**Instructions – PLEASE READ THEM CAREFULLY**

* The Assignment must be submitted on (**WORD format only**).
* You must mention question number clearly in their answer.
* **Avoid plagiarism, the work should be in your own words, copying from students or other resources without proper referencing will result in ZERO marks. No exceptions.**
* All answered must be typed using **Times New Roman (size 12, double-spaced)** font. No pictures containing text will be accepted and will be considered plagiarism).

**Structure of the project**

The 3 assignments of this course will be parts of a **project,** which aims to study the four basic elements of **strategic management** of the company 'X' from your choice. It is structured as follow:

* **Part 1**: **Assignment 1**= Environmental scanning & strategy formulation.
* **Part 2:** **Assignment 2**= Strategy implementation.
* **Part 3:** **Assignment 3**= Evaluation and control.

**Description of the company 'X'**

* It is a company from your choice;
* From real national or international market;
* **It is publicly traded company;**
* Produces and commercializes more than one product;
* Sufficient information about the strategies of the company, its functions and product lines are available;
* This company should have at least one partnership with other company (es) (alliances, joint venture, arrangement…).

Note.

*The selected company must meet the above criteria. If you face any ambiguity regarding the choice of the corporation, kindly feel free to ask more clarification from your instructor.*

**Assignment 1: Part 1 of project**

Environmental scanning & strategy formulation

**Learning outcomes:**

1. Understand the basic concepts and terminology used in Strategic Management. **(Lo 1.2)**
2. Identify opportunities and threats as well as strengths and weakness in the operating environment of hypothetical and real-world organizations **(Lo 2.9**)
3. Understand issues related to strategic competitive advantage in organizations **(Lo 2.2)**
4. Identify appropriate strategies for different situations **(Lo 3.1).**

**Assignment Questions**

1. Briefly present your selected company (name, industry, nationality, location, size, activities, products…) (*Max 200 words*). (0.5 mark)
2. Determine the opportunities, threats, strengths and weaknesses of your selected company by completing the **SWOT matrix** in the answer sheet. (1 mark)
3. Does your selected company have social responsibility? If yes, discuss its impact on competitive advantage of the corporation. (*Max 400 words*) (1 mark)
4. Based on the figure 4.3 (Ch4-slide no 18) and the textbook text relative to Porter's Five forces of competition framework, assess the power of the **buyers,** **suppliers** and **substitutes** of your chosen company. How formidable are the **barriers to entry** and how intense is the **rivalry** among existing firms? ( 2 marks)
5. What is the competitive strategy used by your selected company? Justify. (0.5 mark)

**Answers:**

1. Briefly present your selected company (name, industry, nationality, location, size, activities, products (*Max 200 words*). (0.5 marks)

**Answer:**

The selected company is the American Multinational Company Hewlett-Packard identified with its HP trademark. HP Company was established in 1939, has its headquarters in Palo Alto, California, in the USA, and has multiple regional offices. The information Technology Company deals with a variety of technology-centered product s and services. HP Company deals with consultation services on computerized devices, development and maintenance of software and hardware, and computer device manufacturing. According to HP Company (2019), HP estimates 66,000 employees and over $ 103 billion in assets valuation. HP Company is listed in the NYSE, making massive investments in sustainability and development. The annual net income for HP Company is $USD 5 billion. HP Company has settled on several acquisitions, including the US$ 15 billion acquisition with the 3PAR and 3COM corporations.

It was running as a sole entity until 2015 when the company split into Hewlett Packard Enterprise, and HP Inc. HP Company's products include digital scanners, computer servers, laptops and desktops, and printers. HP has an office strategy that steers its development and investment plan of $3.6 billion, which focuses on developing a global technical community. HP software also provides cloud computing solutions and data professional assistance.

1. Determine the opportunities, threats, strengths, and weaknesses of your selected company by completing the **SWOT matrix** in the answer sheet. (1 mark)

|  |  |
| --- | --- |
| **Opportunities** | **Threats** |
| * Production and procurement cost reduction due to supply chain digitization and e-commerce. * HP Company has an innovative capability and resources to manufacture new products. * Globalization and expansion of the online markets. * Extension of brand presence due to diversification. | * More ventures dealing with PC hardware and software products * Government regulations, political and legal sanctions. * Market competition and the threat of substitution by consumers. * The manufacturing cost in terms of labor and raw materials is escalating. |
| **Strengths** | **Weaknesses** |
| * HP Company has a robust corporate trademark making it a recognizable global brand. * High leverage rates in the market have created a strong financial condition * Due to adaptation to globalization, the company has an extensive product portfolio. * Availability of resources leading to growth and higher innovation. * The company has a large consumer base, thus attaining high sales and shipments with a significant market share. | * Higher dependence on the US market with little focus on global markets in recent years. * Recent fallouts leading to declining gross margins * HP Company overlies external suppliers for raw materials creating the incapacitation threat in the market. * Dependence on external suppliers |

