

How walt disney evolved under dennis hightower's leadership?

[People](#)



**ASSIGN
BUSTER**

Introduction

Walt Disney commends Dennis Hightower's efforts for the enormous growth and expansion in global markets. While, Walt Disney had been trying to penetrate and grow in the global markets and had failed successively until Dennis Hightower was on board with experience on global Marketing and Strategic Planning. The diversified culture and traditions had made it difficult for Disney to expand its operations in other markets. While, Dennis Hightower magically improved sales and profits of Disney's global operations in a matter of just 5 years, first as the Vice-President of Consumer Products and then as the President of the Television & Telecommunication Department.

This paper aims at researching what strategies were used by Dennis Hightower to make Disney what it is today.

Dennis Hightower

Dennis Hightower, a seasoned business executive, has had a very diversified career. From starting off as a regular army officer in the US Army to becoming the Deputy Secretary of US Department of Commerce, Hightower has had gained experience in practically every field. Not just as any ordinary officer but as one of the highest-ranked African American in public/private sector. Retired as a Major in the army after being trained by the forces as strategic planner. Hired by Xerox as their organizational planner, Dennis learned about the corporate environment and soon went to Harvard to nurture his skills and potentials. Strategically changing jobs to advance in his career, he built a strong portfolio of global marketing arenas while climbing up the corporate ladder. Soon enough, he became the master

<https://assignbuster.com/how-walt-disney-evolved-under-dennis-hightowers-leadership/>

of global marketing, strategic planning and change management (Bloomberg Business Week, 2010).

From electric company, to consultancy and then toys and games, he has been at the top of all games by capturing new markets and penetrating in the current ones. The companies saw a surge in their sales and profits while expanding in different world markets with diverse background, culture and heritage.

Dennis Hightower at Walt Disney

In 1987, Walt Disney decided to revitalize and reposition its products in Europe and it is for this reason that a head office was made in Paris, France. Disney made Dennis Hightower as the vice president with the task to expand markets for Disney's products in Europe, Africa and Asia. This included improving retail sales of Disney's products from shoes to toys to publications, literally everything. This was a newly created position and so was risky for Walt Disney. Major strategic and operational decisions had to be made in order to materialize structural changes. The task was taken by Dennis Hightower and Walt Disney knew he was the best man for the job (Nanda, 1994).

Challenges in Europe

Dennis realized that he would have to face many challenges in accomplishing this task. He would have to develop a strategy that would amalgamate Europe and grow the business beyond one individual area. He used critical thinking and creative approaches to acquire the entertainment market share in Europe. But before that, he had to manage and handle the organizational structure and internal environment at Walt Disney Europe.

<https://assignbuster.com/how-walt-disney-evolved-under-dennis-hightowers-leadership/>

The Disney Traditions, the culture of local autonomy in each franchise and the challenges of cultural heterogeneity were all had to be dealt with to penetrate in the European market and gain access to more markets through it.

As the Vice President of Consumer Products, he was to handle responsibilities by changing the dynamics of the company in the region. He had well-developed practical, functional and peoples skills that could have been neutralized by language barriers and the European culture and traditions which Dennis Hightower was completely unfamiliar with. He explains that the experience he gained in Europe changed his management style from being an aggressive manager and executive to more of a coach, facilitator and mentor (Nanda, 1996).

The European market was earlier segregated on the basis of each country which had a country manager that had structured and designed the operations to suit the needs and requirement of that particular country/market. Disney had licensed agreements in United Kingdom, Germany and the Nordic Countries while used Joint Ventures in France and Middle East with vertical Integration in Italy. Europe has very diversified cultures and unifying them would not have been easy. Thus, Dennis had to facilitate communication between countries in order to reconcile the European market in to 'one size fits all'.

SWOT Analysis of Walt Disney

Walt Disney is one of the largest media and entertainment conglomerate in the world. The following is the SWOT Analysis of the company.

