

Walt disney case

Technology



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BUSTER**

The Walt Disney Company has a stated goal of obtaining a 20 percent annual growth in earnings per share and the company wishes to accomplish this goal without compromising the culture, traditions, and image that the company was founded on. Over the last 60 years The Walt Disney Company has built a reputation as a company that provides entertainment for the entire family and multiple generations have enjoyed the product we have provided. The WaltDisney Companyis facing challengers at all levels of the business.

We face growing costs in the movie production business, challenges in film distribution, and the ever growing amusement park industry. Meeting the overall growth rate that The Walt Disney Company has stated is getting more challenging to attain with the market infiltration of other businesses. Our ability to grow the company in our core areas while penetrating new businesses will determine if we can achieve the 20 percent growth we are targeting. At the present time our company is in good financial standing, but we can't just rely on our current endeavors if we are going to maintain a goal of 20 percent growth per year.

I have examined our current business strategy and I offer the following recommendations. In order for Disney to sustain itself as the world's premier entertainment company it must continue to develop new entertainment material. The current strategy for this objective is increasing the amount of films produced a year from 2 to 15-18. Part of this strategy is to also release a new animated feature every 12-18 months along with reissues from Disney's film library with a cycle period of every 5 years.

In order for The Walt Disney Company to maximize shareholder wealth and meet the annual growth rate of 20 percent it has to continue to develop new material while keeping costs at a minimum. This doesn't mean that the company should sacrifice new ideas or creative endeavors, but it should do everything possible to minimize the risk involved with such ventures. The company does this by signing actors/entertainers to long term contracts or multiple movie contracts and by setting a budget on productions costs for new movies.

Another way the company increases value is by investing in capital expenditures such as creating new parks, expanding additional parks, and entering into license agreements and partnerships with more corporations. The most important way that Disney maintains and builds the basic integrity of the Disney name is by controlling who can license their products and what corporations they choose to partner with. Disney has a unique situation where they can maintain almost 100% control over their animated characters.

Disney also maintains the integrity of the company with the movies and television shows that it produces and distributes by keeping the material appropriate for the entire family to enjoy. The Walt Disney Company accomplishes its fourth objective, which is all those listed above, by sticking to the values the Walt Disney instilled while building the company. Disney's values in terms of quality, fairness, creativity, entrepreneurialism, and teamwork are both taught and learned very early with the company.

The strategy that allows Disney to accomplish this objective is fostered by the Disney University. Disney University is one of the first places that cast members will learn the basic Disney values and how to implement them. The Walt Disney Company has several strengths that can help it reach its goals. One of the biggest strengths the company has is its name recognition. The Disney name has been around for more than 60 years and the world has come to recognize it as wholesome family entertainment. Another strength the company possesses is its library of animated characters.

The Disney characters have become icons in cultures across the globe and Disney uses the strength of the characters' image to enter into license agreements with a multitude of companies promoting all sorts of different products. The Walt Disney World amusement parks along with the real estate they sit on are another major strength for the company. The parks welcome millions of visitors a year and generate billions of dollars in revenues. The lands the Disney parks reside on are in major cities around the world and the land values increase every year.