

MAN 4633 Homework 2

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Assurance of Learning Exercises

I did number 1 by accident. I could've sworn the assignment said 1 and 2 but apparently it's 2 and 3. Oh well. More learning for me.

1. Using the information in Table 2.1, critique the adequacy and merit of the following vision statements, listing effective elements and shortcomings. Rank the vision statements from best to worst once you complete your evaluation.

| Vision Statement | Effective Elements | Shortcomings |
|--|--------------------|--------------|
| American Express <ul style="list-style-type: none">• We work hard every day to make American Express the world's most respected service brand. | | |
| Hilton Hotels Corporation <p>Our vision is to be the first choice of the world's travelers. Hilton intends to build on the rich heritage and strength of our brands by:</p> <ul style="list-style-type: none">• Consistently delighting our customers• Investing in our team members• Delivering innovative products and services• Continuously improving performance• Increasing shareholder value• Creating a culture of pride• Strengthening the loyalty of our constituents | | |
| MasterCard <ul style="list-style-type: none">• A world beyond cash. | | |
| BASF <p>We are "The Chemical Company" successfully operating in all major markets.</p> <ul style="list-style-type: none">• Our customers view BASF as their partner of choice.• Our innovative products, intelligent solutions and services make us the most competent worldwide supplier in the chemical industry.• We generate a high return on assets.• We strive for sustainable development.• We welcome change as an opportunity.• We, the employees of BASF, together ensure our success. | | |

(Best to worst)

1. **MasterCard:** I really like this vision statement. It's short and memorable and describes what a credit/debit card company does. It's also open ended and so doesn't define what a 'world beyond cash' looks like which leaves MasterCard open to changing what they do.

Effective Elements

- This meets almost all of the 'do's' in Table 2.1 (focused, graphic, forward-looking/directional, wiggle room, memorable) except indicating why the directional path makes good business sense. However, that is largely implied if you know that MasterCard is a credit/debit card company.

Shortcomings

- I cannot think of any shortcomings to this vision but I think there is one that I'm missing, I'm just not sure what it is.

2. **American Express:** I'm putting this second only because the other two are considerably worse. Amex's vision statement is bland and uninspiring and says nothing about what it is they do.

Effective Elements

- Forward looking and directional
- Lots of wiggle room

Shortcomings

- Very vague. What does Amex do?
- Bland and uninspiring
- Generic
- Superlatives
- Feels like it runs on and on

3. **Hilton Hotels Corporation:** It's a bit long but it clearly defines a set of limited scope goals

Effective Elements

- Graphic
- Forward-looking and directional

- Some wiggle room
- Feasible
- The line 'Increasing shareholder value' makes it obvious why these things are good for business

Shortcomings

- Runs on and on

4. **BASF**: At first glance it seems as though the mission statement was translated from another language and I am correct in that assessment. BASF is a German company.

Effective Elements

- Graphic
- Feasible

Shortcomings

- Dwells on the present. I think this is simply an artifact of translation.
- Runs on and on

2. Go to the company investor relations websites for Starbucks (investor.starbucks.com), Pfizer (www.pfizer.com/investors), and Salesforce (investor.salesforce.com) to find examples of strategic and financial objectives. List four objectives for each company, and indicate which of these are strategic and which are financial.

Starbucks

1. "Our aspiration is to become resource positive - storing more carbon than we emit, eliminating waste, and providing more clean freshwater than we use." -- Strategic and Financial
2. "By embracing a longer-term economic, equitable and planetary value proposition for our company, we will create greater value for all stakeholders." - Financial
3. "we will be transparent in reporting short- and long-term progress against our goals" -- Strategic
4. "we remain committed to our long-term, double-digit EPS growth model and will continue to deliver targeted financial results [...]" -- Strategic and Financial

Pfizer

1. "Make Pfizer an amazing workplace for all" -- Strategic
2. "Focus the narrative on the value of our science" -- Strategic
3. "Improve access through new payer partnerships" -- Financial
4. "Address the patient affordability challenge" -- Strategic and Financial

Salesforce

"C-Suite Agenda Items Have Been Reprioritized"

1. "Customer experience programs" -- Strategic
 2. "Data programs for insights into business" -- Strategic and Financial
 3. "Evaluation of new ecosystem partners" -- Strategic
 4. "Business operations resiliency programs" -- Financial
3. American Airlines's Chapter 11 reorganization plan filed in 2012 involved the company reducing operating expenses by \$2 billion while increasing revenues by \$1 billion. The company's strategy to increase revenues included expanding the number of international flights and destinations and increasing daily departures for its five largest markets by 20 percent. The company also intended to upgrade its fleet by spending \$2 billion to purchase new aircraft and refurbish the first-class cabins for planes not replaced. A final component of the restructuring plan included a merger with US Airways (completed in 2015) to create a global airline with more than 56,700 daily flights to 336 destinations in 56 countries. The merger was expected to produce cost savings from synergies of more than \$1 billion and result in a stronger airline capable of paying creditors and rewarding employees and shareholders. Explain why the strategic initiatives at various organizational levels and functions require tight coordination to achieve the results desired by American Airlines.
- In order for AA's larger plan to succeed, each smaller part at every organizational level had to succeed and function. This requires tight coordination. If any single part of the plan had failed, then AA's return would not have proven successful.