RUNNING HEAD: HOSPITALITY MANAGEMENT

Case Study 2

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Case Study 2: How will the Organisation know if its Strategy is Successful?

# Introduction

Organizational strategy is rather vital for the achievements of goals. It is a rather important aspect of management that cannot be delegated. Furthermore, organisation strategy should be oriented in such a manner that it matches both the long-term as well as short-term goals of an organisation. A number of approaches have been used by strategists to formulate a strategy that can be used for the betterment of the organisation. Thus, the creation of an appropriate strategy is vital for an organisation, which makes it essential that they review their present situation to come up with a strategy. The success of a company can be significantly attributed to the strategies adopted by the company at various stages of its development. This precise and planned adoption of strategies followed by the effective implementation is the key to give any company an edge over its competitors. Furthermore, such effective strategies can also give organisation room for risk mitigation in the environment while also maximizing on the opportunities available at the very same time (Hubbard et al., 2014).

For all these reasons and more, Netflix has been reigning as the king of entertainment in the past few years. Netflix was launched just two decades ago, and its capability to stay ahead of the curve by keeping its eye on the price has given it such a reigning position among the masses. The tactics and the courses of action taken by them are crucial to the implementation of strategic planning of the organisation. Netflix always has alternatives to situational problems close at hand. Add in the provision of a favourable direction that would enable Netflix to meet the demands of an organisation are just as important (Hagiu, 2018).

# What is Success for Netflix?

As mentioned, Netflix is barely 20 years old. Yet, it has a stock market value of $165 billion, a figure that surpasses Disney in terms of stock market value. It has been breaking records left right and centre, giving enterprises like HBO a run of its money with around 112 Emmy nominations i.e. the highest number of nominations received by a network or an online streaming service. For almost 17 years, this record was consistently held by HBO. Add in the credibility and the effectiveness of its management, that a single PowerPoint slideshow regarding the company culture and HR policies followed by Netflix has been viewed tens of millions of times. If that was not enough, Netflix has become nothing short of a cult phenomenon among the masses (Osur, 2016).

Netflix has always been driven by innovation alone. This means that no matter come rain or sunshine, Netflix will try its level best to ensure that its stay up-to-date with the changing times in an effort to give their customer base exactly what they need, just how they need it. According to its CEO, Reed Hastings, “It’s possible to totally misunderstand Netflix. The real problem we’re trying to solve is, how do you transform selection so that consumers can find a steady stream of [entertainment] they love? We give everyone a platform to broaden their tastes (Taylor, 2018).” This is the point of view that has motivated Netflix to reach the heights that it has, choosing to stay ahead of the times and be innovative when other similar services remain stagnant.

# The Frameworks and Models for measuring and Controlling Performance

The arrival of Netflix can be solely held responsible for changing the logic of an entire industry. Its arrival reshaped the way the minds behind the industry operated, time and again by changing its course, even going too far to disrupt itself in the process. Initially, it aimed to crush Blockbuster movies, which it did rather effectively by mailing DVDs to those that wanted them and even getting rid of any late fees. Later, it completely disrupted itself one more time by streaming content online instead of mailing them to its subscribers. Its willingness to completely reinvent itself was a risk that most companies in similar situations refuse to take on. However, this time around, their refusal to back down paid off, big time.

In the early 2000s, it focused on marketing things that were hot, which it did by making rental DVDs more accessible with mailing then. Then it introduced the three DVD rule, the customer could keep any three DVDs and then continue to keep changing them. This would prevent the client’s hold on the movie while ensuring that the goods are returned in an optimal manner. That day onwards, Netflix has continued to market the hottest item, based on the demand and supply cycle and it has yet to find a flaw in the system (Hubbard et al., 2014).

Another integral part of Netflix is its culture. Netflix sees its culture as a strategic manoeuvre that has enabled it to reinvent itself and become a platform that is revered by millions for its technological foresight. Hastings and management behind Netflix are always looking forward to inventing and reinventing the cultural practices put into place by the upper management. They are firm believers of the fact that These changes have much to do with the designed workplace and how a change in organization’s workplace can make anyone feel refreshed and more in touch with the company’s strategy (Adalian, 2018).

However, company culture alone cannot be accredited for such a change alone. Apart from ensuring that the company places a culture that can easily absorb any change Netflix goes under, it also chose to upgrade the company manifesto. This manifesto provided a detailed assessment of its policies, practices, and principle that were to be adhered to. What makes this manifesto stand out is the integration of the human factor at its core, which boils down to “Many companies have value statements, but often these written values are vague and ignored. The real values of a firm are shown by who gets rewarded or let go.” Furthermore, giving itself the option to critically evaluate the status quo and make tough decisions without having to agonize over the decisions at a later time gives the company a foresight to keep their course and understand how and what they have to work with (Netflix, 2019)

## Measurable and Comparable Performances

Today, Netflix is not only known for streaming content produced by other networks online, but it is equally as well-known as a creator of content, most of which features a number of A-list movie stars. With its willingness to spend around $12 billion on programming alone, the future, for Netflix certainly is bright. Add in its willingness to take a chance and give its views something new to look forward to every single time is an attribute that is not held by most companies in a similar position.

Netflix belongs to a cut-throat and competitive industry, one that evolves in the blink of an eye. However, instead of conforming to industry standards, Netflix constantly challenges its conventions. It chose to upend a number of norms, which were wordlessly followed in the industry to sing to its own tune. It replaced the idea of pilot episodes to hook users in and replace it with binge-watching, where users can watch all the episodes relating to a series in one single go (Adalian, 2018). While this move has been criticized by many for changing the market, it is also appreciated by just as many people.

# Performance Evaluation and Gaps

At this point, it is undeniable that Netflix has a brilliant organisation strategy in place. The model it has presented has inspired other businesses to follow in their footsteps and choose innovative means to be a success rather than following cookie-cutter choices made by the industry experts they frequently work with. The company follows a system of complete openness and radical transparency among its employees. It encourages them to air their mistakes before their colleagues (Denning, 2018). Unlike most organisations that choose to keep employee salaries private, Netflix is open about them. Same can be said for their process of evaluation. They also subject their managers to a constant “Keepers test” in terms of their employees. The company only chooses to keep the employees that their managers can vouch for. This improves works effectiveness and removes gaps from the system which can arise as a result of employee ineffectiveness and lack of efficiency.

# Conclusion

Corporate Strategies, across the industry, focuses on elements which aim to enhance resource allocation across all channels. It enhances the control and planning process, allowing for the coordination of business units on various levels of the company. It can be regarded as a benchmark for business units, around which a company organizes its functional strategies (Hubbard et al., 2014). The same cannot be said for Netflix. It constantly taps on and shatters the glass-ceiling set by the standards of business of the industry in such an apt manner that it not only succeeds in its efforts but also opens doors to new possibilities.

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