

Impact of Management Values on Strategy

In this activity, a firm is deciding on whether or not to invest in a major new product. In order to illustrate the influence of top management values, the profiles of four different CEOs are presented. Your task is to identify whether the management style of the CEO would influence the firm's decision to pursue the new product opportunity.

First CEO

He is 42 years old and has just been appointed to the CEO role. He is one of the youngest CEO's in the industry. He is very ambitious and determined to push his career even further. His personal philosophy is "A man who never made a mistake never made anything". This means that he actively seeks risks and works hard to ensure that they pay off. He has built his successful career with a "few big gambles" and that's not about to change now.

Second CEO

The next CEO is 62 years old. He has been the CEO for nearly 20 years and plans to retire soon. He is "loved" by staff who sees him as a caring, concerned CEO. He has always been a bit cautious of change. In his view, rapid change often leads to over-investment in fads. He prefers a business that is built on solid old-fashioned customer value, customer service, and a strong team of loyal staff.

Third CEO

The next CEO is 50 years old and has been the CEO for 3 years. Her background is in finance. She appreciates the value of new product investment, but it must be proven to have a clear financial return. Therefore, she is sometimes a keen supporter, and sometimes a stubborn opponent, of new initiatives – it all depends on how the numbers stack up.

Fourth CEO

The final CEO is 48 years old and has just been brought in as the CEO. Her background is in human resources. While people issues are obviously quite important to her, she does try to make balanced decisions. In terms of this decision, she does realize that a dramatic change may be justifiable in terms of creating an advantage over competitors in the marketplace. However, she is looking at the balance of the advantages against the financial and people implications of this major project.

Student Discussion Questions

1. How likely are each of the CEOs profiled to invest in the new product? (Use the scale of very likely, somewhat likely, unlikely.)
2. Do what extent will each of the CEO's likely management style affect the firm's overall corporate culture?
3. Given the different approaches of the CEOs to their businesses, would it be necessary to approach the development of marketing strategy in a different way? If so, how would marketing strategy formulation differ across these firms?
4. If you were new to a firm and asked to prepare a marketing plan, how important would it be to get a good sense of the CEO and his/her management approach?