Hochschule Anhalt
Anhalt University of Applied Sciences

Management Game: Final Analysis Report

Module: Management Game
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1 Introduction

Marker Motion, Inc. (MM) manufactures inertial motion capture sensors. Marker Motion strives to be the first choice by customers to provide high-quality sensors specially built to increase employee safety & efficiency, automation of products & ergonomic product development."MM, provide a capture rate up to 70 times faster than that of the optical method and, after running a calibration protocol to measure study subjects' body dimensions, can accurately measure joint angles, reach distances, and other body kinematics with high precision."[1] The purchasing criteria for sensors are mostly based on three factors, which are, size & weight, battery life & cost respectively.

Currently, 70% of the company's revenue comes from orders that are placed in large volumes. The rest of the revenues are generated from customers who purchased products via distributors. The large volume customers are divided into 4 segments namely A, B, C & D. Segment A focused on Sensors Battery life and high sales support. Segment B required small and light sensors, Segment C requires small-sized sensors with battery life with no price sensitivity attached, and lastly Segment D, which is price sensitive and clients buy it in bulk for R&D.

The Simulation study gave us a chance to take responsibility for Marker Motion as newly appointed CEO and to redesign the company market strategy. From Go to Market strategy to other elements like product policy and market positioning need to be taken care of. This report highlight the strategy developed, the problem encountered, and how profit margins were improved by making a strong position for Marker Motion in the Market.

The report structure is as follows: In section 2, the overall strategy as CEO of marker motion is discussed. In section 3, Channel Conflicts and Pricing Decisions were highlighted. Section 4 describes the relationship between Loyalty, satisfaction & Profitability. Section 5 describes the Price Elasticity and Marker Motion. In section 6, Instruments to improve Profit Margins were discussed. Lastly, section 7 describes the central aspects of decision-making.

[1] Narayandas, Das. "Marketing Simulation: Managing Segments and Customers." Online Simulation, HBP for Educators, Copyright (2010).

2 Overall Strategy as CEO of Marker Motion

Marker Motion, Inc. needs to rethink its strategic orientation based on its recent performance Firms strategize based on analyzing the company's current position or situation either by modifying existing strategies or creating new strategies.[2] Some of the triggering events for Marker Motion to make changes in their strategy are:

Performance Gap: Based on past years' performance, Marker Motion could not impact their revenues or profits. The Revenue growth is at an average rate of 5.5% over the past three years; however, the recent quarterly financial data indicates a fall in revenue, and MM had just made a mild profit after a long fall, there was concern among management about a recent potential drop in market share. It may also be the reason for anticipated future performance issues arising from, for instance, advancing competitors or disruptive technologies(Narayandas 2010).

New anticipated trends: Newmarket trends such as new technologies or changes in customer preferences may drive prevailing strategies unfit and need new strategic methods.

Our team followed a common baseline approach as mentioned by Kotter & Leonard(Kotter & Schlesinger 1979). Figure 1 shows the basic idea about the strategy approach setup framework.[3]. The approach is divided into 4 parts: Organizational Analysis, Factors Analysis, Strategy selection & Monitoring of selected strategy. For organizational analysis, we opted for SWOT Analysis. For Understanding the factors, our team opted for BCG analysis. Based on the results of the two matrices, we formulated a strategic approach based on the findings. The findings lead us to many factors and implementation strategies that can be formulated in different directions. Lastly, we monitor the implementation strategies chosen by team members and highlighted the major findings.

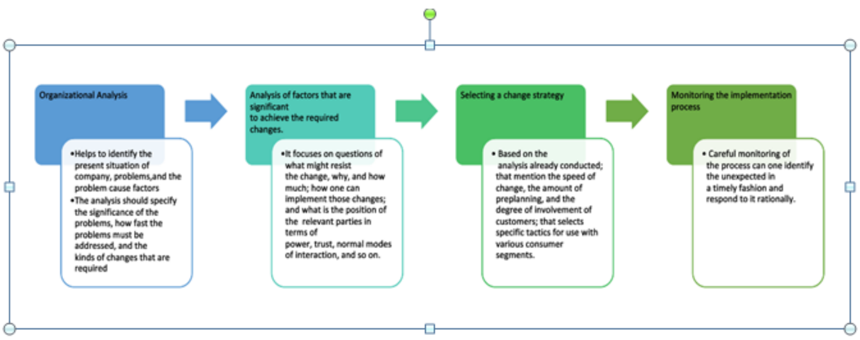

Figure 1: Strategies Selection Framework

[2] Jofre, Sergio. "Strategic Management: The theory and practice of strategy in (business) organizations." (2011).
[3] Kotter, John P., and Leonard A. Schlesinger. "Choosing strategies for change." (1979): 106-114.

