

Strategic management business case study for insight magazine assignment

[Business](#), [Marketing](#)



{draw: frame} {draw: g} {draw: g} INSIGHT'S MISSION, VISION & PHILOSOPHY {draw: text-box} Insight is a local social magazine founded to satisfy different appeals in the Egyptian society. It are committed to face our challenges by embracing and creating change, through innovative solutions to extend the overall content distribution and marketing model to include websites, digital magazines, virtual events, and other new technologies to establish positive relations and credibility between the magazine and its readers.

It is committed to providing an informal yet professional working environment that encourages and rewards creativity, teamwork and enthusiasm. Insight's operation is environmentally friendly. {draw: text-box} ENVIRONMENTAL SCANNING When setting the mission, Insight had to first understand the "big picture" of the environment, in which it is operating, and the opportunities and threats that lie within.

Such understanding of the surrounding environment will enable us to take advantage of the opportunities that will come in our ways and minimize the threats that will face us along the way The Big Picture (PEST ANALYSIS) PEST Analysis helps understanding the "big picture" of the Political, Economic, Socio-Cultural and Technological environment, it ensures that what we are aiming for in our mission is aligned positively with the powerful forces of change that are affecting the press media.

Political factor: Understanding the political environment in Egypt is almost the most important step in the scanning phase, the freedom of press in Egypt is not "as free" as it may seem because of the following: The political

environment might not be stable within the next five years due to the presidential election which may negatively influence the market. Egypt's state security investigation apparatus empowered to interfere in almost every area of public life under the state of emergency in force for the last 28 years which forms a barrier for writers to speak up their minds freely.

On the other hand, there are some positive changes in the political environment such as the reform program that is a work in progress. Egypt has made substantial progress in developing its legal, tax and investment infrastructure, over the past five years; Egypt has passed, amended and admitted over 15 legislative pieces one of which was the reform of the country's presidential election law, paving the way for multi-candidate polls in the upcoming presidential elections.

Economical factor: The financial crisis and the recession which has recently struck the world all over definitely had an impact on the Egyptian job market in many versatile ways such as: The downfall of the western economy forced the expatriates working abroad consider twice before asking for a high salary, this made the hiring of foreign calibers easier and resulted in the layoffs of many local employees and the increase of unemployment and job market instability.

Unemployment in the Egyptian society has aggressively increased during the last five years affecting indirectly the press industry. Many organizations started to adopt the policy of cost cutting and benefit minimization; this as

well had the same effect as the precedent point resulting in unemployment and instability.

The worsening state of the global economy makes 2009 a “horror show” for advertising-dependent newspaper and television companies, with some analysts predicting that businesses may have to wait until 2011 to see positive ad growth. It must be noted as well that the Egyptian economy has been gaining, thanks to the wide-ranging amendments & reforms that the country began implementing in 2004 and due to such amendments and administration of many legislative pieces the economy is expected to grow by about 4% to 6% in 2009/2010.

Technological Factor: We are living the technology era, every day, a new invention, revolution or innovation strikes the market in every business, if insight is not open to apply new operational strategies that can help to address the effects of both technological streamlining and better developing meaningful ways of generating an exchange of ideas, it won't last before its competitors, with a daily increasing pace in the world of technology.

The rise of online media presents another challenge: reliability. The internet has become the fastest and easiest way for the readers to get the type of info they claim, low-priced and as diverse as they want, and this rise is obliging the media world to give attention to online advertisement as much as or even at a higher interest than normal printed magazines. Socio-cultural Factor: A cultural change has come into the surface, with the increase of the coffee shops outings, the topics that were point of interest to readers have

been changed, Insight carried out new researches to cover a broad range of topics to attract readers. Over the last 5 years, the interest in football, politics and religion ruled over many areas in life, Insight being a social lifestyle magazine it has to cope with the new interests in our society. Given that English is the language of the magazine in an Arabic speaking country; this has enlarged the difficulty of the magazine's distribution in the Egyptian market.