1. Does your selected company have a social responsibility? If yes, discuss its impact on the competitive advantage of the corporation. (*Max 400 words*) (1 mark)

**Answer**

Social responsibility has reinstated the firm's sustainability performance improving its leverage and market capacity. One social responsibility program adopted by the company is the Eco-Advocate program. The program focuses on creating public awareness through education on recycling and environmentally friendly technological solutions (Smith et al., 2010). The program improves the organizational product scope consumption creating sustainability and the organizational capacity to acquire more assets. The organization also focuses on Corporate Social Responsibility (CSR) programs to ensure they get involved in societal structures. The corporation is envisioning global longevity and financial sustainability that significantly depends on its product scope. Through higher concentration with social networks, the company can create more sales. The above tends to reduce its initial cost expenditure and leverage costs to ensure consumer-friendly product and service innovations. The above increases the organizational outputs. Social structures support good public relations, and passionate employees and consumers are critical in organizational development (Pratap, 2018). HP has incorporated the above strategy focusing on cost-efficient and consumer-friendly product lines, thus increasing its productivity and market acceptance by consumers.

HP Company is also involved in educational programs like the introduction of the entrepreneurship training program to students across the US and across Asian markets. The company has also donated facilities like innovation hubs and incubators for continuous research and development. In other regions, the company creates exceptional employment opportunities for women to foster women's empowerment. HP has reputable strategies that aim for the conservation of natural resources. According to Pratap (2018), HP Company has undertaken environmental management as social responsibility. The company manufactures environmentally friendly products, recyclable machinery, and green products. The company has also built facilities for the aged and settled on several rural development projects. HP is involved in cross-sectional social activities to foster global business incentives of caring for the consumer and the human resources. The environmentally friendly solutions ensure production cost is controlled since it conserves resources necessary for production. With such regulations and conflicting laws, there is a reduction in opportunities for investment in green products.

1. Based on the figure 4.3 (Ch4-slide no 18) and the textbook text relative to Porter's Five forces of competition framework, assess the power of the **buyers,** **suppliers,** and **substitutes** of your chosen company. How formidable are the **barriers to entry,** and how intense is the **rivalry** among existing firms? ( 2 marks)

**Bargaining power of suppliers**- in this segment, few suppliers supply on credit while others offer low-cost services, making the supplier's bargain power inferior. With low barging power, suppliers tend to risk HP's ability to conquer their competitors.

**Bargaining power of buyers**-HP operates in perfectly competitive markets where buyers have great choices; hence high power, with such capabilities from buyers, new products have to be created to match the demand.

**New Entrants' threat**: New products from Korea and China have eaten up this USA venture's market space. The substantial higher risk makes the firm invest more in new products, which tends to over-consume the input, thus low output.

**The threat of rivalry between existing firms**: existing firms have created a middle-market where buyers have an advantage of opportunity cost, which improves the inter-firm competition. With such margins, the market share is shared with all competitors; thus, a weaker product loses the market to purchase.

**Barriers to entry**: sizeable initial investment for the HP brand limits it from producing cheaper products. The other barrier is a high expenditure on marketing and distribution. The additional barrier is the need for constant innovation to match market speed.

1. What is the competitive strategy used by your selected company? Justify. (0.5 marks)

**Answer**

HP Company uses three competitive strategies to marginalize its product utility a sustainable market competition and consumer satisfaction. The initial strategy involves continuous innovation and the creation of products and services that match the market dynamics. Through active aggressiveness, the company creates new products that outmatch competitors' systems and printing ventures. The above incentive eradicates the substitution threat and improves the business core objectives earning the company an imitable competitive advantage. The second competitive advantage is capturing growth and matching its products to prevailing consumption trends. In 2020, HP acquired Hyper X Solutions at US$ 425 million to focus on diverse computer peripherals (Beir ao da Veiga et al., 2016). The above strategy increases the firm's sustainability and market satisfaction. The last approach is continuity in the market over several markets. Through the company's foundational strength and innovation, the company has produced products like HP Jet Fusion 3D Solution and the new Sprout Pro.

**References**

Beir ao da Veiga, L., Chernov, A., Mascotto, L., & Russo, A. (2016). Basic principles of hp virtual elements on quasiuniform meshes. Mathematical Models and Methods in Applied Sciences, 26(08), 1567-1598. <https://arxiv.org/pdf/1508.02242.pdf>

HP Company. (2019). Reinventing the world for tomorrow, today. <https://www8.hp.com/us/en/hp-labs/index.html?jumpid=in_r12137_us/en/corp/about_us/explore-hp/labs>

Pratap, A. (2018). HP Strategic Analysis. <https://notesmatic.com/2018/08/hp-strategic-analysis/>

Smith, N. C., Read, D., & López-Rodríguez, S. (2010). Consumer perceptions of corporate social responsibility: The CSR halo effect. SSRN Electronic Journal, 23. <https://flora.insead.edu/fichiersti_wp/inseadwp2010/2010-16.pdf>