

Threat of new entrants

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Threat of new Entrants Threat of new Entrants The risks posed by new entrants are always imminent and the main players in a specified industry cannot control this risk in spite of the fact that they can establish response strategies. With changing regulations, medical marijuana has become a threat to existing industries especially because it is said to be effective in a myriad of diseases (Ghosh et al., 2015). This implies that demand on existing medication will decrease, as patients continue to try marijuana although the supply of other drugs is increasing. Thus, the loss in demand will lead to lower profit for the organizations in the medicine industry.

As a product, medical marijuana will provide increased competition especially because of the publication that it is receiving and perceptions that include many diseases that it can treat and improve symptoms. The capability for an entrant to satisfy a wide range of customer needs is a primary risk for the existing products (Vallaster et al., 2012). As a leader in the field of medicine, this is how I would assess the threat posed by medical marijuana. The strategies that I would implement to deal with this threat include corporate social responsibility and war gaming. Good corporate citizenship improves the reputation of an organization in the eyes of the communities and the customers who become loyal regardless of entrants. Considering that modern stakeholders are more interested in how organizations cater for natural environment, an organization that practices the same is bound to not only retain but also increase its market share irrespective of entrants. In addition, war-gaming strategy would involve assessing how much the organization would be affected by entrants and devising ways of mitigating (Kaplan & Mikes, 2012). This would act as an opportunity for improvement. Personally, I think war-gaming would be more

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effective although collaboration of both strategies would be more helpful with respect to future organizational performance. Moreover, I would also raise awareness with regard to the idea that the negative effects of medical marijuana overwhelm the perceived medicinal value. Such a measure would not only protect the public from the negative impact of marijuana but also reduce the impact of the entrant.

References

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