

CHAPTER 1: INTRODUCTION TO CORPORATE MANAGEMENT

Characteristics of a successful company and same with failure.

A. Successful Companies key factors:

- ✓ **Simple, consistent and long-term goals:** Aligned values, mission, vision... Also, there is no exact limit on the term length, a short term could be more than a year.
- ✓ **Know their competitive landscape:** They know who their competitors are. There are:
 - i. **Direct Competitors:** Same solution for the same necessity.
 - ii. **Indirect Competitors:** Different solution for the same necessity.
- ✓ **Assess their resources and capabilities:** They can count and name all of their resources and capabilities, and the competitor's to.
- ✓ **Implement their strategy effectively:** They do know how to execute an idea through the formulation of a strategy and implementation.

B. Failure may be due to:

- ✓ **Strategy was mistaken:** It does not work.
- ✓ **The implementation of the strategy was not effectively:** Then it is shit also.

Types of Strategies.

1. **Corporate:** It is the decision of the industry or industries we want to be. **Ex.:** Codorniu in wine.
2. **Competitive:** Decisions involving the way are we going to compete. What is going to be our competitive advantage. **Ex.:** Primark or Louis Vuitton.

Choice of industry.

Consist on the two criteria we should take into account in order to enter a new market.

Attractiveness profitability

Consist on the **return of investment** that we could be getting on this new market.

Resource-based view of the firm.

It is another way of deciding if we should invest in a new market. This way consist on looking the **resources** we have in order to enter.

Example.

We want to enter the low-cost phone's market and we need 1 M. We look at our balance and we see that only 500.000 is available, we can't enter. But if we could, we are sure that the profits will come.

SWOT analysis.

This graphic comes from last year strategic marketing. Just remember:

Strength and Weaknesses.

Internal, resources and capabilities.

Opportunities and Threats.

Changes in industry and general environment.

Note:

I am taking this from the past year for all of us to remember what was the purpose of the SWOT.

Relaciones.

- ✓ **Fortalezas con oportunidades:** Cada fortaleza se puede relacionar con una o más oportunidades. Cada una de estas relaciones debería pasar a ser un **objetivo** o **más de uno**.
- ✓ **Amenazas con Debilidades:** Las amenazas en el mercado que pueden afectar a una o más debilidades. La empresa debería evitar que las amenazas afectasen a las debilidades. Si afecta, debería realizarse un **objetivo** que provoque un **cambio**.
- ✓ **Amenazas con Fortalezas:** En qué medida las fortalezas pueden conseguir eliminar las amenazas. Otra vez, cada una de estas relaciones podría pasar a ser un **objetivo** que provoque el efecto eliminatorio de amenazas.

Nota: Cada Fortaleza que no aporte ninguna **oportunidad** no es útil para la compañía y está absorbiendo recursos que pueden ser necesarios para otras áreas.

Relaciones con objetivos.

Por cada relación tiene que salir como mínimo 1 o más objetivos.

Esto nos va a servir para **desarrollar muy bien lo que vamos a hacer**.

El **Marketing plan es siempre para 1 año**.

Los objetivos se van a poder medir. Los objetivos deben ser **racionales**.

It is not necessary, I just wanted to put it because it is one of the most important learnings of the degree, in my opinion

Growth Strategy.

Specific purpose of growth.

The specific purpose for growth is not other than make the company more valuable as well as achieving the **mission** and the **vision** of the company.

Decisions to make.

There are some decisions to make as a company. Some of there are:

Do we want to sell to other **customer segments**?

Do we want to reach other **geographical markets**?

Do we want to sell other product **categories**?

Or we rather enter other **industries**?

Organic growth.

Organic growth is defined as the growth that comes from the **development** and **optimization** of the activity of the company and its strategies.

In this type of growth, the company maintains the **full control** of the business. Unfortunately, it takes **longer** to acquire new customers as well as expanding the business with the existing customers.

Mergers and Acquisition (M&A).

Consolidation of companies or assets through various types of **financial transactions**, including mergers, acquisitions, consolidations, tender offers, purchase of assets, and management acquisitions.

In the mergers situation the company absorbed ceases to exist. In the acquisition that does not happen, but it happens when the company is in bankruptcy, usually.

This type of strategy can give the company a **monopoly situation** as one of its competitors stops existing or is part of our group. It is much **faster** the acquisition of new customers. Even though it is more **costly** and difficult as it needs the approval of the stakeholders as well as convincing the board of directors (it can be a hostile takeover).

Jokes.

- What do you call an Ant that's been shunned by his community?
- Socially dist-ant

- What did one hat say to another hat?
- You stay here, I'll go on a-head.

Vocabulary.

This consist of a set of definitions that we all need o know, it is easy.

Mission: It is the purpose in which we based our business. **Ex.:** Satisfy the customers, create jobs, just fun... **Recommendation:** We are in business for...

Vision: It is our aspiration for the future. **Ex.:** We want to be the best place to work in the industry or the world.

Corporate values: Criteria or guidelines that are used as a tool in order to make decisions. **Ex.:** Our employees first.

Goals: It is a specific purpose that we want to achieve. **Ex.:** Sell everywhere.

Resources: They are divided in three different types:

- a. **Physical or material:** One clear example is a machine.
- b. **Intangible:** Learnings, methods.
- c. **People:** All the employees.

Capabilities: They are all the set of **skills** that the company has, through the people working there. **Ex.:** Leadership.

Organizations: It is a group of people which are correlated between each other through a professional purpose. They are divided into:

- a. **Hierarchical:** The decisions are made from the top and the others have to follow them. **Ex.:** Church.
- b. **Flat:** Empowerment of the employees, who have, in a higher extend, more capability to make decisions. **Ex.:** College.

Management systems: They are tools that are used in order to implement the strategy. Most of the times we use it to control or generate something that we can control. **Ex.:** Forecast.

Environment: Everything that is external to the company, it has changes and is dynamic. Jordi Balleste love's this part. There are two types:

- a. **General:** Any factor that we cannot control but that has an influence on my firm. **Ex.:** Pandemic, recovery of the economy.
- b. **Industry:** When is the set of firms that are competing in the same market. **Ex.:** All the competitors, potential competitors... anyone solving the same problem, now or in the future. Also, customers, suppliers.

Stakeholders: They are groups of people which are interested on the performance of the firm. **Ex.:** Competitors, Owners, employees, customers...

Key success factors (KSF): Conditions for success in any industry. **Ex.:** If you want to success in the fashion industry, you need to be good in designing, stock management... They apply to industries, not only to a specific company. Necessity, condition and succeed,

Sustainable Competitive Advantage: Creating a value added that differentiates your company from others, which it can be protected from competitors. **Ex.:** I have a customer success better than the rest.

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Resource Acquisition: Resources **need** it to do the activity of the business. **Ex.:** Machine to manufacture.

Resource Allocation: It is how we allocate our resources to do our activity in the most effective way. **Ex.:** Investing in a new marketing campaign.

Anticipated: Anticipating **changes in the environment** and specifically the **rivals 'moves**.

Joke.

- Did you hear about the Italian chef who died?
- He pasta-way.



← SUMMER

CHAPTER 2 →

<https://youtu.be/CYVBfaot8tU?t=32> – I hope you like it.