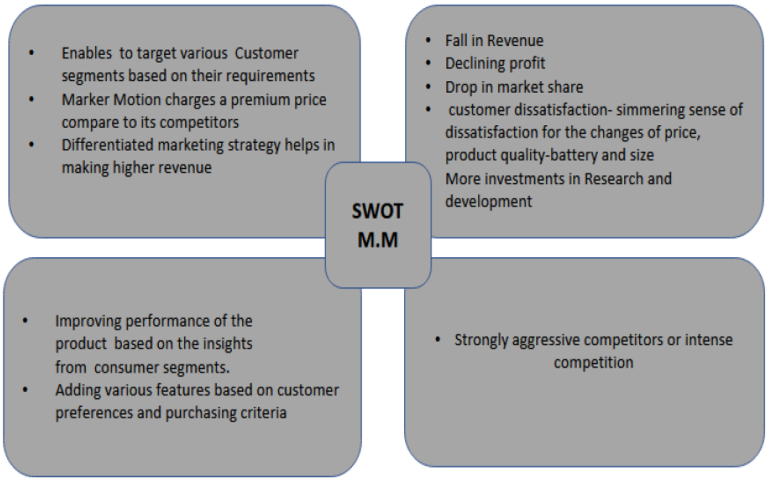

Figure 2: SWOT Analysis of Marker Motion

Figure 2 highlights the SWOT Analysis[4], which is the initial starting point to understand the current position of the company. According to SWOT Analysis, we noticed that the strength of MM lies in large sector customers which comprised 70 percent of the business. The weakness of MM lies in less expenditure in R&D.The management is spending almost double budget on Marketing and Operations than R&D. Threats includes competitors heavy investment in R&D which is desperately trying to get premium customers from MM.

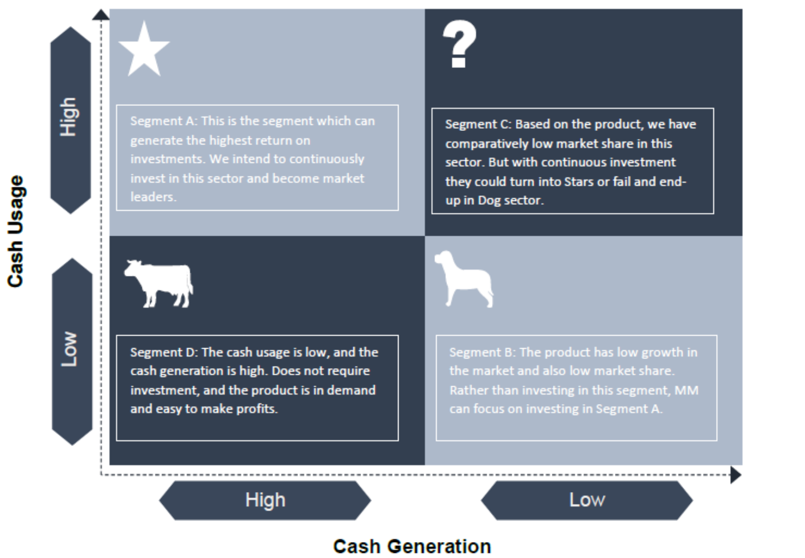

Figure 3: BCG Matrix analysis of Marker Motion

[4]GURL, Emet. "SWOT analysis: A theoretical review." (2017).

