

# [Strategic planning issues](https://assignbuster.com/strategic-planning-issues/)

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## Strategic Planning / Issues

Strategic planning and Regulatory issues Regulatory issues include; Product approval, Marketing, Network access for technical industries, advertising on fast-food, mobile license renewal, environmental compliance and implementation of Kyoto Protocol. Policies in a country have continuously shaped how a company runs its business. Different countries have different regulations which organizations have to abide to. The economy is the single most important regulatory aspect that posses uncertainty to companies such as the airline industry, telecommunications and banking. For example, in the airline industry, a small change in the pricing mechanism brings about a great effect on their profits. In the US, new rules to control fast-food advertising are affecting how producers and restaurant owners establish their marketing strategies. (Davis)
In many ways, regulation defines the relationship between a company and the society. Society may sometimes forces companies to carry out certain social responsibilities. In the example of the food industry, failure to comply to such regulations and fulfill social responsibility causes a change from rules set by the industry to those set by the government that are clear and detailed. Societies will create regulations that will affect how the company operates. Aligning your strategic plan with the requirements of the society will successfully help the organization manage regulatory risk and create the industry in such a way that they are able to see potential opportunities and use them. (Davis)
Some organizations take regulatory issues as matters that will go away on their own, despite the increasing importance of regulation. For example in the food industry, McDonald’s has had a hard time in complying with the regulations set for non-advertising of junk food. The pharmaceutical industry has had its share of non-compliance; Cosmos for example refuse to reimburse wholesalers when their drugs were found not fit for human consumption. The drugs had to be removed from the shelves of supermarkets and pharmacies. This move caused Cosmos its market and there was a reduction in their profits. Many other companies are failing to follow the regulations set, for example, the petroleum industries are still releasing their effluents into water ways affecting aquatic creatures.
These companies have faced heavy penalties for their actions, For example, in the year 2008, many petroleum companies had to be closed down when they were found to be releasing petrol into te oceans. Shipping companies had to make sure that their ships were well serviced to avoid oil spills, the ships found to be causing oil spills were impounded and a heavy fine taxed on the company. Socially many companies have lost their customer base and face a reduction in profits. McDonald’s for example received letters from parents asking them to stop enticing their children through adverts. This forced parents to stop taking their children to their shops as a form of affirmative action. Tax evasion is another serious regulatory issue; companies that were found to evade paying tax were fined two times what they owed the government. Google Inc. is an example of such a company. In 2012 it was being investigated for tax evasion by the UK government. (Brown)
Works Cited
Brown, James. " " Starbucks, Google and Amazon grilled over tax avoidance"." BBC News. (2012): 15-25.
Davis, Ian. " What is the business of business." The McKinsey Quarterly (2005): 104-113.