Week 3 Assignment 1

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**Introduction**

McKesson is an American Corporation that engages in the distribution of medical supplies and information technology. It is one of the largest and oldest healthcare providers in the United States, with its operations in more than 16 countries. McKesson considers the provision of quality healthcare a priority. Their vision is to improve care through one product, one patient one partner at a time. The company is dedicated to making this happen by ensuring that they touch on every aspect of healthcare. The company has approximately 78,000 employees who consolidate their efforts to make it possible to provide quality care for their patients in different parts of the world. McKesson believes that high-quality care can be made possible through the provision of the right technology, products, and resources that are needed to reduce operational costs and enhance patient health (McKesson, n.d.). Despite being the largest distributor of pharmaceutical products, McKesson has managed to provide some of the largest networks in the healthcare industry. It is one of the companies that embrace the use of technology such as bar codes in the distribution of its products and has incorporated the automation of pharmacies.

**Globalization**

Globalization has affected different sectors of modern life, including the pharmaceutical industry. It is one of the critical drivers of the growth that has been evidenced in the McKesson Company. It is the reason why the company has moved towards the development in other countries that show higher business opportunities (Lawrence, A., & Weber, 2014). Currently, the company operates in more than 13 countries in Europe, where it has a total of 38,000 employees (McKesson (n.d.). It has also established businesses in the United States, Australia, Canada, and New Zealand, among others. In a bid to improve service delivery, the company has partnered with care providers, biopharma companies, manufacturers, and the government to deliver quality healthcare services and medical products in a safe and cost-efficient manner.

**Technology**

Technology has also played a considerable role in the manner that McKesson executes its operations. It is amongst the few pharmaceutical companies that have embraced the use of technology in its business operations, an aspect that has enabled the company to benefit from competitive advantage. The organization advocates for the purpose of technology in the health industry; in a bid to incorporate different strategic initiatives with the ability to transform service delivery to its clients. The application of technology in an innovative manner has made a massive contribution to its success and has helped it to create an edge over its competitors. The company provides solutions in healthcare information technology, which have improved service delivery with its partners.

**Industrial Organization Model**

The industrial organization model is about identifying the environment in which a business operates and explaining different outside the company with the ability to affect its profitability. According to 2019, the five forces of competition in the industrial model are an organizational strategy, employee skills, industry, external environment, and available assets. These five forces can be applied by McKesson’s management to implement different strategies that would make it easy for the organization to earn the expected above-average returns. The company should gather information about its competitors to identify those that earn above the average returns and strategize the most efficient move that will help them to make above-average profits. In order to implement this strategy successfully, the company’s management should ensure the availability of the required assets and skills, to help them match the standards of the selected company.

**Resource-Based Model**

McKesson can apply a resource-based model to carry out an in-depth analysis of its top competitors to identify their uniqueness in their operation. The management of McKesson should identify the resources that they can utilize for them to earn returns that are above average. It should evaluate the weaknesses and strengths of the top competitors to identify what it can do best to create an edge over its competitor. According to Hoang & Rothaermel (2016), it is indispensable to determine different capabilities that the company can utilize in order to do better than its competitors. After analyzing its resources and capabilities, McKesson should lay strategies it can use to create a competitive advantage against its competitors in a bid to earn above-average returns. In order to earn above-average returns, McKesson management should adopt the resource-based model as opposed to the industrial organization model. The resource model is better because it focuses on the company’s strengths and weaknesses and in their ability to gather viable resources to benefit from competitive advantage.

**Mission and Vision Statement of McKesson influence its success**

The mission and vision of every business are a reflection of its strategies that are summarized in a simple manner. The clarity of its strategies determines how successful an organization will be. This is because; strategies determine how well tasks are executed, company goals, and employee motivation. According to (Rothaermel, 2015), the vision statement defines what the company would want to achieve or accomplishments in a certain period of time. It helps an organization to create an image of its destination while motivating its employees. The mission statement stipulates what the business does and how it plans to conduct its business to achieve its goals.

McKesson’s mission statement shows that the company believes in the power of partnerships in that they are pertinent to achieving high-quality care. It values the contribution of its partners and stakeholders in their journey to provide high-quality care. The company provides technology, products, and resources to its stakeholders in order to operate efficiently. It seeks to collaborate with its partners and other stakeholders to enable them to provide high-quality services while improving efficiency, cutting on costs, and enhancing quality (Hitt et al. 2013). Its success can also be attributed to its ability to establish intelligent networks that enable its customers to receive quality healthcare services.

McKesson’s vision is to improve the provision of care one step at a time through its products and partners. It intends to achieve this by gathering different medical resources, including process expertise and clinical knowledge, in order to lower the costs of its products and services. This vision has made it possible for most consumers to access high-quality healthcare services at an affordable cost. Its vision provides a platform upon which they make the organization’s difficult decisions, try out new ideas, and take risks which are directed towards achieving satisfaction for its consumers. The company leaders have established a strong and sustainable future for the healthcare industry. Its vision statement serves as the foundation upon which its mission is founded by emphasizing on the importance of working with like-minded partners in the industry.

**Stakeholders**

**Impact of Internal stakeholders on the success of the corporation**

Stakeholders are individuals with the interest in the operation of the organization and are affected directly when something negative or positive happens to the organization. Stakeholders can be classified as either internal or external stakeholders. At McKesson, internal stakeholders are those with direct influence on the operation of the business, including the investors, owners, managers, and employees. Employees affect the company’s success directly through the provision of quality services (Hitt et al., 2013). McKesson ensures that they are well paid and are allocated duties depending on their ability to execute, which increases company efficiency. Managers ensure that the company operations run as expected without any interruptions. The management ensures that company operations are executed with any interruptions and that the quality of its products is not compromised. Company investors have also contributed to the company success by providing the capital needed to run the business and produce high-quality products.

**Impact of External stakeholders on the success of the corporation**

McKesson’s external stakeholders also have had an influence on the company’s success. Although they don’t work in the company, the company actions and decisions often influence them directly. Unions, the government, suppliers, and customers have influenced the level of success in McKesson. The relationship the company has with its external stakeholders affects its success in that some own shares. The company’s ability to provide its customers and suppliers with quality products has enabled it to develop a loyal customer base, which has contributed to its success directly (Hoang, & Rothaermel, 2016). Through allegiance to government rules and regulations, the company has managed to operate and execute its functions with ease. The government has supported the business’s existence through the provision of security and amenities in order to enhance their ability to pay for taxes. Shareholder’s interest in company shares has enabled the company to invest in high-quality products in order to remain profitable in the long run.

**Conclusion**

McKesson is a pharmaceutical company that works to promote the provision of healthcare through the protection of the environment, creation of sustained, and provision of support to the communities. It is among the oldest pharmaceutical companies in the United States that have maintained its success over the years. Its growth can be attributed to its dedication to high-quality products and services to its consumers. Globalization and technological changes have enabled the company to gain a competitive advantage over its competitors. The ability to execute its operations in line with its vision and mission statements has enabled the company to achieve success in the industry. Distinct divisions in the company have continued to enhance profitability in the company an aspect that have enabled the company to make more acquisitions in a bid to enhance its operations and increase its market share**.**

**References**

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