Capstone Project Part II: Strategic Audit

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**Cultural Differences**

There are significant cultural differences between Vietnam and the US, likely to affect the company’s operations. One peculiar aspect of the country’s culture is that a sense of community affects how a company connects with local consumers spread out in various locations. In effect, a high degree of individualism is not taken positively because of strong family ties cherished by many Vietnamese. The company also needs to understand the culture is not open because people are more conservative in their norms. In effect, all strategies used should conform to local cultures to ensure the firm understands how to develop strong relationships with potential customers. Significantly, older people are accorded more respect in the country than young people because they are considered wiser and more mature. Thus, when greeting people in a gathering, one must address the oldest person first before talking to other younger people in the group. Therefore, these cultural practices guide GlaxoSmithKline to streamline all its processes to ensure they conform to conditions observed by many people within the country.

**Cultural Exchange**

There are different levels of cultural exchange the organization can focus on to create a strong impact in the society. For instance, the firm needs to use local languages in its marketing campaigns to make a greater impact on potential consumers it targets. Furthermore, localized ways of doing things will go a long way in giving the firm credit it desires in the market. As a result, it will be in a position to transfer some of its working systems from the U.S. to ensure its Vietnamese employees understand its values and systems. More importantly, some American workers can be brought to work into Vietnam to familiarize themselves with local conditions affecting the company. On the other hand, some Vietnamese employees can be taken to the US to learn how various processes function to help them acquire new skills related to their competence areas. Therefore, these cultural exchanges are likely to create a higher degree of competitiveness in the organization, thereby increasing its market penetration in the long-term.

**Distribution Methods**

Even though it is not as highly developed as the U.S., Vietnam has effective transport infrastructure covering both rural and urban areas. It is necessary for the firm to develop working relationships with various small and medium scale transporters to ensure its products have a wide reach in the market. Most people buy their goods from small shops, market stalls, and street vendors because they are easily accessible. Therefore, the firm needs to use distributing agents in various parts of the country who can sell its goods at a wholesale price to small-scale retailers. In main urban areas, such as Hanoi and Ho Chi Minh, the firm needs to make agreements with supermarkets and malls. More urban residents in these cities prefer supermarkets because they cater to their needs more effectively allowing them to get a lot of value from products they desire. Furthermore, many urban residents aspire to live high-quality lives because of their middle-class status. Therefore, this approach will improve the firm’s value chain allowing it to serve diverse consumers’ needs in different parts of the country.

**Product/Market**

Many locals desire high-quality consumer goods with strong brand power. Notably, the company should focus on producing pharmaceutical products with local brand names which easily resonate with many consumers. This will allow the organization to overcome regulatory restrictions that require products sold in the Vietnamese market to have similar standards with those manufactured in the U.S. and other western nations. Crucially, the firm should consider certifying its products to comply with Vietnamese laws so that more consumers in the country accept them. More importantly, since pharmaceuticals cannot be advertised through traditional communication channels, the firm must liaise with health officers from various regions. Thus, this will allow it to reach more consumers to enable its products to serve their needs appropriately. In effect, the firm should sell several products that are used to treat a myriad of diseases to gain the following it desires in the market. Some of the most popular drugs include pain relieving medicines, nutrition pills, and treatment pills for various diseases. Briefly, the company must ensure all processes used to develop its products adhere to local expectations to enhance its reputation in the industry.

**Pricing**

Many consumers in the market are sensitive about prices they pay for various goods. In effect, the pricing strategy the firm adopts should influence buyers' purchasing behavior positively to encourage them to sample some of the products it offers. The organization needs to have an introductory price of various products in the market to capture buyers' attention in the first six months.Afterwards, it should consider raising the prices of its products to a point where they are marginally lower than those of its competitors should. Therefore, this approach will make it easy for the firm to sell large product volumes to different consumers at a lower price (Schaumburg-Müller & Chuong, 2010). More importantly, by relying on its large economies of scale and low production costs, the firm should focus on recouping its invested capital after two years. Consequently, this will allow it to create valuable partnerships with customers that are influenced by high standards to help it attain all objectives it has set in the industry. Therefore, this will allow the organization to cater to the needs of diverse consumer groups in the country effectively.

**Positioning**

GlaxoSmithKline should position itself as an organization that offers premium products that make people more energetic to pursue different interests in their lives. As a result, the firm should communicate to potential customers about how its products make them acceptable in their respective communities to increase their overall appeal. Equally important, promotional strategies should highlight the benefits of various product categories the firm manufactures to the country (Schaumburg-Müller & Chuong, 2010). Therefore, GlaxoSmithKline needs to ensure its marketing processes conform to various local practices to ensure its products get the exposure they desire in different locations. Approaches targeting rural consumers should radiate simplicity, comfort, and accessibility to make consumers aware that they can obtain various pharmaceutical goods at low prices. Therefore, personalized selling formats are likely to achieve better results in such locations. Conversely, strategies used to lure urban Vietnamese should radiate sophistication, quality lifestyles and physical wellbeing to targeted consumers. As a result, this will make it easy for the organization to achieve its operational objectives in the market in the long run. Therefore, it will be able to serve the needs of diverse consumer groups more adequately.

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