Figure 3 highlights the BCG Matrix[5]. In Figure 3: the star section states that segment A is the segment that can generate the highest return on investments. We intend to continuously invest in this sector and become market leaders. The second section of the question mark segment states that Segment C is better suited in this section. Based on the product, we have a comparatively low market share in this sector. But with continuous investment, they could turn into Stars or fail and end up in Dog sector. The Third section which describes Cash cow states that Segment D suits well here. The cash usage is low, and the cash generation is high. Does not require investment, and the product is in demand and easy to make profits. Lastly Dog section states that Segment B is well suited here. The product has low growth in the market and also low market share. Rather than investing in this segment, MM can focus on investing in Segment A.[6]

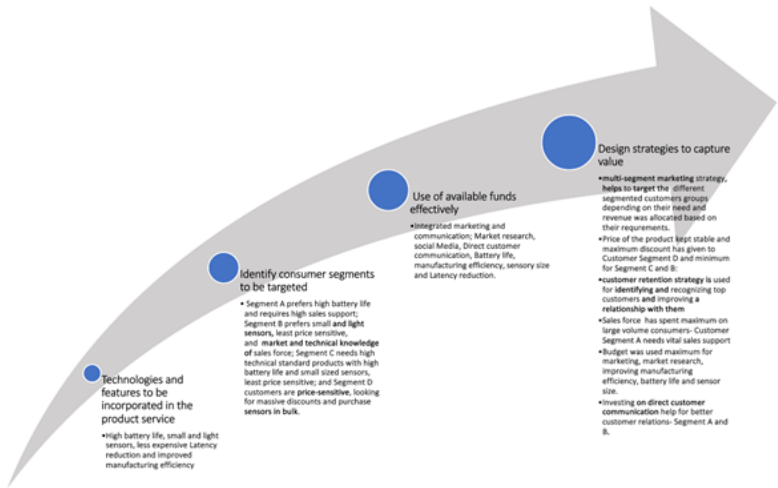

Figure 4: Strategies Formulation for Marker Motion

Figure 4, describes the Strategical Findings that we have observed after analyzing SWOT analysis and BCG Matrix. We have figured out the technologies and features to be incorporated in the product service. High battery life, small and light sensors, less expensive Latency reduction, and improved manufacturing efficiency. Similarly, Identify consumer segments to be targeted. Segment A prefers high battery life and requires high sales support; Segment B prefers small and light sensors, least price-sensitive, and market and technical knowledge of salesforce; Segment C needs high technical standard products with high battery life and small-sized sensors, least price-sensitive; and Segment D customers are price-sensitive, looking for massive discounts and purchase sensors in bulk. We also understand that we have to use the available funds effectively. Integrated marketing and communication; Market research, Social Media, Direct customer communication, Battery life, manufacturing efficiency, sensory size, and Latency

[5]Hambrick, Donald C., Ian C. MacMillan, and Diana L. Day. "Strategic attributes and performance in the BCG matrix—A PIMS-based analysis of industrial product businesses." Academy of Management Journal 25, no. 3 (1982): 510-531.

[6]Mohajan, Haradhan. "An analysis on BCG growth sharing matrix." (2017): 1-6.

reduction. With these findings we have different strategies which can help us to capture value multi-segment marketing strategy, helps. To target the different segmented customer groups depending on their need and revenue was allocated based on their requirements. Price of the product kept stable and maximum discount has given to Customer Segment D and minimum for Segment C and B.Customer retention strategy is used for identifying and recognizing top customers and improving a relationship with them. Salesforce needs to be spent the maximum on large volume consumers- Customer Segment A needs vital sales support and lastly, the budget needs to be used maximum for marketing, market research, improving manufacturing efficiency, battery life, and sensor size. Investing in direct customer communication help for better customer relations-Specially with segment A.

Value proposition by customer segment: With value proposition, we try to evaluate and highlight our findings and try to highlight the optimal policies based on our experience.

Segment A is a prime target and MM will deliver a high-quality, customized product with market-leading battery life and will work closely with customers to deliver strong technical and customer support. MM will invest in RD in battery life in order to possess a larger share. Generating almost 50% MMs total revenue MM will invest in terms of market research and sales force to offer better service and will try to retain the loyal customer with a little focus on new customers.

