

Strategy analysis answers



Stakeholder analysis example

Question 1

Several factors might affect the target stakeholders in a business situation. Some of the factors that might affect the target stakeholders include employees, customers, local communities, and suppliers among others. Thus, in a real business setup, the manager's decision in the matter relating to the business can be greatly hampered with by such some factors and subsequently affect the likelihood of the competitive analysis specifically in the AFI framework (Rothaermel, 2015). Also, through the use of effective research mechanisms the target can get the needed information even from the stakeholders so that a better customer experience can be experienced. Thus, by doing an all-inclusive research, the stakeholders will be in a fair position to evaluate and do a comparison between the different market regarding cost and competition analysis. On the other hand, the stakeholders might affect the effectiveness of the implementation stage, for instance, in cases when they are not in the agreement of the ideas that the management wants to adopt for the purpose of the growth and success of the business (Rothaermel, 2015).

Question 2

Evaluating the case study, it is clear that BP's experience in the Gulf of Mexico has made it hard for the effective management of the stakeholders. In this regard, I think the BP'S managers should consider having to rebrand the company so that the stakeholders can see it in another dimension and consequently strengthen the existing relationship (Rothaermel, 2015). Also,

the managers should consider restructuring the company's mission, vision, and targets, which should be done as per the needs and requirements of the stakeholders. Ideally, the stakeholders should be involved during such exercises. Also, the top management should use the experience that has already gained during their time in office, and henceforth boost the morale of the local managers and afterward there is certainty that negative publicity will be eliminated and later increase the returns (Rothaermel, 2015).

Question 3

It is true that the literature from the first chapter of the book argues that firm effects are objectively more important more than those of industry. However, both firm and industry effects are factors that contribute to the firm performance. Industry effects are those factors that are used to explain the economic structure in an industrial setup. On the other hand, the firm effects are used by the managers to attribute the performance of the firm (Hill, Jones, & Schilling, 2014). Thus, I tend to believe that industry effects are overall more important than firm effects considering that they are used to analyze the external factors affecting the business from a broader perspective. Also, industrial factors contribute more to the performance of the business as compared to firm effects. As a result, better evaluation of the industry effects increases the profitability of the business (Hill, Jones, & Schilling, 2014).

Mobile industry analysis

Question 4

The mobile industry is the industry under the scrutiny. These include the likes of Samsung, Nokia, Huawei, and Apple products. The industry producing such products are currently facing a wide range of competition considering the radical changes regarding innovation? Thus, for any company to effectively thrive and be at a position to gain a competitive advantage over their business, appropriate planning, and real-time strategies ought to be used (Rothaermel, 2015). Despite the fact that other factors are considered to be responsible for a company to defeat their competitors in a market situation, there planning of the business operations is responsible so that proper layout of the different events can be done. This is done to avoid and eliminate any confusion among the different parties concerned and also ensure that targets set are in line with the company's mission and vision. Therefore, looking at the communication industry, some business might benefits more than other and become even more profitable depending on how they implement their planning process.

External environment analysis

Question 1

It is important for an organization to study and also recognize the value of its external environment due to the associated benefits. Firstly, for the business to effectively deal with any competition, the management should look at the strategies used to reflect on the various aspect that defines the scope that the business operates. This is because of the external environment that the business operates to take a defining role towards shaping the future of a firm (Rothaermel, 2015). Secondly, the managers should also draw a reputable interest on the external business since it affects the manner that the

operation of the business should be run. Also, studying the external business is vital for the effective operation of the business since the management is in a position to effectively identify the competitors, which is a factor that will enable the business to differentiate its product and afterward be in a position to cater for its profitable operations. Lastly, it's important for the business to scan the external environment considering that management will understand the political and legal system that stipulates various rules and frameworks, which the business should operate in (Hill, Jones, & Schilling, 2014).

Question 2

The five competitive forces in the porter's model are said to affect the level of profits that a business gets about the industrial setup. These forces include; threats of new entrants, the threat of substitutes, bargaining power of customers, bargaining power of suppliers, and industry rivalry. Thus, if not properly taken care of these forces will tend to create barriers for the new business, which as a result will increase the startup cost for the business. Also, the customer loyalty might be affected, lack of information to the buyers, weak distribution channel, an expensive level of advertising platforms, and also the lack of supplier competition (Hill, Jones, & Schilling, 2014). The weak forces could increase the industry profits through allowing the availability of close substitute, allowing standard product, and also the existence of few competitors. On the other hand, the strong forces could lead to reduced industry profits due to the fact there will be more competitors in the industry, the existence of all kinds of information to other business, and also the availability of many channels of distribution to even competitors.

Evaluation of the internal resources

Question 1

It is important to study the internal resources, capabilities and also the activities of firms due to the benefits associated. For instance, proper evaluation of the internal resources of business could enable the management to recognize how much the assets and liabilities that the business contains. Moreover, scrutinizing the capabilities of the business is vital since it gives the management information regarding its strength, and therefore, making it easy to evaluate the viable business opportunities available (Hill, Jones, & Schilling, 2014).

Question 2 a.

After conducting a value chain of the McDonald's, some of its primary activities include those relating to inbound logistics and outbound logistics. For the inbound logistics, the activities include operations, conventional franchising, developmental license, and affiliates (Ward & Peppard, 2016). On the other hand, the outbound logistics include; market and sales and services. These activities are said to add more value to the customers if effectively done.

Question 2 b.

The changes done to the McDonald's menu did not require any changes to be done to its traditional value chain activities.

Question 3

The resource-based view criteria that managers use to determine the capabilities of certain resources in creating competencies in a firm can be either independent or interdependent. Being independent means that they have utilized themselves alone, while for the interdependent, it means that they are used in pairs. In some cases, especially when the managers want to create a competitive advantage for their business, the interdependent factors might be insufficient and pose some inefficiencies during the process of utilization, which serves as a limiting factor.

Chapter 5 Exercise 1

The customers for the business school at the University include the new students who want to be admitted to the institution to enroll in different courses that the institution offers. Value is created by the management by ensuring that the institution is certified and the courses offered are internationally recognized. The main core competencies required is the issue of quality. The shareholders view the institution as a place where knowledge is cultivated and also where life is molded.

Chapter 5 Exercise 2

In life, it is said that a person with a certain future is the one who invests in profitable opportunities. In the course of my studies, I have learned with much zeal and profoundness that research is vital when choosing the mode of investment. Unlike in the past when the investment was faced with numerous uncertainties, in the current times, it is important to consider triple-bottom-line approach as a possible guide and viable tool for evaluating the economic performance of different industries. This is because the

approach provides necessary and concrete information required for scrutiny for the purpose of investment. Many success stories of people with top business owe this tool. Hence, I would confidently advise anyone who needs to invest to consider this approach, and they won't regret.

References

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