Silvio napoli at schindler india

Problem/Issue Analysis

This case highlights a time when Schindler, a company that manufactures escalators and elevators, made a strategic decision to expand to the Indian market by establishing a fully owned subsidiary firm in India, which was placed under the management of Silvio Napoli. The case points out the difficulties that Napoli encountered while establishing the firm's operations in India, which was a complete contrast to Switzerland, his home country. In this regard, Mr. Silvio Napoli placed as an expatriate in a foreign country had to first familiarize himself with India's culture. The problems that Mr. Silvio faced were amplified by a number of factors such as the protectionist tariff policies adopted by India, cost issues, and the doubts that the staff had regarding his strategy. All these factors were hindrances towards the implementation of his business plan, which posed the need for Mr. Napoli to urgently establish a cost effective solution that would facilitate the sale of core, standardized escalators and elevators in India, while at the same time addressing the cultural contrasts between India and his home country.

Analysis/Evaluation

From the case, it is apparet that Mr. Silvio Napoli managed to set up the firm's operations in India from scratch and managed to overcome the challenges associated with cultural differences among others. The first approach adopted by Napoli was the establishment of a unified top management team, which worked as a collective unit to implement his strategic ideas. This was instrumental in helping Silvio to beat the initial reluctance and resistance by Indians to take orders from a foreign individual.

It also played an integral role in establishing an organizational culture that was compatible with the culture of the Indians. From the case, it is evident that perfect tactical strategies do not guarantee success in foreign markets. For instance, within 6 months, Mr. Silvio Napoli had established offices in Mumbai and New Delhi, recruited 5 skilled Indian managers, and embarked on an aggressive implementation of the business plan. However, he did not manage to win any new business. It can be seen that the tactical execution of the plan was perfect, but strategically his swatch approach was not bringing any new deals on the table. The bottom line is that Mr. Silvio Napoli had to reassess his business plan. The initial business model adopted by Silvio stipulated high growth levels, even during the first year of operation. In addition, such a business plan had never been tried in the elevator market in India. Lastly, neitther Silvio nor the business plan had room for flexibility, which is a key requirement for highly competitive markets.

Recommendations

First, Mr. Silvio Napoli should have revisited his business strategy by using inputs from the top management and taking into consideration the cultural, technological and the economic environment of the elevator market in India. After revising the strategy, there is the need to empower the top level management of the newly established subsidiary in India in order to make strategic decisions independently to a particular extent, whereas Napoli should have focused on a high level regional strategic decision-making. This would be instrumental in addressing the core issues highlighted in the case, which requires to be tackled during strategy formulation through the involvement of all stakeholders. From a personal standpoint, the case highlights the fact that a perfect execution of tactical plans does not guarantee strategic success, especially during the expansion to foreign markets. In this regard, strategic plans expanding to foreign markets should take into consideration the importance of flexibility. In addition, the leader should be flexible enough to cope with the new cultural and technological challenges emanating from the new foreign markets.