

UCS 1704 – Management and Ethical Practices – Case Study

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Excerpt:

An auto company C Ltd. is facing a problem of declining market share due to increased competition from other new and existing players in the market. Its competitors are introducing lower priced models for mass consumers who are price sensitive. C Ltd. realized that it needs to take steps immediately to improve its market standing in the future. For quality conscious consumers, C Limited plans to introduce new models with added features and new technological advancements. The company has formed a team with representatives from all the levels of management. This team will brainstorm and will determine the steps that will be adopted by the organisation for implementing the above strategy.

Question:

Explain the features of Planning highlighted in the situation given below.

Answer:

Here, the auto company C Ltd. has to focus on its product line and introduce new price sensitive, feature-rich models that appeal to the mass consumer, to hold its market share and stave off competitor businesses.

The company's planning methodology involves representatives from all levels of management – this is a good planning method. To get unbiased and inclusive opinions, especially for large-scale decisions, it is best to involve managerial employees from all tiers to get the correct understanding of the company's current situation and develop a company-wide contingency plan. Planning must be pervasive – and not just limited to one person/a directorial board calling the shots.

Here, the company is also demonstrating the fact that the team will “brainstorm” for ideas and come up with a broad plan of action. This clearly suggests that they're treating planning as a mental activity – one that requires imagination, out-of-the-box thinking and the ability to make sound judgements. It requires a lot of analysis and methodical risk-taking that provides the best outcome. They are not treating planning as just random guesswork, nor are they trying to blindly follow competitor strategies and release subpar goods just to reduce product costs. Planning requires high-level mental skills to come up with a proper execution plan.

The company is also aware of its surroundings, and it keeps an eye on its competitor organizations. Not only that, it also understands that it must take immediate steps to counter the new product lines offered by its rivals so that it can hold its market share. It realizes that its consumer base is price-conscious. Their management is correctly taking steps to make sure that the company's growth is uninhibited. This is the essence of planning – it must anticipate the future needs and make sure that its interests are well protected in the foreseeable future.