Strengths

One of the major strengths of Walt Disney has been its Creative Process. By blending the existing market trend with the best it has in creativity, the company provides fun filled and joyful experience to its customers that are mainly children. Disney, as a brand, has gained popularity and has a strong conviction among its target market for providing quality entertainment, products and services. Disney has developed its characters as per the attitudes, behaviors and values of the market for which they have gained popularity. It has diversified its operations into many key areas required to sustain the position of the market leader in media and entertainment. From consumer products, theme parks to entertainment channels, the company has made it to the Fortune magazine as one of the most-admired entertainment companies in the world with the all time highs in the guest satisfaction level in theme parks all around the world. Moreover, the company's main asset has been their qualified and smart knowledgeable human resources that have struggled to take this organization to the next level. One other strength is the company's strong network and affiliations with various other partners in the entertainment and media business around the world. It has had strong business relations with Pixar for almost 14 years while it keeps on arranging mega deals with various corporations around the world as joint campaigns and ventures. The two business philosophies used by Walt Disney are Innovation and Adaption. The rate at which it fits in every market it enters is one of the highest in the world while innovating to sustain its market position as the market leader and catering to the needs of its customers through the changes in time and technology.

Weaknesses

The major weakness of Disney is that majority of its business revenue is earned from business ventures in United States while the overseas operations contribute to only 5% of sales of the company. Certainly, there is a high risk factor involved with the company having high sunk, competition and investment. Any venture if fails would hit Disney's balance sheet very hard and damage its reputation in the market. One other major problem Disney faces is the frequent changes in its top management and so the inconsistency in company's policies and organizational structure which leads to miscommunication within the organization while enhancing powers of the bureaucracy in the system (Nanda, 1994).

Opportunities

With the markets becoming more adaptable and flexible to outsourcing and globalization, the Walt Disney can expand its operations in other growing global markets. It can penetrate in the current markets it is operating in by offering new creative and innovative offerings while can offer its products and services in the global markets. It should focus on research and development for introducing more entertainment and media products for the greater satisfaction of consumers and creating value for them (Who Run Gov. com, 2010).

Threats

Walt Disney being an American company faces difficulties with regards to the different culture and traditions prevalent in the different global markets while also considering the legal regulations under the domestic and international law. Entertainment industry is more damaged in terms of

decline in sales and revenues in times of recessionary pressures on the overall economy. Consumers tend to spend less on entertainment when their purchasing power is declining or is low. The increase in direct and indirect competitors is also one reason for Disney's management to be worried. Their focus on creating value for consumers has hurt Disney quite a lot with its traditional partners aligning themselves with its competitors. Disney, with a diversified portfolio is facing strict competition from every angle of its business while its only strength that counters it is its brand equity in the minds of the consumers.

Decision Making

Such was the scenario in which Dennis Hightower had to revamp Walt Disney's operations in the European Market. The main challenge was restructuring organizational culture, design and internal operations in Europe to facilitate communication among the various regions and markets that were working in isolation from the rest of Walt Disney's markets. Unaware of European traditions, Dennis had to decide whether the American organizational system would work or would he have to design and implement an altogether new system and strategies that would be suitable for the entire European market and structure? What powers should each region have and what not? What would be responsibilities of the newly created European Headquarters? Should it conduct activities by partnering with other firms catering to the same market or should it work in isolation in the market? Should it hire more qualified employees or depend on its existing employees? What changes needed to be made to the products and services to meet the cultural demands?

United European Structure

Under this structure, Dennis would aim at unifying the operations of the entire Europe under a centralized system. This would not only facilitate communication between regions but also make full use of common resources. This can be explained more precisely as the American system of 'one size fits all'. However, with the diverse cultures and traditions of the different markets, this is not the most viable option to go for.

Designing a new system

Given the high costs and risks associated with the business experimenting an organizational structure would not improve the situation but can lead to making it worse. It however would be suitable in meeting the needs of the diversified European markets.

Controls with Regions & Headquarters

Regions should have the have control over the marketing and creativity environment within its own region in order to generate more sales and revenues. The Headquarters should be responsible for the audit and administration. This would enable regions to amend offerings according to the culture of that market while headquarters should assist the regions in matters that are creating hindrances in their path to success. Regions should have the autonomy to generate and create business in their region.

Partnering

The idea to partner with players from different industries has been an easy way of entering the market and making their presence visible to the target

audience. However, this might result in regional offices losing their business while partners flourished by working with Disney.