Segment B will focus on small and light sensors. MM can invest in RD for reducing sensor weight and increasing technical sales expertise. MMs technical experts provide expert advice and support to ensure they are at the forefront of its competitor. Having a lower market share of around 3%, MM can focus on new customers to increase market share. Also, based on our findings, we suggest overlooking this segment and focusing more on other segments.

Segment C is needed a superior battery with small sensors. MM will provide ongoing support for customers to ensure the product is reliable and any issues are promptly resolved and will invest in market research and training. There is a high potential to obtain a good customer base in this market too.

Being price sensitive, Segment D is an opportunistic pursuit and MM will deliver a basic standard product with limited support which can reflect a good, better, best approach to pricing. Similarly, For Small customers, MM will invest to improve manufacturing and reduce the cost of production.

Concluding the Key results, Quarterly revenue was increased to 9,159,759, profit margin remains constant, and large customer segment to 27%. Product enhancement with constant R&D and segment-specific, market penetration response is positively correlated. As part of key learning, we can say Product leadership in at least one segment is the key to maintaining market share(in our case segment A). Inter-channel competition reduces total value for all in the value chain. We focused on Customer retention and were successfully able to maintain profit. We also understood from observation and also available research that "ROI is not always proportional to the RD investments in the saturated markets. Behavioral and attitudinal loyalty is needed to retain customers and make a profit. Segment satisfaction through discounting does not guarantee profit."[7]

3 Channel Conflict & Pricing Decisions

K Sudhir & Sumon Datta (Sudhir & Datta 2009) explained that "“Price” and “Channel” are two of the four elements of the marketing mix that managers control, yet they differ fundamentally in how managers can use them to impact market demand. While price is the most flexible, in that managers can change it most easily to impact short-run demand, the distribution channel through which firms reach their end consumer is the least flexible and perhaps the costliest to change in the short run. Therefore, channel design is viewed as part of a firm's long run strategy. Most importantly, in the presence of a typically decentralized distribution channel, an upstream price change by a manufacturer does not affect consumer demand directly, but only through how this upstream price change affects the retail price set downstream in the channel.[8] Pillai and allPillai (1987) stated that Channel conflict is a situation that occurs when any of the conflicts, occurs between two-channel partners in which one's working or operations has an impact on the business of the other party in terms of sales, profitability, or in other business aspects."[9]

Channel conflict often results in Price Wars as the two parties come into competition with each other in terms of pricing and hence, the customer differentiates by looking for the best one. Another reason for Chanel's Conflicts is conflicts can happen; for instance, dealerships will see the competition only from a local perspective, giving less importance to the markets where they do not function(Lei 2007). Second, manufacturers see the competition from a broader perspective, taking into account the macro-implications of the competition and demand.[10]

Some causes of channel conflict:

Structural Factors, Resource Scarcity & Vision Incompatibility are some of the causes of Chanel conflict. In Structural Factors, the reason for conflicts is wrongly designed structure. In Resource Scarcity, the reason is more partners serving fewer customers. Whereas, In Vision Incompatibility, Partners and Principal do not have the same vision & objectives.[11]

Minimizing channel conflict:

[7] Harvard Business Publishing, Simulation Foreground Reading – The business –to –Business Orthopaedic Motor Market, June 2014

[8] Sudhir, K., and Sumon Datta. "15 Pricing in marketing channels." Handbook of Pricing Research in Marketing (2009): 319.

[9] Pillai, R. S. N. Modern Marketing (Principles and Practices). S. Chand Publishing, 1987.

[10] Milan, Gabriel Sperandio, Eric Dorion, and José Alberto da Rosa Matos. "Distribution channel conflict management: A Brazilian experience." Benchmarking: An International Journal (2012).

[11] Lei, S. H. E. N. "Causes and Solutions for Channel Conflicts in Pharmaceutical Distribution in China [J]." China Pharmacy 10 (2007).

Fair Pricing, Subordinate Goals, Legal ways, Trade associations are some of the ways which can help to minimize Channel Conflict. In Fair Pricing, steps to minimize the price war are the main motive. Here, a common price is set for all products in all the areas.[12] In Subordinate goals, a common agreement is set up between all the partners which states that all partners must achieve a common goal in respect to either increased market share, profit maximization, high quality, customer satisfaction, etc. in order to avoid the conflict. In a legal way, When the channel conflict cannot be resolved with any of the available resources, the partner may take legal actions. Whereas Trade associations help to resolve channel conflict by building up a committee or association among them(Vashisht 2005).

About 70% of Marker Motion's revenue comes from customers that place large-volume orders, and the rest 30% is from customers that ordered in smaller volumes from distributors. Those small customers who purchase sensors through distributors are price-sensitive.[13]Generally, while setting up the price for distributors, the transfer price sets in between the total manufacturing cost and the maximum resale price that the distributor can charge end consumers.[14]Pricing strategy for marker motion based on profit margins which should be adequate for distributors, profit margins were competitive with rival brands, and price variations by MM were associated with visible or identifiable differences in products features. However, pricing decisions should not solely depend on the market, internal cost considerations, and competitive factors. Instead, explicit pricing decisions that impact distributors' behavior are a significant part of pricing strategy (Srivastava et al. 2000).

Pricing decisions can have a considerable impact on channel member performance. If channel members distinguish the manufacturer's pricing strategy as non-conflicting with their interests, then a higher level of coordination can be expected and vice versa. Therefore to overcome this challenge, foster pricing strategies should be set up to promote distributor channel cooperation and minimize conflict.

Generally, distributors need margins that are more than enough to cover the costs of handling a particular product. If the profit margins are not enough to cover their costs and provide room for profit, then distributors seek out other suppliers or establish and promote their private brands. Thus, it is vital to have a continuous review of distributors' margin structures to understand if they are adequate and pay attention to changes in the competitive environment that is likely to impact channel member considerations of the existing margin structures. Moreover, it is also significant to analyze any margin gap between their competitors.

[12]Vashisht, Kujnish. A practical approach to marketing management. Atlantic Publishers Dist, 2005.

[13]Narayandas, Das. "Marketing Simulation: Managing Segments and Customers." Online Simulation, HBP for Educators, Copyright (2010).

[14]Srivastava, Joydeep, Dipankar Chakravarti, and Amnon Rapoport. "Price and margin negotiations in marketing channels: An experimental study of sequential bargaining under one-sided uncertainty and opportunity cost of delay." Marketing Science 19, no. 2 (2000): 163-184.

When the manufacturer is imposing an increase in the product's price, it automatically increases to the next channel member and the end-user. However, the price increase issue is not too problematic. However, when the increased prices cannot be transferred through the channel, and as a result, channel members have to consume some or all of the price increases by reducing their profit margins, then price increase becomes a critical issue.

Price promotions can be used for pricing strategies, including special deals, discounts, price reductions, and coupons. However, consumers' attitudes to price reductions may change significantly from retailers and wholesalers. The corresponding price reductions for sales promotion offered to retailers for participating in the price promotion for the end-users may not be enough to influence their desire to be fully involved in the deal.[15]

4 Relationship between loyalty, satisfaction & profitability

The principle theory of most organizations is to improve their performance through customer satisfaction. However, having satisfied customers will not guarantee improved business performance. "Customer Satisfaction is passive: customers are willing to stay or buy a product until something better is introduced. Unlike satisfaction, loyalty is a long-term commitment of customers to the brand or organization and is related to Profitability and retention(Yeung et al. 2002)."[16]

Loyalty has a significant impact on most aspects to run a business. "The business won't last long if you don't have a happy customer who are your regular buyer. Customer loyalty is basically an organization's degree of continually fulfilling the requirements and expectations of the customers."[17]

Loyal customers act as an important part of business as they not only contribute to growth, but also bring in high profits. Minarti (Minarti & Segoro 2014) defined "satisfaction as an attitude, assessment and emotional response given by the customer just using the products or service offered. Customer satisfaction has a direct influence on the profitability of the organization"[18] According to Hoyer and MacInnis, when a customers is satisfied with the service or product, it results to build a foundation and customer repeat the purchases, it creates brand loyalty and branding due to word of mouth.[19]

[15] Author:Irene Sullivan: "PRICING ISSUES in CHANNEL MANAGEMENT", https://cupdf.com/document/chapter-11-pricing-issues-in-channel-management-the-importance-of-pricing.html Accessed on December 27, 2021 at 15:15

[16] Yeung, Matthew CH, Lee Chew Ging, and Christine T. Ennew. "Customer satisfaction and profitability: A reappraisal of the nature of the relationship." Journal of Targeting, Measurement and Analysis for Marketing 11, no. 1 (2002): 24-33.

