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COVER PAGE AND DECLARATION

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Introduction

Strategic management is a set of managerial actions and decisions that determine the company's long-term performance, this assignment aims to explore the different aspects of managing business strategy and explains the strategic decision-making process, emphasizing the importance of analysis, strategic thinking, and informed decision-making. Moreover, it examines the role of leadership in effectively formulating and executing a business strategy, highlighting the significance of visionary leadership, effective communication, and strategic alignment throughout the organization. (Peleckis, 2015).

Instruction number one: Strategy schools

The strategy is explained in different approaches, including different schools, each of these schools describes the strategy as follows:

Design School

The design school represents the most effective view of the strategy formation process, the design school suggests a model of strategy that aims to fit between internal and external possibilities. It focuses on the process, not the product, but it assumes that the two are linked (Ahlstrand, Lampel & Mintzberg, 2001).

Positioning School

In this school, the management put the product at the top of their mind and makes decisions accordingly. In this case, managers need to know the company's position and determine the competition with the competitors. this school of thought could fail if the business environment changes because this strategy doesn't take new changes into its consideration and assumes that the market will stay as it is (Hattangadi, 2017).

Planning School

In this school, the plan is given more importance than management decisions. The management gets a clear direction to proceed ahead, this helps the company move forward in a steady state when the plan is available. The whole plan gets affected when it is made years in advance, when

changes take place in the organization or the industry, when something criticality arises that happens out of the plan, also when internal or external variable changes. Hence, proper prediction is essential when using the planning school of thought (Hattangadi, 2017).

Entrepreneurship School

This school treats strategy as a manager's vision or perspective. Here strategies are flexible, they give directions, which can be changed and settled depending on the vision of the manager and experience (Jofre, 2011).

In the entrepreneurship school, if a leader leaves a company, this company could become strategically blind because in this strategy the leader provides the company with his wisdom and vision (Peleckis, 2015).

Learning School or Emergent School

companies following this school make strategies looking at the past; not necessarily their past. They take cues from strategies in the market that became failed or were successful. This school of strategy can be used when the company is stable and wants to develop something else in the meantime, they are working on the auto mode (Hattangadi, 2017).

Configuration School of Transformation School

The strategy allows the organization to change between positions, the basic premise in this school is that the strategy needs to be configured. in this school, the strategy must consider a lot of facts and cannot be derived from simple statistical values and data. The key to strategic management for an organization that stands based on a stable configuration of its characteristics is to sustain stability or at least adapt to strategic change, while periodically recognizing the need for conversion and being able to manage the disturbing process of transformation effectively (Hattangadi, 2017).

Cognitive School

The Cognitive school assumes that strategy formulation is a mental process, developed in people's minds by definitions, charts, models, and other forms (Luo, Sun & Wang, 2011).

In terms of this school, strategies are developed based on managers' experience and their understanding of life. This school focuses on the strategist's creative thinking. The cognitive approach school claims that the strategist has the experience, which he uses to develop strategies (Peleckis, 2015).

Environmental Strategy School

This strategy is concentrated on a developed combination of perspectives between threats and opportunities in the external environment and the organization's set of capabilities and resources (Çınar & Karcıoğlu, 2013).

This school concludes that the internal structure of the organization could be more formal as long as the environment is more stable. The Environmental school concludes that there is no best way to manage a company and the optimal treatment strategy depends on the balance of the situation externally and internally (Peleckis, 2015).

Power School

This school pays more attention to power and politics. It is also known as the political school, it emphasizes the role of power, politics, and influence in shaping strategic decisions and outcomes at such times, to keep the company moving forward the power needs to change hands (Hattangadi, 2017).

Cultural School

This school of thought says that the most important in the company is human capital. The strategy formation becomes subject to a subjective perspective under this school. This school believes in involving a lot of departments within a company. This will be very useful during acquisitions and mergers (Hattangadi, 2017).

A positive culture in the company harnesses entrepreneurial culture and innovations in organizations.