Environmental Factor: Global warming that became perhaps the most complicated issue facing the world of magazine production after study showed that the carbon dioxide emissions caused by the production and distribution of one copy of an average sized 0.39 pound magazine total about 0.95 kilograms including paper from trees, materials, production, shipping and customer use; henceforth, the loss of natural habitat potential from the 0.39 pound magazine is estimated to be 0.3 square meters. This has led to a huge increase in the prices of the papers which is the most important element of the magazines industry. {draw: frame} The Small Details (SWOT ANALYSIS) SWOT Analysis is a simple but powerful framework for analyzing the magazine's Strengths and Weaknesses, and the Opportunities and Threats it faces. Thus, helping Insight to focus on its strengths, minimize threats, and take the greatest possible advantage of opportunities available.

Strengths: Insight magazine enjoys a very good image that has a business idea and credibility amongst its competitors. It has an extensive advertising and good promotions that withhold good value and quality. The magazine

enjoys good cash flow through advertising which provides space for innovation and expansion. Most of Insight's staff is between 20-25 years, at these young ages the ability to cope with new challenges of life is much more flexible than older generations and this provides the space to innovate & improve in many fields.

Weakness: Any organization has its weaknesses; Insight suffers from the lack of a good distribution plan compared to its rivals. Another weakness facing Insight is the fact that the teams are self managed by junior staff which lack knowledge and experience leadership of its junior staff. **Threats:** Insight's main threat is the strong competitors dominating the market and how quickly they can adapt to market changes. The inability to cope with new technologies may also lead to the magazine's failure.

Opportunities: Giving that Egypt is in a state of transition and economic growth, our good cash flow will enable us to seize any opportunity of hiring excellent calibers and adopting new technologies. {draw: frame} **STRATEGY FORMULATION** Strategy formulation is the process of determining appropriate courses of action for achieving the organizational objectives and thereby accomplishing organizational purpose. The strategies formulated should reflect environmental analysis previously discussed, lead to fulfillment of the mission, and result in reaching our organizational objectives.

TOWS MATRIX The TOWS Matrix is a relatively simple tool for generating the strategic options, using it, will enable us to look intelligently at how Insight

takes the best advantage of the opportunities open, at the same time that we minimize the impact of weaknesses and protect ourselves against threats. By analyzing the external environment (threats and opportunities), and the internal environment (weaknesses and strengths), we can use these techniques to think about our corporate, business & functional strategies.

Corporate Strategy Corporate strategy is one, which decides what business the magazine should be in, and how the overall group of activities should be structured and managed, it is as well a description of the magazine's overall direction in terms of its general attitude toward growth, stability or Retrenchment and the management of its various businesses and product lines. Following the change of the external major forces as well as the declining performance of the distribution unit and the marketing department, the top management had to consider formulating an alternative strategy other than the previously followed growth strategy.

A stability strategy is now the new corporate strategy followed by Insight, it is decision of doing nothing new in the worsening situation but instead to act as though Insight's problems are only temporary, and it is an attempt to artificially support profits when sales are declining by reducing short term discretionary expenditures. Insight magazine is currently following the stability strategy as its corporate strategy knowing that it will be temporarily adopted until Insight settles its weakness in the marketing area and regains a significant position in the Egyptian market.

Business Strategies In light of the ongoing economic crisis besetting the world, many business leaders had to consider just exactly how they are going to put together a winning business strategy to help overcome the hard times. Insight's business strategy is a competitive one, it involves making the right choices in order to achieve cost leadership, differentiation and focus; this is achieved by invest our money and strategies in this area as well as coordinating properly Insight's distinctive competencies in the provision of the service we provide.

In order to sustain our competitive advantage, Insight has to determine the durability and imitability of its main distinctive resources which are the human and the financial resources. Business Model Insight serves English reading customers in Egypt by providing them with the latest lifestyle information; Insight's Insight sustains a competitive advantage through recruitment through the strong cash flow from advertisements made by top class brands, young calibers who adapt easily with any changes in the external environment, thus allowing diversity in writing materials and articles. draw: frame} Functional Strategies Functional strategy is the approach taken by Insight's functional departments to achieve corporate and business unit objectives and strategies by maximizing distribution. In each functional area, the manager is concerned with developing a distinctive competence to provide Insight with the competitive advantage that it aims to obtain.

Marketing & Sales Strategies After 14 years Insight is still struggling and to maintain, capture larger market share, and continues market penetration. It

is very hard to achieve now days especially in our case and similar to many magazines and newspapers in the region and world wide. Insight relies heavily on advertising money for revenue since the price consumers pay when they purchase a copy of the magazine has never been sufficient to cover the production costs much less creating any profit.

