

# Evaluation of the one sony strategy



The following report contains about the Sony Corporations new strategy implementation called ' One Sony' which is a new structure for the top management of the company where the company is making changes to ' drive revitalisation and growth'. The report further discuss about the extent to which the strategy fits the Sony Corporation's current capabilities to face external challenges and achieve the objectives. In addition to that, the suitability and the feasibility of the strategic decisions arising from the implementation of this strategy are also discussed.

In order to do the above the report is guided through three stages which is analysis of strategic position internally and externally which is the research content, strategic choices and decisions by applying relevant theories and implementation of the strategy. Finally considering all of the above a critical opinion or a perspective will be made with relevant justifications and in respect to the Sony Corporation.

### **Analysis of strategic position**

In order to identify the external environment in which Sony operates a PEST analysis could be done which will be as follows;

When the political aspects are looked in to it is evident that they are changing at all times. The government has the power as stated in Henry (2008) to impact the operations of Sony through changes in policies and regulations. On the other hand better sales could be achieved by Sony due to the reduction in liquidity crisis and recession. But by doing so the number of competitors Sony has will increase significantly. In addition to that, the

government can create laws which will have an impact on policies in the global context.

When economy is considered it is currently not in a good position where it has faced recession recently and has a negative economic growth. Due to this there can be significant changes in the exchange rates and interest rates. Sony should make sure that they are aware of any government restrictions on trading and exchange rates as Sony is an international company where these restrictions would affect Sony negatively.

As for the social factors Sony is expected to perform well. That is because of the reputation they have obtained through their quality products and services as per William and Green (1997). Sony should make sure that they develop revolutionary devices at regular intervals to retain and hold on the customer and may be attract new customers. It is also important to understand the perspectives of the public where they can introduce products which match the expectations of their customers.

Towards technological aspect Sony Corporation should put more attention as they work in that industry with high technological usage. The productivity level of the company depends on the level of technology used. Therefore Sony should make sure that they use upgraded technology to have high level of productivity and to be efficient. Use of technology is also important to Sony Corporation to research and develop new products which matches the expectations and choices of the customers.

Next would be to identify the internal environmental factors which should be considered when developing a strategy for Sony according to Drejer (2002).

<https://assignbuster.com/evaluation-of-the-one-sony-strategy/>

Prahalad and Hamel core competencies model and Michael Porter's value chain could be used to do the analysis as follows;

Sony has created a reputation and a brand name which has a high recognition in the technological industry. But at present they are having a hard time which is why they are coming up with a new strategy call ' Sony One'. The strategies implemented by Sony previously are outside in as well as inside out. Out of these one was to develop mini-series of their products in order to grow their core competencies where they require high level of technology, human resources such as engineers and marketers. In addition to that the customer needs should also be looked in to through market research for the success of a strategy. Sony had required all the resources which allowed them to be success in almost all the strategies they implemented. But the uniqueness of these resources or competencies as stated in Enders (2004) is questionable.

Sony also had an aim of manufacturing customer oriented products which they believed will help the company to increase the competitive advantage and will also create more value adding activities. Sony also implemented a strategy of diversification which is to add value to the processes of the organisation. Also taking risks and learning from mistakes is one of the unique factors done by Sony which is also an advantage.

After both the internal and external analysis is done the internal strengths and weaknesses as well as the external threats and opportunities need to be identified for the SWOT analysis to be completed.

The strengths as recognised above are the fact that Sony is trying out unique strategies as per Hitt et al. (2010) such as miniature products as they are available to the required technology and engineering. Sony being diversified is also unique to the organisation which creates core competencies. In addition to that, taking risks when introducing new products and making mistakes, moreover learning from these mistakes without breaking down the operations is another major strength which is unique only to the Sony Corporation.

As for the weaknesses it would be a fact that the resources such as technological staff, engineers and marketers are not being unique to Sony in the today's technological industry. Sony not being able to differentiate the level of skills required within the organisation is a weakness which would affect the company in the years to come. One reason would be the technology being outdate very quickly at present and the industry being very competitive.

The opportunities that are arising from the industry would be corporate political activities with the government where Sony operates which will give the support of the government policies in favour of the operations that is being carried out. In addition to that, identification of new customer groups and new customer expectations through the customer oriented strategy as per Beloff et al. (2005) and delivering products which matches those choices would allow Sony to exploit opportunities arising from the external environment.

