Week 3 Assignment 1

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The events of globalization and the technological revolution undermined the traditional brick and mortar way of conducting business operations in corporate organizations. In addition, these developments increased competition between organizations and consequently a decline in profit margins due to increased consumer awareness. Accordingly, today firms are obliged to pursue strategic business management activities to ensure that they remain competitive in the consumer market (Hanson, Hitt, Ireland, & Hoskisson, 2016). Such models of management include the Industrial-Based Model and the Resource-Based Model. Furthermore, today organizations often review their visions and mission to align with the dynamic trends in the contemporary business world. Stakeholders in an organization also play a vital role in ensuring that the values and culture of an organization are maintained. This report will discuss the aforementioned issues in business management by reviewing the market position and performance of Toyota Motor Corporation which is leading global automotive company.

**Globalization**

Arguably, today the world is a global village due to the ease of commuting from one region to another, a phenomenon that is known as globalization (Hanson et al., 2016). Globalization may also be defined as the process through which organizations spread their business operations into other countries. Globalization is today pursued by firms since it allows for rapid vertical integration and the increase of brand equity and consumer base (Hanson et al., 2016). In addition, technology today allows an organization to run its business activities in onother countries virtually without having to physically have offices in the country. Toyota Motor Corporation has been at the forefront of globalization and internationalization through the introduction of branches in most parts of the world and this has allowed the company to achieve unprecedented growth. Today, Toyota Motor Corporation has branches in over 170 countries despite the fact that it originally founded in a small town in Japan (TOYOTA, 2019). Notably, the need to internationalize was driven by intense competition from other automotive companies such as Ford that had already internationalized and this prompted Toyota to spread its business operations to other counties of the world especially in Europe and America to retain a competitive edge in the automotive sector (Nkomo, 2013). The strategy was overly effective since it allowed the company to be among the leading car manufacturers globally rather than in Asia only.

**Technology**

Technology is today the driver of innovation and invention in production methods in what is known as the fourth industrial revolution (Schwab, 2017). The main drivers of the technological revolution have been the internet, automation, big data analytics, and the internet of things (IOT) which have continued to redefine how business operations conducted in organizations (Morden, 2017). Diffusive and Disruptive technologies have profoundly impacted production methods of automobiles in Toyota factories and continue to define the nature of business activities in Toyota Motors Corporation. For instance, the recent innovations and growth in popularity in Electronic cars has prompted Toyota motors to start the manufacture of electronic cars to compete with the other electronic automotive car makers such as Tesla and Ford (TOYOTA, 2019). In addition, the company leverages in innovations in technology on its manufacturing processes mainly through the use of robots and automation in production lines, and the use of composite materials in production. Technology is also extensively used in research and development activities in the company. For instance, testing for the safety of cars and new designs is mainly conducted through virtual simulations rather than physical crash tests which are expensive to conduct. Toyota makers also rely on internet technology to market and sell their products to consumers. Through its websites, customers have the ability to select the type of car they would want to be built and the even make an online payment (TOYOTA, 2019). This diffusive technology of e-commerce has allowed Toyota to increase its online brand presence.

**Industrial-Based Model**

An Industrial organization (IO) model may be defined as a field in economics that is concerned with the strategic management of firms, regulatory policy and competition in the consumer market (Albany.edu, 2019). The two main models of business organization are the industrial-Based model and the resource-based model (Albany.edu, 2019). The industrial organization theory argues that factors outside the organization define the strategic management operations of a business. The automotive industry is characterized by stiff competition due to a large number of car manufacturers and the small market size of car consumers. In addition, the level of consumer awareness in the industry is high and therefore car buyers have high bargaining power and this undermines the profitability of the business (Nkomo, 2013). These unfavorable external environment factors have continued to define the nature of business operations in Toyota. Similarly, car manufacturing companies competing with Toyota also have access to the resources that Toyota has and this further undermines the competitiveness of Toyota in the external market. To remain competitive in the consumer market amidst the unfavorable external market condition, Toyota motors rely on strategic and innovative management of its business operations.

**Resource-Based Model**

Unlike the Industrial-based model, the resource-based model of management which adopts an external perspective, the resource-based model adopts an internal approach and contends that the unique internal characteristics of a company define its nature of business operations and organization (Albany.edu, 2019). The internal business organization of Toyota Motors is robust due to the well-trained human personnel and experience car production. In addition, Toyota has adequate business structures and infrastructure mainly due to its large size given that it is among the leading automotive company globally (Nkomo, 2013). Toyota also has huge brand equity with Toyota cars known for their durability and relatively low costs of ownership (Nkomo, 2013). Overall, it can be argued that Toyota has a favorable internal environment owing to its sheer size and a long history of producing cars. However, like most large companies Toyota faces the risk of failing to manage its internal affairs. Nonetheless, Toyota has continued to achieve a steady growth its financial statements an indication that its internal environment continues to make it competitive.

**Vision**

A vision statement is used by companies to describe their future ambitions and objectives. As such, vision statement allows a company to align its business operation with its future goals and accordingly guarantee the success of the company in the future (Morden, 2017). The vision statement of Toyota motors corporation is ‘*Toyota will lead the way to the future of mobility, enriching lives around the world with the safest and most responsible ways of moving people*’ (TOYOTA, 2019; n.p). In summary, the mission statement posits that the long-term aim of Toyota is to provide people with efficient mobility services. This vision has continued to influence the nature of business activities in Toyota.

**Mission**

On the other hand, a mission statement describes an organization's current state of business organization as well as its goals and objectives (Morden, 2017). Unlike a vision statement, a mission statement gives an overview of the immediate goals of an organization. The mission statement of Toyota is "*To attract and attain customers with high-value products and services and the most satisfying ownership experience in America*" (TOYOTA . 2019;n.p). The mission statement shows that the immediate goal of Toyota is to offer quality services to consumers.

**Stakeholders**

Stakeholders in an organization play a vital role in ensuring the overall sues of the organization. The most critical stakeholders in any business are the customers since they are the main source of revenue for a business (Morden, 2017). To customers, their main requirement from the company is the production of high-quality vehicles. Employees and stockholders are also vital in ensuring the sues of Toyota since they directly provide the resources required for the production of cars in Toyota. Employees and stockholders require that their dividend and salaries are paid on time to ensure that they perform optimally. Other minor stakeholders in Toyota are suppliers and community who also contribute to the success of Toyota.

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