Insight Magazine's marketing strategy consists of market and product development as well as dealing with pricing, selling and distributing the magazine through the following: Creativity Launch new campaigns with developed layout and logo. Distribution Generate new distribution plans to cover different venues; hotels, bookshops, newsstands, supermarkets, airports, cultural centers, advertisers, numerous Egyptians and international business peoples and VIPs.

Make a deal with a well known distribution agency to circulate the magazine on a wider scale on one hand, and on the other hand to put booths in many different areas and offer special gifts to people in order to attract the readers. Sales Give free issues on special occasions in order to encourage and attract customers Instead of selling space to marketers for print ads, we started selling services that marketers want to have. Diversification To focus more on topics that have overwhelmed people lately especially football.

Emphasize profitable material and realign their content production costs with where the revenue is generated. A publisher will need to find the unique and defining material that attracts their readership. Go Green Despite the economic state and the rapid increase of paper prices, the Marketing head

suggested to the top management to use recycled papers and environmentally friendly materials in order to save cost and maintain same quality of the product that the customer got used to and at the same time to cope with the green trend of the world.

Technology & Innovation Digital marketing media and web publishing have become a very tangible area for improvement and market enlargement, Insight's strategy for development in print media magazine world is mainly based on enriching Insight's website, with new means of advertisements such as online purchasing of a wide range of products starting from pictures all the way to specific non published exclusive articles.

HR Strategies Giving that a good human resources management practice enables organization to achieve higher profits and better survival rate than do firms without these practice, Insight's strategies towards its most valued asset-the people had to be reviewed and amended to the following: Insight being owned and managed by a sole proprietor, have always followed a top-bottom strategy, as a new practice, the top management is now opening the door for a bottom-top strategy thus taking advantage of any new ideas, innovations and changes that can increase the magazine's share in the Egyptian Market.

Insight magazine is considering the hire of a mix of young generation, skilled reputable writers and foreign calibers as well, no matter how high they get paid. This mixture will help the different teams at Insight to properly manage themselves and thus achieving high productivity to the magazine.

Encouraging the hire of part time employees and free lance writers; it will save cost since they will not be paid for health care benefits, pensions and many allowances offered to the full time employees.

Promote new company traditions such as family outings, annual dinners. Improve the communication level between the top management and staff by involving employees in decisions that affect their jobs and the overall direction of the company whenever possible. Recognize excellent performance by implementing new exercises such as employee of the month, additional rewards for high performers. Promote career & personal growth perspectives such as succession planning, trainings, education, challenging, assignments and more.

Assign a development team to cope with the recent technologies. Insight's Culture & Behavior Insight enjoys a very friendly and supportive work environment, everyone is free to speak up their minds, and all new ideas are being appreciated, but giving that the top management of the magazine is being held by the owner, the last word is always up to them. This gives Insight's a mix of Supportive and Autocratic behavior, any suggestions are being carefully interpreted but the final decision is always up to the owner.

Insight's culture is a Multi-directional one, being a relatively small organization that has only four distinct functions, each department member considers themselves as a part of his function only forgetting that they are a member of a whole body. Insight's Organization Structure Insight's organization was structured based on functional groups centered on clusters

of titles each led by chief function officer with complete responsibility for their respective business unit as per the below chart. draw: frame}

STRATEGY IMPLEMENTATION The implementation of organization strategy involves the application of the management process to obtain the desired results. Particularly, strategy implementation includes designing the organization's structure, allocating resources, developing information and decision process, and managing human resources, including such areas as the reward system, approaches to leadership, and staffing. Strategy implementation skills are not easily mastered, unfortunately. In fact, virtually all managers find implementation the most difficult aspect of their jobs – more difficult than strategic analysis or strategy formulation. **Marketing & Sales Strategy Implementation:** Implementing a rock-solid marketing strategy is probably the most important factor contributing to the long-term sustainable success of any business and the one that will set Insight ahead of its competitors.

Insight's main task is to get its message across the market, make sure that its unique selling proposition is articulated in all of its marketing messages, campaigns, and sales channels through the following implementation: **HR Strategy Implementation** The HR Strategy has at its core maximizing the potential talent of Insight's staff. Each of these strategic themes are interlinked and are the strategic objectives for each of these themes facilitates the delivery of the Institutional Strategy, the Financial Strategy, enhanced organizational performance and Operational Plans.