Lastly the threats that are arising from the external environment could be identified. The fact that the industry in which Sony is operating is being innovative and fast moving is making the company to adapt to the situations and move forward with a lesser time. Companies like Apple and Samsung is creating a rivalry where technology is becoming outdated almost every day. Moreover, the rival companies are introducing new products to market with lesser lead time which increase the threat arising towards Sony.

## **Strategic choices and decisions**

The development of strategic choices is a critical stage for Sony where they need identify their capabilities, resources and requirements as per Johns and Saks (2004). There are three main focus areas under this stage.

Deciding how Sony could achieve competitive advantage

Identifying possible directions through which Sony would enter a market and the types of products and market it should enter or leave

Deciding in methods of growth with in the market

Deciding on the basis of competitive advantage

When deciding how Sony Corporation could compete in a market or create a basis for the customers to want to buy their products the following options are visible as stated in Daft et al. (2010). These are also known as Michael Porter's generic strategies.

Be a low cost provider of goods and services or in other words providing products at a budget price. This is not suitable for Sony as they require high

research and development cost to come up with new products where selling at a lower price would be difficult.

Being a high value adding market player or a differentiator is another option. According to this type of a choice Sony can build in a higher level of value in the products or devices they offer by the company.

Following a focused strategy is another option. A choice made by Sony Corporation to provide a device targeting a smaller number of customers, such as coming up with a special edition of an existing product.

### Strategic Direction

This is where the Sony Corporation decides how it would grow in to the future entering different markets and using its strengths. When deciding on strategic directions available for the organisation the Ansoff matrix can be used according to Ewy (2009).

The matrix identifies growth possibilities for Sony based on the dimensions of markets and products.

[http://2. bp. blogspot.](http://2.bp.blogspot.com/-XlYiqBsXMTc/ToKUCcTvkdI/AAAAAAAAASI/8klxx2iz5xQ/s320/Ansoff+Matrix.jpg)

[com/-XlYiqBsXMTc/ToKUCcTvkdI/AAAAAAAAASI/8klxx2iz5xQ/s320/Ansoff+Ma  
trix. jpg](http://2.bp.blogspot.com/-XlYiqBsXMTc/ToKUCcTvkdI/AAAAAAAAASI/8klxx2iz5xQ/s320/Ansoff+Matrix.jpg)

Figure 1. 1: Ansoff Matrix

[Source: [http://www. marketing-equity. com/2011/09/few-examples-of-ansoff-matrix. html](http://www.marketing-equity.com/2011/09/few-examples-of-ansoff-matrix.html) ]

<https://assignbuster.com/evaluation-of-the-one-sony-strategy/>

Market Penetration: This is where the company would grow internally into existing markets by aggressively promoting its existing devices and products within them. Sony could promote their Sony Xperia within the UK market.

Product development: This is where the company would develop new products for the existing markets and generate more sales from them. Sony could develop new models of Sony Xperia to sell in the UK market.

Market development: This is where the company would develop new markets for its existing products such as Sony Xperia being launched in China.

Diversification: This is where the company would enter a completely new market according to Freeman (2010) with a completely new product or a device. Sony entering into the Laptop market where it provided Sony Vaio would be diversification.

#### Strategic methods

With the selected growth directions the Sony Corporation can use many different methods in order to grow and achieve their goals.

Internal development: This is where Sony grows through its own resources where the case of Sony Vaio appeared according to Mahadevan (2009).

Takeovers or acquisitions: The Sony Corporation might buy over another company and use its products and technologies for growth. Sony taking over Columbia pictures is a perfect example.



Strategic alliances: Sony Corporation would grow by linking and partnering with other organisations. Franchises also fall under this category. Sony forming an alliance with Olympus would be an example here

Out of the choices that were generated the organisation should pick one or more options based on the SAF model which is the strategic decision making

Suitability: Selected growth directions and methods should match with the Sony Corporations brand image and reputation

Acceptable: Selected options should be approved by the shareholders and be in line with their thinking and expectations

Feasibility: Strategic choices that were selected should be financially viable for the company.

As the above stated methods the strategic options will be generated according to Vos (2004) and chosen in order to implement the most correct strategic option or options.

