**College of Administrative and Financial Sciences**

**Assignment 2**

**Instructions – PLEASE READ THEM CAREFULLY**

* The Assignment must be submitted on Blackboard (**WORD format only**) via the allocated folder.
* Assignments submitted through email will not be accepted.
* Students are advised to make their work clear and well presented, marks may be reduced for poor presentation. This includes filling in your information on the cover page.
* Students must mention question numbers clearly in their answers.
* Late submission will NOT be accepted.
* 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).
* Submissions without this cover page will NOT be accepted.

**Assignment 2: Part 2 of the project**

**Learning outcomes:**

1. Describe the different issues related to environmental scanning, strategy formulation, and strategy implementation in diversified organizations (CLO2)
2. Explain the contribution of functional, business, and corporate strategies to the competitive advantage of the organization. (CLO3)
3. Distinguish between different types and levels of strategy and strategy implementation (CLO4)
4. Communicate issues, results, and recommendations coherently, and effectively regarding appropriate strategies for different situations(CLO6)

**Assignment Questions (5 Marks)**

Consider the same **company ‘X’** that you have already used in assignment 1 and answer the following questions

1. Describe the roles of **directional,marketing, operations**, and **human resource** strategies in the overall well-being of your selected company. (*2 marks*)
2. Classify the products of your selected company based on the BCG matrix. (*1 mark*)
3. Describe at least one partnership that your selected corporation has with another company (es). Is it successful? Justify. (*1mark*)
4. Describe the structure of your selected company. (*1 mark*)

**Answers:**

**QN 1;**

Roles of Strategies

Directional strategies are essential in growing a business by increasing its revenue (Rothaermel, 2016). McDonald’s operational strategy helps it to attain more customers by incorporating other new products-value meals, which boosted its revenue tremendously. Furthermore, its more than 38,695 owned and franchised restaurants in more than 100 countries worldwide give it new demographics and markets which boosts its revenue.

McDonald's utilizes its operation strategies to generate policies and approaches that enhance the effectiveness of its vast branches. To maintain its competitive advantage, McDonald's ensures its branches are standardized by implementing the same operation strategies. Thus, the company's operation strategies empower it to organize and coordinate its activities to enable it to attain its goals.

According to Rothaermel (2016), a marketing strategy entails all the aspects of the marketing mix. For instance, McDonald's is focused on ensuring their customers get the best. Therefore their marketing strategies focus on the 5Ps- People, Products, Place, Price, and Promotion (Mathur, 2017). They invest in ensuring customers get the best value for their money. They use Contests, Coupons, Promotions, and Public Relations to connect with their customers and boost sales.

McDonald’s Human resource strategies are aimed at managing its global workforce to enable it align with its organizational goals across its locations and also support with the execution of its broad strategic goals. Since McDonald's has a huge workforce, its human resource strategies are vital in ensuring its training schemes promote standardization and service excellence (Secară, 2015).

**QN 2:**

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| **Stars** | **Question Marks** |
| In the BCG matrix, McDonald’sMc Flurry can be considered its star product. This is due to its growth rate and high market share. | McDonald's Ice Cream Cone is the company’s break-even product. This is due to its high growth rate but with a minimum market share. This implies the products is not generating substantial revenues compared to its market value. |
| **Cash Cows** | **Dogs** |
| The hamburger has always been considered the iconic product of the company. However, McDonald’s Fish-o-Filletburgers, Fries and Mc Chicken can also be considered cash cow products. All these products make huge returns without consuming a lot of finances in production and marketing. | McDonald’s Coffee can be considered the company’s dog product. This is due to its minimal growth rate and market share. The products seem to be a charm product given the little to no investment in increasing its market share. |

(Stewart, 2019)

**QN 3:**

One of the key partnerships of McDonald’s is with Coca-Cola in 1955. since then, the two giants have made big success together. Both companies had the same American expansion strategy before rolling out globally (Strategic Partnering, n.d.). Their partnership has been iconic and a big success since consumers of both products is accustomed to having a coke alongside their meals at McDonald's. According research by Strategic Partnering (n.d.), Coca-Cola is a key revenue stream for McDonald’s as it accounts for close to five percent of its revenue. Not only do the two companies share a joint mission, but also their market demographics match. As a result, this created a transformational value for both companies. Their partnership enabled them to develop an integrated supply chain which enabled them to rapidly enter and in large-scale expansion into new markets.

**QN 4:**

McDonald's Corporation reformed its organizational structure to improve its capacity to manage global operations. Currently, the company has a divisional organizational structure (Mozammel, 2019). This organizational structure is further divided into different units that are tasked with key duties depending on operational needs. Generally, these divisions handle strategic goals or operational functions. This kind of organizational structure is crucial to McDonald's success as it supports organizational flexibility and autonomy thus satisfying the varied organizational needs of the different markets (Mozammel, 2019). McDonald's organizational structure has three unique characteristics; A global hierarchy, Divisions- based on performance and Groups-based on function.

References

Case 3: Coca-Cola and McDonald’s - Strategic Partnering. (n.d.). Retrieved 18 March 2021, from http://strategic-partnering.net/case-3-coca-cola-mcdonalds/

Mathur, S. (2017).Glocalization in fast food chains glocalization in fast food chains: A case study of Mcdonald's. In Strategic Marketing Management and Tactics in the Service Industry (pp. 330-347). IGI Global.

Mozammel, S. (2019).AN ANALYSIS OF MCDONALD’S CORPORATION FROM MODERNIST AND POSTMODERNIST PERSPECTIVES. Humanities & Social Sciences Reviews, 7(2), 572-580.

Secară, C. G. (2015). RECRUITMENT AND SELECTION STRATEGIES AND POLICIES AT MCDONALDS PITEȘTI. Anale.SeriaŞtiinţeEconomice.Timişoara, 21(21), 365-372.

Stewart, D. W. (2019). Managing Portfolios of Products.In Financial Dimensions of Marketing Decisions (pp. 189-208). Palgrave Macmillan, Cham.