

The history of business and management marketing essay



A Vision Statement portrays the optimal desired future state of what an organization wants to achieve over time. This statement provides guidance and inspiration as to what an organization is focused on achieving in upcoming years. It also plays a role of inspiration for employees to work hard and reach their goal.

Eg: Microsoft: “ Empower people through great software anytime, anyplace, and on any device.”

A Mission statement defines the present state or purpose of an organization. It answers what is the reason for existence of the organization, who does it do for and how does it do. Mission statement is for a shorter time frame.

Nissan: “ Nissan provides unique and innovative automotive products and services that deliver superior, measurable values to all stakeholders in alliance with Renault.”

What are often considered to be the practical limitations of mission statements?

Ans: Limitations are:

Too vague and general so that they end up saying little that is specific about the business and its future plans.

Virtually impossible to analyze or disagree with.

It is just a publicity tool not an exact reflection of company's aim.

State four factors that would help to ensure that corporate objectives were effective in assisting a business to achieve its aim.

Ans:

With these objectives, a company will know in which direction is it moving and know if it is the company working towards its aim.

Also, they provide a framework for the strategies to be drawn in order to reach its goal.

Show how much a business has achieved in a period of time.

These short aims when fulfilled will work as an inspiration to reach the main aim of the company.

Give an example of a SMART objective that could be set for your school or college.

Ans: A SMART objective for my school would be to recruit all the hardworking, talented but poor students from all over the country and give them admission by end of July, 2013 so that they can become a skilled manpower and develop our country Nepal.

Explain, with two examples, what corporate objectives a car manufacturing business could establish.

Ans: Growth

The company is less likely to be taken over when it grows. It will have increased its market share and will also benefit from economies in scale. The

cost for production reduces and more amounts can be invested for further growth of the company. The company will succeed in giving good salaries and making the top employees remain in the company. There is very less chance for a car company to go in loss when it has a huge market and which continues growing.

Profit Satisficing

Working only for the profit is not helping a company to be successful. A car company can aim for a target level of profit rather than the absolute maximum level and can more work on customer care or marketing strategies. This will mean that the company will have a good amount of profit and will also be looking after other factors that will influence the company like advertising, market research, outlets and importing of raw materials for car.

Why might short-term profit maximization not be an appropriate objective for a car manufacturer?

Ans:

For a car manufacture it's not an appropriate objective because:

If a company pursues a profit maximization strategy, it creates an environment where price is a premium and cutting costs is a primary goal.

It may lose its goodwill from customers and suppliers.

A car company is a long term business and short term profit maximization may seem good at the beginning, but the customers may stop to buy its

product in the long run because the company may not be providing enough customer care and service while running after profit.

Explain the meaning of the corporate objective 'increasing shareholder value'?

Ans: This means that maximizing the shareholders equity is kept as the main objective of a firm. This objective deals with increasing the market value of shares and also increase the amount of dividend to be paid.

Why might the owners/directors of a small private limited company set a profit satisficing objective?

Ans: As it is a small company there motive is to earn profit, not to the maximum but to the level it can run the business and also focus on other things and set its priorities. It has to also work on marketing and building a customer base for its long term survival. They don't want to be pressurized by working all the time just to earn some more profit. They can go in a easy and a trouble free way after setting their objective as profit satisficing.

Why might the objective of increasing shareholder value conflict with corporate social responsibility?

Ans: There might be a conflict in increasing shareholder value with corporate social responsibility some reasons:

The main objective of increasing shareholder value is to gain profit. The objective doesn't say anything about the practices or the method adopted to

gain them whereas corporate social responsibility has got to deal with society and all ethical concepts. It's more of moral.

Shareholder might make employees work more than allotted time, so that the company makes a good profit and the shareholder value increases but pay the regular amount of salary. This case creates conflict with corporate social responsibility.

To reduce the cost of production and increase shareholder value, company might use non-eco friendly product which creates conflict with corporate social responsibility.

Why should departmental objectives be coordinated?

Ans:

Why are more companies adopting objectives that include corporate social responsibility?

Ans:

What do you understand by the term 'ethical code of conduct'?

Ans:

Explain the possible benefit is to a clothing retailer of strictly observing an ethical code when choosing and checking on its suppliers.

Ans:

Why might some firms decide not to act ethically in a competitive market?

Ans:

Using a business example from your own country, explain why its key corporate objectives might change over time.

Ans: