

# Walt disney company analysis



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The raging debate about the use and expensing of options has also played a large part in Disney's corporate image recently.

No less than Warren Buffett has divested shares in Disney in protest to the granting of large stock option packages for top management. Over the long-term, Disney will only be a good investment if top management remains decidedly shareholder-oriented, and Buffett considers the granting of such options as being unfriendly to shareholders. Due to Mr.

Buffett's stature in the investment world, this is an issue that Disney management must take into consideration when they next set their pay.

Identifying Current Problems Because of Disney's current size, being able to identify and ameliorate problems should be a primary concern. As a worldwide enterprise (and an expanding one at that), it is prone to various levels of information disconnect.

There is no easy solution to this problem, only vigilance on the part of top and middle management.

As in all large enterprises, a balance between strategic thinking and operational activities must be struck. Alternative Strategies In the past, Disney has had problems adjusting to new markets. In many ways, its reputation precedes it, yet this has not prevented the firm from suffering embarrassing gaffes in non-American, non-European cultures. With many of the Asian economies now surging, this is a problem that the company must learn how to resolve - and quickly.

Cultural sensitivity is definitely a virtue in a global world, and any business that wishes to extend its wings internationally must pay attention to this important aspect. Recommendations Beyond the numbers and the accolades, the Walt Disney Company is about entertainment, and it continues to thrive due to the positive association that the company has built over its corporate lifetime. If ever this association – held in the minds of billions of people today – should weaken, then the company will enter its decline.

But Disney's franchise is not one that is easily weakened; any temporary setbacks can – and most likely will – be solved but its top-class management team. The company needs to maintain its position in the minds of its customers – and more and more that means the entire world. If it does, it will continue to do well financially, achieving adequate revenue and return on equity numbers.

Other than this, it must exhaust all legal means to protect its intellectual properties, supporting all programs that will help contain piracy, as well as develop higher cultural sensitivity when it comes to new markets.