Strategic Change

[Name of the Writer]

[Name of the Institution]

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Change is an indispensable part of business environment but when it comes to strategic change, it pertains to restructuring the business plan to attain business objectives. For instance, it might comprise a shift in an organization’s mission, target market, policies or the organizational structure. Sometimes, strategic change is also referred to as re-inventing or re-engineering of the organization (Hax, 2009). Business history has countersigned numerous organizations that re-invented themselves to attain organizational objectives or to remain competitive in the evolving business environment. Some of the world’s most profitable companies have been able to attain continuous success owing to reinventing themselves.

IBM is one of such companies that felt the need to reinvent themselves. In 1984, the company was the king of the PC world but the strategy of buying the components from smaller suppliers it adopted became the reason for its failure (White, 2013). In addition, the company was amid the business failures of 1993, and it was left with two choices, either die or innovate. The company chose the subsequent one and it decided to give IT expertise and computing services to the firms. Investments in Artificial Intelligence also rescued the company and it is among the most successful contemporary businesses. Same is the case with Xerox printers that relied merely on the sale of photographic paper. The company re-engineered and focused on innovative solutions for firms all over the world (Pal, & Pantaleo, 2005).

Netflix is also among the most successful organization getting immense fame from all over the globe. Initially, the company’s business spun around DVD rental and sales. In 2007, the company started online streaming and over the years have enjoyed financial success due to the rising number of subscribers (Fuller, 2013). July 2018 reports the addition of 5 million new subscribers taking its total customer base to 130 million. Another global brand known for its innovative business practices. Apple invented the Macintosh computers resulting in the demise of home based PC’s (Johnson, Christensen, & Kagermann, 2008). The innovation was not limited to the handheld devices but was extended to the design, and touchscreen technology.

Shell reinvented its business model based on the global oil boom in the 19th century. Owing to the transportation revolution based on oil, Shell leadership revolutionized oil delivery pipeline to Europe. It merged with Royal Dutch Petroleum in the 20th century. The current logo of the shell is visible at 44,000 stations globally that represent the company’s initial operations of dealing in decorative shells. Western Union that relied initially on telegrams and diminished as the cheap means of communication has now emerged. It kept on re-inventing its business model and started commercial e-mail services. Now it is the largest money transfer company with agents in about 200 counties.

Amazon is also an exquisite example of a business that re-engineered its operations. Amazon started as an online book about 20 years ago and now it is the go-to online store for almost everything. In 1996, the company started its associate program and started to offer one-click shopping service in various categories of offerings. Now Amazon is the second-largest company of US after Apple and is still focused on reinventing ways to provide superior services to its customer’s base, for instance, drone deliveries and Amazon prime to retain its competitive position. Old Spice was facing a severe decline in sales in 1973 and it was associated with “old” men. The brand underwent a complete rebranding strategy. The business focus was changed and in 2008 with its campaign “Swagger” the ultimate reinvention of the business moment started in 2010. The NFL player was starred in its campaign suggesting men to use spice old spice. The video got viral and the brand positioning entirely changed, boosting its sales.

The shift of retail landscape seeks the leading departmental stores in the UK and US to reinvent their business model to remain competitive in the developing industry. JC penny announced about the closure of their departmental stores in earlier 2018. The reason it mentioned behind closing its stores is to save cost. In addition, the company has been offering discounts to get rid of surplus inventory and intends to use the cost saved from stores closure to repay its debts. Considering the situation of departmental stores, there is a sheer need for business reinvention in order to cope with the issue of declining sales.

The only reason customers go for shopping to the malls is to enjoy the shopping experience, so the first strategy J.S penny must implement concerns enhancing the in-store experience of shoppers. Rather than spending on the costly stores, the store size and inventory can be abridged focusing merely on customer service and experience. The second initiative is to relocate stores to the malls and areas where J.C Penny’s target customer likes to come. So that no revenue is spent on attracting customers to the stores by making expensive and very large stores.

It is the right time for JC Penny to re-think of their stores like the store of 2030. This is the suggestion for third initiative pertaining to the situation J.C Penny is facing. What would new generation stores look like? For instance, the latest opened House of Fraser store in the UK has a raft of leisure features like beauty spas, yoga classes and the certified sustainable space has a living wall as well. This is an example of the next generation departmental stores and such a transformation is needed in J.C Penny’s stress as well.

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