

The history of internal and external analysis business essay

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Introduction

Mc Donald is a well known one of the fast food chain in the world. Even though Mc Donald is confidence on the fix customer which Mc Donald is having, the external market situation will be strike or challenge the fast food chain without a prediction. As study on the case above, it description on the environment Mc Donald are facing slow growth on the organization. Most of the competitor are tightening the margin which competitor having and this will direct affect the profit rates and the growth rates of the organization.

From the management point of view should look for new source of revenue.

The organization starts to identify the new path of investment and searching for growth strategies to fulfill the need of an organization. Based on the CEO observation found that putting the effort on the core business was ineffective and wasted a lot of time and model. And from this point of view the management decided to take inorganic growth instead of organic growth.

Organic growth is the expansion of the core business such increase the overall customer base, new product developed base on the core business or new sales founded. Inorganic growth is merging the core business with others types of business or acquisition the new company by control by the same and only management. CEO has taking the action of acquiring the related restaurant business to gain a new platform for growth. After the acquisition the management found that other company is a distraction to the company and the management itself and too many aspects to focus on. It result the management lack of time to attend the main core business. The first quarter of the business has declared loss and the resignation of the CEO. When the new CEO take over and analyze the Mc Donald current

business plan found that management could to manage to attend both of the business which is the core business and secondary business. The CEO decided to reorganize the company plan and relook on the core business. The CEO decided to sell all the noncore businesses and focus back on the core business and analyze the core business key strength and develop the new company goal plans. From the previous lesson the CEO decided to focus on the core business only and keep looking the key strength, capabilities and opportunity of the core business. Prevent to get distracted or divert too far from the core business. Management also enhance the internal performance of the company such as improve the employee skill, develop new way of business related to the core business, expansion on the Mc Donald company strategies and research on the new product to offer the customer. Most of the action are taken is focus on the internal key strength of the company. The case study shows that the factors affect the growth of the Mc Donald Corporation, and cause the company a lot. The fast food industry is full of competitor; once the mistake was made the opportunity will be taken by the competitor. Mc Donald also shows that the right and the right action should be taken and reconsiders and enhanced the company position on the stage of the world.

Mc Donald Mission, Objective and Social Responsibilities

Mc Donald is the company with have a vision in global, the mission the Mc Donald cooperation is to become the customer centric company. And Mc Donald committed to serve the best to the customer and let the customer to enjoy the best dining experience in Mc Donald. Keep improving is also one of the Mc Donald mission, in order to achieve good quality, best cleanliness,

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better service and great value. Mc Donald is looking for a way to provide a lower value product to customer and keep the product availabilities to a wide customer base. Reputation is important to the company and Mc Donald putting the effort to build the friendly, professional and socialize service. The objective of the Mc Donald is clear and straight to the point, is to provide customer highest quality of service by demonstrating efficiency, professionalism, warmth, integrity and knowledge in its work. Mc Donald's provide a friendly, satisfying, growth employment, cooperative and rewarding working environment. Mc Donald not just takes care for the employee only, stakeholders of Mc Donald is important. In return, Mc Donald provides a consistent of profits and income for the only shareholders and stakeholders. Social Responsibilities is also a part of the Mc Donald always pay attention at, as the CEO Jim Cantalupo once said that " Social responsibility is not a program that begins and ends. Acting responsibly has always been a part of who we are and will continue to be the way McDonald's does business. It's an ongoing commitment." Mc Donald had invested and contributes in the social program, such as help in eco green program. Mc Donald successfully reduces 35 million pounds of packaging material. Mc Donald also provides a clean, safe and interesting career to its employee. The company insists to upholding staff policies to provide a fair and positive working environment to the employee. McDonald also generously donates and support on the charitable activities in the company community and region. Ronald Mc Donald House Charities of children's health initiatives is one of the program Mc Donald provided to prevent childhood blindness and millions of dollar will be donated to the charity

group. Mc Donald also helps to raise millions of dollar for the World Children Day and provide and distribution of books and health care initiative for the children. Mc Donald is proud and will keep develop and investing more on the social responsibilities program. As a conclusion Mc Donald not just provide food for the customer only, it provide a company with vision and goal to take care the social and the employee. This will help to build up the company image and reputation. This is another way the company shows the appreciation to the customer. As Mc Donald Facing slow growth situation and the company understand that core business should be take care at the first place, too many distraction will put the company in a very unstable disaster. Mc Donald is the best place to work and also a best place to eat.

Question 2

Introduction

Mc Donald is one of the leading global fast food service retailer and manufacturer, there are more than 30 over thousand restaurants is serving customer around the world. And each of the day, there are more than 50 million people are eating in Mc Donald around the world. Mc Donald is a well know brand and is one of the leading share in the market. Internal and external environment is very important to the organization; this is how Mc Donald maintains the organization operations and analyzes the potential threat. Internal and external environment will be affect on the development and the implementation of the company marketing planning. This is vital to the company due to the marketing planning will be highly considered by the company and hoping the plan will be turn out profitable and will be outstanding one the global market arena. Mc Donald as the multinational

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company is implementing and considers the internal and external factor will affect the company. Mc Donald will derive the plan as a starting point, analysis of the environment and based on the analysis the company will be gun down the possible barrier by using the strategies and tactics were planned. The strategies will become the company objective and bringing the company to the next level of success. By using PESTLED tools to analyze McDonald External (MACRO) environment is showing the clearer picture and state out the barrier and level of threat.

