyalty for customers. It was same like when Japanese took over the US market through cheap yet quality consumer goods other

Asian countries with their low labor cost pose as great competition at the lower end of consumer good.

4) Cost cutting

It is important for the organization because R&D place an integral part in the success of Sony & cannot be cut drastically since it gobbles up 10% of sales. As we know company I is having factory in US & Japan. But Sony is not fully making use of lower cost areas in the world especially Asian countries. Since it can take advantage of there cheap labor and can also get a head start in their budding consumer market.

5) Integration of production design & Marketing

In every organization designing & developing of a product is a different process from the production & marketing. As we know the design is backed by intuition & experience rather than market research & analysis. So to cure this phenomenon the R&D department should listen more toward the consumer need and then innovate instead of creating new markets. They should also be made responsible to the profit & loss of a particular product we also cannot deny the fact that it also brings these efficient groups together to achieve synergy.

6) Implementation

When we talk about implementation it is important for the company to integrate together with the Japanese work ethic & its western counterparts because Sony is a kind of MNC where there are people working from different country for which company needs to involve writing the importance of profits & its responsibility to its shareholders. More & More communication &

integration should be made between the department like designing, production & marketing. Company should also decide the standard which the world is adapting and accordingly should take decision to cut off setbacks. However the end product ratio between consumer & business product should be constantly reviewed through out the process to achieve optimum mix.

Task 4:

External factors and adaptation of Sony Corporation

Sony adopts many methods of cost reduction which prevailed economic situation in country. In year 2010 cost reduction activities which delivered some are changing steps with a reduction of operating cost and capital expenditure. Even though all business and internal services has deliver these savings, which focused on eliminating failure cost, also analyzed overhead value program which reduced cost with structural approach on project basis. These all aforesaid actions will reduce cost more consequently. Also it has improved service delivery and supply terms which would be expected to achieve further benefits in current year.

Like every company Sony also has many functional areas which can be categorized and described given below:

Technology Development: Sony has brand image on which company have to stay on their parts and commitments which they given to their consumers, distributors and others. It is also known for its best services and good quality of technological products which doesn't occur problems or errors frequently. In Sony their products are full of advanced technologies which make human life better and easier.

Sales and Marketing: It plays very vital role for every organization similarly this function is important for Sony Corporation. Without proper functioning and managing this sector; surely every business function will not get succeed in their task. Sales and marketing are those segments which generates cash flow and revenue. Since for improving their market and business; Sony has adapting some effective marketing strategies on different categories. In this competitive world nowadays company will focused to build strong relationships of customers. Even provide extra customer service with free of cost to all segments of customers; which makes to give security of product to all customers and also reduces supply and carbon emissions. Additionally company is always set their mind to use and investigate more and more renewable electricity or new technologies such as by developing own wind farms which give advantage over others.

Human Resource Management: This sector is a backbone of every organization which managed human beings as per organization requirement and its role to satisfy organizational workforce needs. Further improper and ineffective function creates massive loss to the company. Till 2010 financial year Sony has more than 25000 workers who works in the company as a full time worker and more than 45000 peoples indirectly worked for company through agencies, distributors, contractors, etc. It also makes eco friendly environment without following any ethics and origin, regardless of religion, gender and disability. Eventually Sony has proud on his human resources department which plays important role in their successive path. Although Sony also deals with some specialist recruiting agencies which attract people to work in its organization and meanwhile they can judged special skills in

employees by creating competitive advantage. With the help of that Process Company has list of number of talented peoples which makes worth for the company.

Task 5:

Competitive Strength and weakness of Current business Strategies of Sony

As we all know that time is money in very general and it is actually money for all segments like business, individuals, professionals, etc. In strategy firstly considers important task and involves strategy to develop time table in terms of giving exact preference on all segments as per business demand. Thus strategy implementation is very important for business and also have to make keen observation about investigation under resources how much time every operation will take? Then after start new operations and keep control on going operations. Lastly if any deviation occurred at the time of operation then sometimes to get back is the right decision and sometimes to resolve that on timely, so that it depends on situation how much it make worth according to business vision.

However the final element to control business effectively and to make strategic control, the strategic planning process is essential. In planned performance the review of actual performance is monitored by supporting organizational learning and enabling the improvement of performances. Also provide rewards to the employee who attain company objective very efficiently which based on strategic issues and also helps in identifying and communicating the drivers of success. Furthermore all strategies planned

and organized to make benefits for company. As per number of criteria strategies might be evaluated on suitability, feasibility and acceptability. The acceptability of strategy indicates view of stakeholders and feasibility indicates organizational adequate resources. Eventually suitability refers logic of strategy. The key for internal and external success is to manage time effectively and actively participate in every segment of requiring business by which we can make our successive product and remain keep our corporations brand image.

Conclusion

After analyzing the whole situation and surveying the business plan the conclusion which can be drawn for the company is that Sony Corporation found it impossible to create any kind of sustainable competitive advantage based on product alone. It is also always being observed by everyone working in a successful company that they continuously work to know how to create a customer centered competitive advantage of this company the key internal strengths are the appropriate & effective marketing strategy but on the other hand if you talk about flaws of the marketing strategies declares the company on major internal setback. Sony also has the potential to innovate into a company with international operations as well as culture since it was one of the first Japanese companies to set up a main branch in the US. With strategy & luck Sony could become a great firm as it was & will be.