This is illustrated as follows: {draw: frame} In implementing the desired strategy of Insight to resolve the sales and distribution, The HR function have done the following: “ Get the big picture ” of the whole company, to provide the readers with the ultimate life experience through lifestyle magazine and becoming No. 1 magazine the Egyptian market; Recruit a mix of the young generation and skilled reputable writers and employees who receive high pay and are trained to participate in self managing teams.

By implementing this strategy it will result in employee satisfaction and high productivity to the magazine. Hire part time employees and free lance writers; it will not save cost since they will not be paid for health care benefits, pensions and many allowances offered to the full time employees. Encourage diversity in nationality, and age as in aligning with the Egyptian labor law, this strategy has proven higher productivity inside the magazine. Respect employees at all times. Listen to them deeply; use their ideas. Offer performance feedback and praise good efforts and results.

Involve employees in decisions that affect their jobs and the overall direction of the magazine whenever possible thus increasing the loyalty and sense of belonging to the magazine Recognize excellent performance, and especially, link pay to performance. Value and encourage the magazine traditions through events and gatherings like Family day and annual company dinner. Increase the employees’ skill by providing them with the best training opportunities to enhance their competencies and develop their skills. Outsource professional distributors in an attempt to reach the target.

EVALUATION & CONTROL Although the term “ monitoring and evaluation” tends to get run together as if it is only one thing, monitoring and evaluation are, in fact, two distinct sets of organizational activities, related but not identical. Monitoring is the systematic collection and analysis of information as a project progresses, aimed at improving the efficiency of organization. If done properly, it is an invaluable tool for good management that provides a useful base for evaluation. Evaluation is the comparison of actual project impacts against the agreed strategic plans.

It can be formative (taking place during the life of a project or organization, with the intention of improving the strategy or way of functioning of the project or organization). It can also be summative (drawing learning from a completed project or an organization that is no longer functioning) During the planning and implementation phases, it was crucial to conduct a reporting mechanism to monitor whether the right milestones have been taken towards the targeted goals or not as well as to ensure that employees are keeping pace with the progress.

This monitoring was done by Chief executives submitting a monthly report to the Chairman as well as scheduling a quarterly meeting to continually keep an eye on the sales, client feedback, foresee what could be done for improvement of any new ideas that would help in increasing the sales of upcoming editions, and finally to ensure that the business and functional levels are keeping track with the corporate objectives and goals. On the other hand, daily meetings are held in each functional department to continually monitor and evaluate work quality and business progress.

After an extensive monitoring process the HR strategy was found weak in the following points: No HR interview was made any manager interviews his calibers from his own aspects and cultural background. Huge cultural gaps between foreign and local employees No relatively clear difference between the full time and part time employees in term of salaries and benefits which creates unfairness and injustice among them. The rewards were not given in great value and are not fairly given to all employees. Trainings were not fairly distributed among employees.

In order to evaluate the magazine performance we have found the following diagnostic checklist items: CONCLUSION Insight is a local English magazine which has been in the Egyptian market for more than a decade. Although Insight enjoys good cash revenue from the top class advertisements it provides, it is struggling with a marketing and distribution setback which gave the top management the sufficient motives to alter the current strategies followed in order to reclaim its top position in the Egyptian market.

Insight's top management first steps of creating new strategies started by setting a new mission of developing the marketing function followed by an external and internal scanning of all possible threats and opportunities that could in a way or another affect the strategies. The scanning that was done helped Insight distinguish its competitive advantage which consequently assisted in the formulation of new corporate, business and functional strategies. After implementing the previously formulated strategies precise

monitoring and evaluation were done in order to conclude the gap areas that resulted in the implementation.

One of the gap areas that were found was the wrong implementation of hiring foreigners without giving them a proper induction on the Egyptian culture which lead to a huge conflict in ideas between the local and foreign staff. As a final conclusion to the previous report, Insight top management should investigate what went wrong during the implementation of the HR strategy that lead such gaps and how to overcome these gaps to properly implement the functional human resources strategy that will ultimately reflect its success in Insight's overall performance. {draw: frame}