Political

Government regulation always is the threat of the company, the restriction and regulated content of the business and the content of promotion. Local government has the right and authorities to take action once the rules and regulation is broken by the company. The government regulations consider is mild threat to the company. The company has to follow the countries legal system. One of the examples, the local legal system will be limiting the advertiser's freedom as in advertising message and visual presentation. Promotional activities will be changed depend on the countries legal system. In France and China are forbids door to door selling product customer due to social security issues. And in Germany, the advertisements are not allowed to be superlative claims. Word as " amazing" and " best" has to be avoided in the advertisement. When come to product comparison, manufacturer is not allowed to compare to others related product. Once it shows on the advertisement the local legal or the manufacturer have the rights sue for damages.

Economical

Economic factor is affecting the consumer spending power and the purchasing pattern. Economic trends is one of the important information has to be understand at the firsts place. It will direct affect the company sales and company over produce the product but there are no consumers to purchase. During recession, spending power will be reduce due to the unemployment. When the spending power is decrease will affect the product price more relevant. Others countries economic development have to take as consideration, if the economic development is lower will be limit the purchasing power. Different in income level will be demand variation of price also. Mc Donald foresees the issues, in the countries with the lower economic development Mc Donald will set a lower price to the match the market. Mc Donald also using the promotion tools to lower for the limited price when recession time.

Technology

Nowadays technology development has created a communication world with more accessible to the customer and lead the social habit change much quicker. The technology nowadays no just changing social life style and also change in product demand. New technology creates a new market opportunity and technology mostly will be implementing on the different variety of the promotion method such as television advertising and websites advertising. As Mc Donald's just start develop in Russia market, Mc Donald invest in Russia society technology associate to research and develop on soviet machinery and successfully invent machinery that harvest potato use

to make french fries. The machinery successfully assist on the Mc Donald to self harvest potato without acquires the material from others source.

Social

Social is one of the major factors Mc Donald always focuses on. Diverse culture will be generating difference demand on the product itself. Before investing in the new environment, company has to understand the local culture and practice due to difference religion, age, background, race of people as consumer. One of the examples Mc Donald has successfully influence youth-orientated culture in US at late 70. In the 1960s and the 1970s the decision-making role had changed to such an extent that children often made the selection of a place to dine in. McDonald has brought out the happy meal concept and frequently advertises emphasis on the children and teenager level was successful due to understanding the society and the culture trend of US. In Malaysia and Singapore Mc Donald's branch has to change the method for food preparation due to the religion restriction. Mc Donald have to ensure that the beef and chicken goes into Mc Donald burgers must be slaughtered according to Muslim law.

Environment

Climate and the physical terrain of the country is important the company, environment will be affect when some of the product are made. The environmental condition will be affected due to demand of the product is increasing and more raw material will be needed for production. Mc Donald take this very seriously, due to the country climate will be direct affect on the product quality when the product transfers country to country. Being

environmental friendly is also important; some of the environmental group has advised Mc Donald to reduce the packing material on the product due to pollution issues. Mc Donald has developed a team to resolve the issue.

Based on the Mc Donald survey found that the positive or negative will direct impact on sales. Mc Donald been working with the environmental group to reduce the unnecessary and harmful wasted.

Internal and External analysis

The internal and external factor is important to Mc Donald, it show the strength and weakness of the company. The internal and external factor can be dividing into favorable or unfavorable. Internal favorable is the positive and the strength of the company such as strong global brand, large product offering, and strong ability to adapt. External favorable advantages would be franchise opportunity, growth of hot drink market and increase trend of eating-out. Company will be known that the strength of the company and which area should be focus on. For the internal unfavorable would be high staff turnover and no prime location. For the external unfavorable is the health trend in eating is increasing, replacement and the competitor of the fast food industries and inflation. Internal and external unfavorable factor show the actual weakness of the company and Mc Donald have to came up some plan or strategy to tackle the issues for an example health trend in eating is going up nowadays, Mc Donald should be start monitoring the quality of the product and at the same time come up some new healthy product. The plan have to in short term plan and long term plan, for short term plan is just a temporary plan to cover the issues. Long term plan final goal is to resolve the dissatisfaction and issues.

Conclusion

As a conclusion, effective marketing strategies and method wont complete without the first analyzing the environment company in. Low cost and high turnover fast food industry with strong competitor is tough to operate.

Thorough analysis with the internal and external would help the company knowing the company's current situation. A number of uncontrollable factor affect McDonald's international marketing strategy and tactical implementation. These groups of elements include the PESTLE (political, economic, social, technological and environmental). After recognition the internal and external factor, supported any recommendation were gather and improve the company reputation in the global market.