[17] Hallowell, Roger. "The relationships of customer satisfaction, customer loyalty, and profitability: an empirical study." International journal of service industry management (1996).

[18] Minarti, Sri Ningsih, and Waseso Segoro. "The influence of customer satisfaction, switching cost and trusts in a brand on customer loyalty–The survey on the student as IM3 users in Depok, Indonesia." Procedia-Social and Behavioral Sciences 143 (2014): 1015-1019.

[19] Singh, Harkiranpal. "The importance of customer satisfaction in relation to customer

However, loyalty comes with a happy customer. Customer satisfaction leads to high profitability. Hence, higher customer satisfaction leads to higher profitability and thus an increase in sales. In fact, the trust in brand will make customers not only buy the product and service again but also promote it and thus also minimizes the expenditure of marketing.

4.1 Short term expansion strategy (acquisition)

Customer Acquisition means gaining new customers or persuading consumers to purchase a company's product or services. Organizations or companies consider customer acquisition as an important measure to enhance their business. Initially, Assuring the first few customers is challenging that many new businesses face as it requires strategies and exceptional pre and post-sales services. In order to build a brand, businesses should create a link between advertising and customer relationship management which will facilitate the acquisition of targeted customers.[20]

Initially, friends, family, investors or existing contacts of business become the first customers who help in building brand and also promoting it by word of mouth or via social media. Reaching to a potential customers can be done through cold calls via call centers or via the mailing list. To add, the cost of customer acquisition which is the price that businesses pay to acquire new customers usually cost more to than to retain customers. One should keep in mind that the ultimate goal for any business is to achieve high lifetime value.

4.2 Long term strategy (retention)

Customer retention refers to the actions which companies undertakes in order to prevent customer defections. The goal is to retain as many customers as possible. As retained customer will provide valuable feedback, ready to pay premium prices, they will give free promotion via word mouth advertising.[21]

Some key measures for maintaining a loyal customer base are: focusing on key customers, active communication with current customers, Understanding customer needs, latest market trends and adapting new changes before the competitors,and create a value perception. In a business context, "loyalty is a customer's commitment to a particular organization to repeatedly buy their products and services and recommend the services and products to friends and relations(Bowen & Chen 2001)." An increased profit comes from reduced marketing costs, growing sales, and fewer operational costs. Loyal customers are cost less to serve because they are aware of the product and needless information, and they even serve to advertise for the company's word of mouth. Therefore, a long-term retention strategy brings success for a business organization rather

loyalty and retention." Academy of Marketing Science 60, no. 193-225 (2006): 46.

[20]Frankel, Michael ES, and Larry H. Forman. Mergers and acquisitions basics: the key steps of acquisitions, divestitures, and investments. John Wiley Sons, 2017.

[21]Rosenberg, Larry J., and John A. Czepiel. "A marketing approach for customer retention." Journal of consumer marketing (1984).

than a short-term expansion acquisition strategy. A customer retention strategy focuses on identifying and recognizing top customers and improving a relationship with them by understanding their requirements.[22]

In conclusion we can say that new businesses need to focus on customer acquisition and when the customer base is set, new customers are acquired then customer retention should become the most important motive of the business as retention is more sustainable business model which is a key to sustainable growth.

5 Price-elasticity and Marker Motion

The concept of price elasticity involves the "reaction of the quantity demanded or supplied of a product to the price change."(Beverly & Lempriere 1996) In other words, "it is a relationship between a change in the demand of the quantity of a specific product or service and the change in the price of the product."[23]

Generally, when an acute fluctuation in the price of a good affects the big change in the demand of the product quantity, the product is called elastic and on the other hand,when there is not a significant change then the product is called inelastic .