School of strategy choosing from my point of view

From my point of view I suggest that a combination between the environmental strategy school and the transformation school could be the appropriate school for Just Toys to support its growth because, in the configuration school, the strategy formation process can take the form of a formal plan or a conceptual design, also a systemized analysis or a leadership vision it could lead the company's transformation from one position to another and be able to manage the transformation process effectively without troubles. Also, the environmental strategy school concentrates on a developed combination of perspectives between threats and opportunities in the external environment and the organization's set of capabilities and resources

Instruction number two: Competitive Advantage Strategies

Urbany & Davis, (2012) stated that competitive advantage is about creating value that matters for customers, in ways that competitors cannot, there is a competitive advantage in thinking about the organization in a way that integrates the value customers demand, the value the competitor provides, and your value-producing capabilities, these strategies provide distinguish industry positioning and competitive advantage between competitors, the company should use a competitive advantage linked to a product differentiation strategy or low costs strategy. These two factors give rise to five competitive strategy options:

- 1- **A low-cost provider strategy** is to achieve lower overall costs than competitors and attract a large number of customers, usually by giving a price that is lower than the competitors (Morris, 2021).

Low-cost leadership will be particularly powerful and could give a competitive advantage when:

- Low-cost companies will be in the best position to view offensively based on price and to survive price wars.
- When the customers don't care about product or service differences between brands.
- The low-cost leader can use price cuts to make it harder for a new competitor to win customers.

Pitfalls must be avoided in pursuing a low-cost provider strategy

- Getting carried away with aggressive price cutting and this results in a decrease in the profit.
- Relying on a reducing cost approach that can be easily copied by competitors. If competitors find it easy or inexpensive to simulate the leader's low-cost methods, then this competitive advantage will not be valid for a long period.

2- **A broad differentiation strategy** is seeking to differentiate the company's service or product from competitors using methods that will appeal to a broad spectrum of buyers (Morris, 2021).

When a Differentiation Strategy Works Best

- When Customers' needs and uses of the product are varied. varied customer preferences allow industry competitors to set themselves apart with product options that appeal to special customers.
- When there are many methods to differentiate the service or product that has value to customers. a well-suited Industry for differentiation strategies industry that allows competitors to add features to products.
- When the best differentiation approaches involve trying to appeal to buyers based on attributes that competitors are not confirming. A differentiator encounters less head-to-head competition when it uses its separate way to create distinction and does not try to out-differentiate competitors on the very same attributes.
- Frequent introductions of next-version products and rapid product innovation increase buyer interest and give space for companies to keep distinguished differentiating paths. this could lead some companies to lose out in the marketplace because of failing to come up with new or improved products.

Pitfalls must be avoided in pursuing a differentiation strategy

There are several reasons for differentiation strategies to fail:

- A differentiation strategy related to service or product attributes that are quickly and easily copied is always suspect. This is why a firm must search for methods to be unique and needs a lot of time from competitors to match them.

- Differentiation strategies can also fail when buyers see the unique attributes of a company's product become of little value, this leads the company strategy to fail because of trying to differentiate based on something that does not deliver adequate value to buyers.
 - If the company does not strive to open up meaningful gaps in service or quality or performance features compared to the products of competitors.
- 3- **A focused low-cost strategy** is concentrating on a market niche and outcompeting its competitors by providing lower costs than the cost provided by competitors thus the company will be able to serve niche customers at a lower price (Morris, 2021).
- 4- **A focused differentiation strategy** concentrating on a market niche and outcompeting its competitors by providing niche members customized attributes that meet their requirements better than competitors' products (Morris, 2021).

When a Market Niche Strategy Is Applicable

A focused strategy aimed at providing a competitive edge based either on differentiation or low cost becomes increasingly attractive if one of the following conditions are met:

- If the size of the targeted niche market is big enough to offer good growth possibilities and be profitable.
- If the industry leaders have chosen not to compete in this field, then the niche-focusers can avoid battling head-to-head against the industry leaders.
- If it is costly or difficult for competitors to meet the special requirements of niche buyers and satisfy the expectations of mainstream customers at the same time.
- If the focuser could pick a niche suited to its resource capabilities and strengths.
- If few competitors are aiming to specialize in the same targeted customers.

Market niche strategy risks

- Competitors could find efficient ways to coincide with the focused firm's capabilities in serving the target niche.
- The possibility for the needs and preferences of niche members to shift toward the product attributes in demand by all buyers.

- The segment may become so attractive then it will be submerged with competitors, splintering segment profits and intensifying competition.
- 5- **A best-cost provider strategy** that gives buyers more value for the money by satisfying their expectations on key product features while beating their price expectations. it is a hybrid strategy between a differentiation strategy and a low-cost provider strategy (Morris, 2021).

When a Best-Cost Provider Strategy Works Best

- This strategy needs to position its provider in the middle of the market where he can provide a product with good quality and its price isn't high when we compare it with the differentiated products. Best-cost provider strategies also work well in features without significantly costs increasing.
- The company will find itself squeezed between the firms using differentiation strategies and those using low-cost strategies if it uses little differentiation and no real cost advantage.
- High-end differentiators could be able to steal customers away with the appeal of appreciably better product attributes. Low-cost providers may be able to strap customers away with the appeal of a lower price.
- Best-cost providers must offer buyers significantly better product attributes to justify a price above what low-cost leaders are charging. also, it has to achieve significantly lower costs in providing upscale features so that it can outcompete high-end differentiators based on a significantly lower price.

From my point of view about competitive advantage strategy

The best cost provider strategy could be the best competitive advantage strategy for Just Toys to increase its market share internationally because it is a hybrid strategy between a low-cost provider strategy and a differentiation strategy and a lot of people all over the world are searching for products have high quality with a reasonable price (the value of money), in this way, Just Toys could be able to target segments at multiple locations so it expands geographically and delivers a message to the world that your kid's needs are precious to us.

Instruction number three: Recommendations for just toys

Through a combination of short-term and long-term goals and recommendations businesses can navigate both immediate challenges and future opportunities.

For short-term goals

- If the company starts selling its products in the countries around Thailand like India, Indonesia, Vietnam, and Malaysia, it will increase its profit because the shipping cost will be lower than in the far countries thus the market share will increase.
- The company must prepare a standard operation process SOP to smoothen the workflow.
- The company must put some KPIs like the number of website visitors, Customer satisfaction index, the voice of customers VOC, etc. to measure its performance and monitor it.
- Create an application for the company because customers may prefer shopping from the application more than the website, increasing the chance to sell more.
- Product features must be written clearly and in detail to increase the chance to sell it.
- Hiring more people to follow up with the customers all the time.
- Make special offers or give vouchers to customers who give recommendations for other people to deal with Just Toys and tell them about their good experience with Just Toys.
- The company must give the wholesaler a special discount based on achieved targets.
- Offer special promotions, discounts, and bundle deals during seasons and holidays to attract more customers.
- Implement a customer loyalty program to increase customer retention.
- Optimize inventory management to ensure that popular toys are well-stocked to avoid stockout and to ensure that these toys are well-stocked during peak demand periods.
- Provide training to sales staff to enhance product knowledge and customer service skills to ensure a positive shopping experience.
- Have a partnership with child influencers to create authentic and relatable marketing campaigns.
- Optimize the supply chain and explore global sourcing options to improve efficiency, reduce costs, and ensure a steady supply of toys.

For long-term goals

- The company must open factories around the world to increase the number of countries where Just Toys could sell its products.
- The company must make a partnership with international companies to take a master toys license from them to produce toys related to these companies and this will increase the selling volume for Just Toyz.
- The company must make contracts with suppliers in other countries to increase its market share.
- The company must perform forward and backward vertical integration, backward integration by open supplying companies for raw materials and toys factories or becoming a partner for one of those factories around the world, and forward integration by opening stores around the world to distribute its products and increase the market share.
- The company must emphasize the development of educational and STEM (science, technology, engineering, and mathematics) toys because of the growing interest in educational toys.
- Invest in research and development (R&D) to create unique and innovative toys that differentiate the company from competitors.

Instruction number four: Strategic Plan for Just Toys

Executive Summary

A part of a strategic plan is prepared for an online wholesaler in Thai called Just Toys, its CEO is ted Willard, This wholesaler supplies different categories of toys with high quality at a reasonable price for UK and Japan, this company transferred from an internet start-up to a multimillion company in 36 months, this company started with 5 employees and now there is around 50 employee working in this company and one of the plans for this company is to increase this number of employees to work in the Marketing, Research and Development departments also, to follow up with customers and sellers to help the company achieve its target which is increasing the market share for the company around the world, create a partnership with wholesaler around the world, increase number of online selling by sell to people in other

countries other than UK and Japan, and to open showrooms to sell its products in different countries, all these targets need employees to follow up and to be a part of Just Toys company for continuous improvement for the employees and the company, also the company put a target to sell 250,000 toys in the next 4 years thus they need concerted efforts from all to achieve this target.

The mission statement for Just Toys

“Gaining a world wide viewpoint, we are dedicated to supplying different categories of toys with the highest quality yet at a reasonable price for kids and adults all over the world”

The vision statement for Just Toys

“To develop and improve children’s abilities by producing creative learning and playing toys”

SWOT analysis for Just Toys company

Strengths

- The company has a highly qualified team
- The company inspires children and stimulates their development through its web shop which features a large selection of toys.
- The company provides a unique combination of product expertise through partnering with the world’s leading OEM manufacturers.
- we have a sheer variety of products available ensuring customer satisfaction.
- The products are divided into different categories on the website thus products are easy to reach by customers.
- The company makes suggestions on sustainable packaging designs using recycled materials to limit waste and improve efficiency and optimize shipping costs.

Weaknesses

- The company sells its products in two countries only.
- The company doesn’t have any showrooms all around the world.
- The R&D department in the company should be developed.

- The process in the company is a little bit complicated.
- Social media pages are not followed up, and the information published on them is not updated periodically.
- The company doesn't have any master toys license from any international company for example Wicked Cool Toys which has a Pokémon master toy license.
- The number and types of newborn toy products that the company supplies are low.
- delay in the follow-up process with the customers because there are not enough employees in this job.

Opportunities

- Due to the COVID-19 pandemic a lot of customers changed their behavior to online shopping, this will give Just Toys a great opportunity to increase its market share and growth (Thailand – Country Commercial Guide. n.d.).
- Easy to export products to different countries because Thailand is one of the pivot countries on the outbound waterway (Overview of risks when investing in Thailand, n.d.).
- According to JP Morgan, an increase in domestic e-commerce sellers will also promote sales volume. Cross-border e-commerce consumes almost 30 percent of the overall e-commerce market in Thailand. Almost 50 percent of online shoppers have already purchased abroad, which may contribute to increasing our company's growth (Increase in domestic e-commerce sellers, n.d.)
- Thailand is the second most visited tourist destination in the Asia-Pacific region with almost 30 million international tourist arrivals and this may be an opportunity for Just Toys to increase its selling's by opening markets inside Thailand (Political map of Thailand. n.d.).

Threats

- Thailand's Customs Penalty Regime and Customs Valuation Procedures decrease the opportunity for Just Toyz to increase its global market share (Overview of risks when investing in Thailand, n.d.).
- The law of Thailand allows the government to carry out expropriation to promote the public interest, with reasonable compensation being offered to the expropriated private party (Overview of risks when investing in Thailand, n.d.).

- Quantities of raw materials used in production became difficult to import from different countries, especially after covid-19 spread worldwide.
- The increased costs like salaries value, shipping cost, and operating cost should increase the cost of the product and this will decrease the company's profit.

Organizational Goals

- By the end of 2022, the company will increase the number of countries in which it could sell its products for them.
- Open at least 2 showrooms that are regularly updated with new lines in the countries that already Just Toys support them before the 3rd quarter of this year finished.
- The company must hire expert persons in the R&D sector immediately.
- The company must prepare a standard operation process (SOP) to smoothen the workflow.
- Develop the marketing department by hiring marketing persons, and they must increase the effectiveness of social media pages.
- Prepare a plan for next year to increase the number and types of newborn toy products supplied by the company.
- Include expenses for renewable energy installation in the budget of 2023 to reduce the operating cost.
- Generate sales of 250,000 toys within the next 4 years.

Conclusion:

Managing business strategy is a dynamic process that requires careful analysis, planning, and execution to achieve long-term success and sustainability. It is important to recognize that managing business strategy is not a one-time endeavor but an ongoing commitment.

Organizations must be proactive, graceful, and open to change to adapt to shifting market dynamics, emerging trends, and disruptive forces. Continuous evaluation, learning, and adjustment are essential for organizations to remain competitive and achieve long-term success.

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