Hiring more qualified staff

The European market needs more qualified and professional staff to manage Disney's business in the market. Thus, it should replace employees with more energetic, creative and smart managers that might be ready to face the challenge. These should be experienced enough to bring Disney out of its difficulties.

Meeting Market Demand

'One size fits all' strategy would fail to meet cultural, attitudinal and behavioral demands due to the highly diversified markets. Therefore, offerings need to be altered to fit in the cultural and personal characteristics of market and consumers.

Recommendations

Dennis Hightower should try not to change the system on the lines of the American ones as there is a lot more difference between American & European markets. The diverse culture requires more focus and attention on fitting in the culture rather than bringing in or experimenting a new system overall. Regions should be empowered both in terms of resources and authority to formulate and design offerings to cater to the demand of the local/regional market. It is vital to train existing employees with the level of dedication and belongingness they have with the company rather than incurring the cost of new qualified staff. The existing employees with their

knowledge and skills would be able to perform the task in a better way. Partnering is necessary to reach out to the target audience.

Conclusion: Success in European Market

During his time as the Vice-President of Consumer Products in Europe, Africa and Asia, Dennis was managing 14 consumer products in 28 regional markets including France where Euro Disney Land has been launched.

When he joined, Disney's revenue from sales was \$650 million while 100% of the revenue came from licensing based activities. The sales increased to \$4.5 billion with 46% of the revenues from the licensing-based business. The publishing wing issued 120 magazines in 16 languages and under Dennis it grew to 180 magazines in 27 languages. He also signed an exclusive 11 year relationship with Nestle Corporation to co-develop branded food products. The sales of 'The Lion King' soundtrack amounted to a record of 7 million cassettes and cds sold in Europe only.

References

Black Enterprise. (1996). A 'magical' ride comes to an end: Dennis Hightower leaves Disney to advance higher education, Retrieved on 16th May 2010 from http://findarticles.com/p/articles/mi_m1365/is_n12_v26/ai_18407126/

Bloomberg Business Week. (2010). Executive Profile - Dennis Hightower. Retrieved on 17th May 2010 from: <http://investing.businessweek.com/businessweek/research/stocks/people/person.asp?personId=589312&ticker=DPZ:US&previousCapId=972190&previousTitle=Accenture%20Ltd.>

<https://assignbuster.com/how-walt-disney-evolved-under-dennis-hightowers-leadership/>

JRank. org Encyclopedia .(2010). ' Hightower, Dennis Fowler(1941-) - Business executive, educator, Chronology, The Disney Years, Retirement andAcademicCareer', Retrieved on 17th May 2010 from <http://encyclopedia.jrank.org/articles/pages/4293/Title-Hightower-Dennis-Fowler-1941.html>

Nanda, A. (1994). ' Walt Disney's Dennis Hightower: Taking Charge', Retrieved on 17th May 2010 from www.hbr.org

Nanda, A. (1996). ' Walt Disney's Dennis Hightower: Weaving Together the European Operations.' Harvard Business Review Retrieved on 17th May 2010 from www.hrb.org

Smith, Jessie, Carner. (1996). Encyclopedia of African American Business, Retrieved 17th May 2010, Green Wood Publishing Group.

The History Makers.(1996). Dennis Hightower Biography, Retrieved on 16th May 2010 from <http://www.thehistorymakers.com/biography/biography.asp?bioindex=1807&category=Businessmakers&occupation=Corporate%20Executive&name=Dennis%20Hightower>

Today's Drum. (2010). ' President Obama nominates Dennis F. Hightower for Deputy Secretary, Department of Commerce' Retrieved on 17th May 2010 from <http://www.todaysdrum.com/6890/president-obama-nominates-dennis-f-hightower-for-deputy-secretary-department-of-commerce/>

Who Run Gov. com.(2010). 'Dennis F. Hightower', Retrieved on 17th May 2010 from http://www.whorunsgov.com/Profiles/Dennis_F._Hightower

Zoominfo. com. (2008), Mr. Dennis F. Hightower, Retrieved 17th May 2010 from http://www.zoominfo.com/people/Hightower_Dennis_263061.aspx

<https://assignbuster.com/how-walt-disney-evolved-under-dennis-hightowers-leadership/>