With Marker Motion, The discounts influenced their consumer loyalty from low to medium for the customer D (Customer satisfaction enhancement)which is price sensitive and by reducing the price by giving more discounts one way or another one can avail small value consumers. Yet, for least sensitive in the price like segment A and C, it was very promising to build and raise the quantity of sale to have better specifications(by enhancing R& D)and eventually the difference in the discount price of the two contenders is minimized. Here, Customers are not depending on price discounts, but rather on the quality of the product. Even if we reduce the discount percentage, it won't affect the sales of products in segment A and segment C respectively.

It is an important aspect to be noted that it is important to take the right decision of investment in order to generate revenue/profit. In the scenario of MM, we consider customers like Segment D, it is elastic demand to change the price as it possesses a high unit share of the industry. Also, market research plays an important to determining specifically the rise and decline of the units bought plus the discounts offered, and thus one can adjust the price accordingly.

6 Instruments to improve Profit margins

There are several ways to increase profit margins such as limiting discounts, increasing the prices of the products, cutting vendors and, minimizing operational expenses.(Fabozzi 2008) Cutting unnecessary costs can be crucial to a

[22]Singh, Harkiranpal. "The importance of customer satisfaction in relation to customer loyalty and retention." Academy of Marketing Science 60, no. 193-225 (2006): 46.
[23]Beverly, Jennifer, and Tony Lempriere. "Assumptions about the price elasticity of demand: implications for wood substitution and prices." (1996).

company. It is important to make sure that your business is running without any unnecessary expenditure and elevating unnecessary costs. For example waste management, well planning in this area can bring opportunities to reuse, remake or recycle which will eventually eliminate the cost or bring in some profit from a different area which is usually not taken into consideration.[24]

The objective should be to minimize the chances of the work being affected by delays or encountered with unnecessary costs. A company can initiate it by reducing sales force than required as much as they, But it is necessary to ensure that the quality of the product is maintained.[25]

A company can also automate the systems to streamline the cost and expenses. Another way to minimize the cost is to hold proper market research with alternate sources of suppliers which in comparison less expensive source to provide the raw material for manufacturing of goods. Also, the bulk purchase will further help in fetching a larger discount by these wholesalers/ suppliers.[26]

The other way to increase profit margin could be boosting the revenues which is generally the most mainstream option. This is generally done through selling more products and services in the market or usually, the other way is to increase the price of the product in order to increase revenue.(Cohen 2006) Selling the products without discount also adds to the increase in revenue(initially in some segments). An increase in the company's revenue is basically increasing profit, but it is also a larger number at the bottom of the new margin equation.[27]

But, the mentioned ideas to generate profit sometimes backfires too. If the current market is not stable and the demand for the product is not enough to generate enough revenue, the excessive production could result in the pilling up of goods in the warehouse. On the other hands, new products with enhancing features are constantly in making by competitors and thus pilling of products is a big risk of lose a premium segment of the market. Also, increasing the price sometimes doesn't increase the revenue due to fewer sale as other products are available in the market at a much lower price.[28]

To better understand the advantages and disadvantages, it is also important to understand profitability and other basic difference between margin and profit. Reducing or increasing the cost does not add to the improvement of the organization's net [profit margin but only adds to its net figure. For example,the annual revenue of an identity and access management company increases from

[24]Fabozzi, Frank J., ed. Handbook of Finance, Financial Markets and Instruments. Vol. 1. John Wiley Sons, 2008.

[25]Overtime Penalty Pay Act of 1964. Part 2 : hearings before the United States House Committee on Education and Labor, Select Subcommittee on Labor, Eighty-Eighth Congress, second session, on Mar. 13, 16-20, 23-25, Apr. 6, 10, July 21, 1964, accessed on 25.12.2021 at 18:23

[26]J. Kühne, The Ten Commandments of Raw Materials Sales (Books on Demand, 2010).

[27]Cohen, William A. Entrepreneur and Small Business Problem Solver. John Wiley Sons, 2006.