## **Implementation – Putting strategy in to action**

Before a strategy is being implemented Sony should understand the culture of the organisation, the management as well as the leadership styles.

McKinsey 7S Framework – 7S model

Figure 1. 2: Mckinsey 7S model

[Source: <http://b4tea.com/information/mckinsey-7s-framework-7s-model/>]

The 7S model developed by the Mckinsey consulting group identifies seven different elements that lie at the heart of a culture of the organisation.

#### Hard Factors

These refers to non-human type of elements as stated in Egan (2007) which has an impact on culture

**Strategy:** The direction followed by Sony in order to achieve the goals and targets of the business as explained above

**Structure:** The organisation's structure or how the lines on authority are arranged with in the company, how decisions are made and whether the communication channels between top and bottom levels are long or short will affect the culture

**Systems:** The level of control that exists within the company such as the budgeting and management accounting controls as well as controls on processes will have an impact on the culture of Sony

#### Soft Factors

These are more of human related factors that affect the culture of Sony

**Skills:** The talent and abilities of people and whether all staff members have equal levels of skill as per Cole (2001) or a few members have a high level of skill on whom the others will depend decides on the nature of the culture

**Staff:** The nature of the attitude of staff members as well as their individual cultures will have an impact in the overall organisation

Style: The style of management by the superiors will have a direct impact on the culture of the organisation. Leadership style Sony's co-founder Akio Morita was following was based upon the values, imaginations and beliefs of his which is now being changed by the new strategy ' One Sony'

Share Values: Organisations will have a common set of values and beliefs which are followed by all the employees and is given top priority when Sony does its operations

After considering the above factors and understanding them the implementation of the strategy will be successful.

In addition to that, understanding of the leadership style within Sony is also important. For that, the Likert four systems of management which identifies four leadership styles as stated in Harrison and John (2009) ranging from the extremes of being job centred and employee centred can be used.

figure

Figure 1. 3: Likert four systems of management

[Source: <https://www.ncjrs.gov/policing/corr177.htm>]

Exploitative Authoritative: This is where as stated in Waters (2006) the leaders are highly exploiting the lower individuals and there is a very high distance between higher level and lower level individuals

Benevolent or Somewhat Authoritative: There would be still a high distance between the higher level and the lower level management, but the leaders

will be believe in that they are acting in the interest of the rest of the individuals with in the Sony Corporation

Consultative: This is a more employee centred approach where by the leader would be listening to others but will not always follow their comment or ideas

Participative: This is where the leader will get the others involved as well and the final decision that is made is one that everyone agrees with and no single handily made by the leader. This is the most extreme employee centred leadership approach according to Daft and Marcic (2010)

Once strategies have been planned and choices made also understanding the culture and leadership styles it needs to be implemented through a series of programs.

Tactical programs: Programs run at a middle management level such as training programs

Operational programs: This refers to the daily activities happening with in an organisation with a focus of realising the company strategy

The Sony Corporation should now select one out of the two above to implement the strategy of ' One Sony' by considering the culture of the organisation and the management styles.

Review and control is also required as stated in Grunig and Gaggl (2011) where the organisation would check if the strategic path implemented is correct one by looking into following aspects;

Is the strategy allowing the achievement of the objectives stated initially

<https://assignbuster.com/evaluation-of-the-one-sony-strategy/>

Since the consumer electronics environment keeps changing dynamically and strategy implementation is based on an environmental scan done earlier it should be checked if current strategies match the environment

## **Conclusion**

The above report contains about the Sony Corporations new strategy implementation called ' One Sony' which is a new structure for the top management of the company where the company is making changes to ' drive revitalisation and growth'. The report further contains about the extent to which the strategy fits the Sony Corporation's current capabilities to face external challenges and achieve the objectives through PEST, core competencies and SWOT analysis. In addition to that, the suitability and the feasibility of the strategic decisions arising from the implementation of this strategy are also included with reference to the SAF model.

The report is guided through three stages which is analysis of strategic position internally and externally which is the research content, strategic choices and decisions by applying relevant theories and implementation of the strategy where theoretical as well as practical aspects has been applied.

Finally considering all of the above it is clear that the strategy implementation of ' One Sony' is dependent on the above stated factors and because of that the implementation is successful.