[28]M. M. Byers, Making Work at Home Work: Successfully Growing a Business and a Family Under One Roof (Baker Publishing Group, 2009), https://books.google.de/books?id=4dcK1rwHJVgC., accessed on 25.12.2021 at 06:24

3 million euro to 4.7 million with an increase in manpower from 10 to 20 with wages of 100,000 euros. The new 1.2 million euro will conclude in additional net profit of 500,000 only and will eventually minimize our profit margin.[29]

On the other hand, minimizing the cost works only when the other two aspects i.e sales price and the number of sales remain constant. If we lower the quality as well, the company has to reduce the prices as well in order to maintain sales.(Zhao et al. 2013)

Another factor that can help in building profit is proper branding of the product.[30] With Brands comes trust and trust in products brings new customers and also maintaining the loyal old customers base. Several big companies have grown and established their name in the market due to which they hold a big market share and are also able to command a significantly higher price than their competitors in the market(Dickinson & Barker 2007).

7 Central aspects of decision making

Being an owner or CEO of a company, effective decision-making is an important factor. Decision and time are companions and taking the right decision at right time lead to proper operations which increases the profitability/revenue of the company.(Payne et al. 1988) Different factors such as key objectives, financial budgets, the culture and environment of the company, the leadership quality, etc., affect the process of decision making.[31] Some of the central aspects of decision making are highlighted below:

Short-Term Vs. Long-Term Goals:

The Company's Mission and Vision are the two critical factors on which every CEO must try to operate along. In fact, all the key decisions must reflect the vision of the company within. The main thing one should be concerned about is the long-term and short-term goals. Basically short term goals are the tasks you can accomplish now to get closer to accomplishing long-term goals. For example, sometimes, the CEO has to offer promotions to boost profit in the near future. Long-term goal is important for any brand or a company to be successful in achieving its vision and to achieve them it is important to align your task in the correct direction.[32](Mccann III et al. 2001)

[29]Zhao, Lue-Ping, Guo-Pei Yu, Hui Liu, Xie-Min Ma, Jing Wang, Gui-Lan Kong, Yi Li et al. "Control costs, enhance quality, and increase revenue in three top general public hospitals in Beijing, China." PloS one 8, no. 8 (2013): e72166.

[30]Dickinson, Sonia, and Alison Barker. "Evaluations of branding alliances between non[U+2010]profit and commercial brand partners: the transfer of affect." International Journal of Nonprofit and Voluntary Sector Marketing 12, no. 1 (2007): 75-89.

[31]Payne, John W., James R. Bettman, and Eric J. Johnson. "Adaptive strategy selection in decision making." Journal of experimental psychology: Learning, Memory, and Cognition 14, no. 3 (1988): 534.

[32]Mccann III, Joseph E., Anna Y. Leon[U+2010]Guerrero, and Jonathan D. Haley Jr. "Strategic goals and practices of innovative family businesses." Journal of Small Business Management 39, no. 1 (2001): 50-59.

Finances and Budgeting:

The financial decisions decide the future of the company. Correct financial decisions bring in profitability and revenue to the company.(School & for Human Resource Management US) Activities such as business investments in R&D, expansions, marketing, managing social media channels, sales-force hiring, and sales-related decisions are involved in the financial decisions, which when chosen correctly increase profitability & revenues.[33]

Leadership quality and style:

Every CEO of the company has their own way of working and taking decisions based on his/her understanding and experiences. "It is an important aspect for a CEO to know his preference for the business and the style for making decisions."(Iqbal 2011) Some CEO likes to take decisions involving other members of the company but sometimes at the time of the essence, one takes the decisions autonomously. Eventually, with different leadership styles, different outcomes were observed.[34]

The main central strategic decisions that were encountered were the financial budgeting is associated. Managing and allocating the budget to different segments based on need, importance, and inline vision of the company. Also, the decision of investing in the right segment is a crucial decision. In some situations, the hard decisions of retention and acquisitions of new customers were also involved, which is indeed a tough call to make and one must hold a good understanding of the market, competition, and vision of the organization in line with the decision.

[33] Harvard Business School, and Society for Human Resource Management (US). The Essentials of Finance and Budgeting. Harvard Business Press, 2005.

[34] Iqbal, Talha. The impact of leadership styles on organizational effectiveness: Analytical study of selected organizations in IT sector in Karachi. GRIN Verlag, 2011.

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