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Figure: 1



Source: 1000LOGOS (2022)

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1.0- Introduction

The main goal of this academic report is to critically evaluate, analyse, and identify a small to medium -sized business (SME's) as well as be able to show knowledge and understanding of strategic management. (Eggers, 2020) Most countries define small and medium sized businesses (SME's) as establishments with less than two hundred and fifty employees. In my report I will be using academic models, techniques, and theories to design a sustainable business strategy for an organisation of my chose, which will be McDonald's fast-food restaurant. The following criteria will be demonstrated to evaluate the organizations present strategic orientation, which will be used to identify and demonstrate my knowledge of strategic management using pestle and Porters 5 forces and critically analyse the organisation's external environment with the objective of identifying the opportunities and threats, also through the analysis of SWOT and VRIO scanning tool will demonstrate my understanding of the organizations internal environment to acknowledge the strengths and weaknesses. I will be conducting a stakeholder analysis, critically evaluating the various stakeholder's expectations and relative power, as well as exploring the organization's strategic growth options for SMEs in marketplaces and will propose a new plan for the organization's long-term future. Finally, considering the problems that SMEs have, in implementing strategic direction, I will conclude, significant strategic recommendations for the organization's future development with an execution of a comprehensive conclusion with full references referring to books, journals, and articles.

2.0-Overview

One of the largest fast-food chains is well known which is McDonalds, and they are more well known for their hamburgers, French fries, beverages, happy meals, desserts, particularly its big macs. Founded by Richard and Maurice McDonald, two male siblings who began to open a new eating place in San Bernardino, California, which is where McDonald's Corporation, an international fast-food franchise with American roots was born in nineteen-forty. Businessman Ray Kroc united himself to the organisation in nineteen fifty -five as a franchise agent with a decision to want to go onto buying the organisation from the McDonald's brothers. McDonald's by revenue has the greatest fast-food chain within the world, with thirty-seven thousand restaurants, sixty-nine million customers daily in more than a hundred and twenty countries, and one thousand three hundred restaurants in the Uk of which one thousand one hundred are franchised employing around sixteen to a hundred and fifty people depending on the location and size of each franchised restaurant. (Wu, F, 2020) The market valuation of McDonald's stock was sixty-five billion dollars as of February tenth, two thousand and twenty.

3.0- current strategic direction of McDonald's

(Shuang et al, 2021) A marketing strategy, is a set of coordinated actions and choices made by a coordinated actions and choices made by a corporation with the intention of achieving is marketing objectives and meeting customer expectations for value. (Slater & Olson, 2001). The strategic plan for McDonald's is centred on a long-term outlook to bring about significant growth and boost guest counts, a dependable indicator of the Companys health that is essential to increasing revenue and shareholder value. Focusing on business prospects that are essential to related to McDonald's- food and value and client experience.

3.1-The Mission of McDonald's

McDonald's (2022) point out "Our mission is to make delicious feel-good moments easy for everyone". McDonalds nourish and support communities in this way. They work hard to supply fast food, choice and personalization of their buyers demands, as they serve great food so that consumers feel good about eating in at better and closer places at reasonable pricing. McDonald's provide customers with more than simple food they also deliver moments of happiness, friendly and greeting environment, with a reliable character which clients have become dependent on.

3.2- McDonald's core values

The foundation of McDonald's organisation has forever been their goal to place core values that characterise what type of brand they are and how they manage their place. According to (McDonald's,2022)" We define McDonald's as a brand our employees and the customers we serve can trust when we live our values every day and use them to guide all our decisions.

Following highlights of the company's top five core values: **Serve-** Customers come first at the company, and it emphasises that the customer happiness is their number one priority.

Inclusion- McDonalds location in 120 countries demonstrates the company's diversity and inclusiveness and treats customers and employees equally and fairly. By 2025, the corporation hopes to have at least 35 percent minor roles that consist of a more managing job by at the least 35% before the year 2025. The company also have a goal to make an addition to a higher count of women within the top ranks to and try to gain by the least 45% within the same amount of time.

Integrity- McDonald's sets a goal of a significantly higher value on ethical business practice. Every worker will be known to always be held accountable for their own single actions and is expected to constantly act appropriately for the sake of the brand. The Immaculate quality is proof of this. **Community-** The corporation maintains a few communities outreach programs.

For example, a young child has been told they have an illness, which is a threat to the person's life, Ronald McDonald House Charities (RMHC) makes sure that the whole family are not separated but always together close to world class provision that take out full care. Also, steps have been taken to reply to disasters and avoid donating food waste. **Family-** Getting better together is an essential area of focus for the firm.

The RHMC, which is their preferred charity, is particularly family orientated houses, family rooms, and a mobile unit have been set up to assist sick children and their families.

Furthermore, for every happy meal that is purchased at involving U.S McDonalds restaurants in 2021, McDonald donates two cents to Ronald McDonald's House Charities. McDonald's mission and fundamental principles are based on client happiness. Employees have worked hard to ensure that their clients are satisfied, making it one of the highest well liked restaurant chains within the globe.

3.3-Business strategy and operations

McDonald's company strategy is to supply fast food to their clients which is affordable while at the same time making money by lowering the prices of what they sell and growing the company worldwide. McDonald's Operation management strategies are executed by top managements and then these plans of action are sent out in writing to all its franchise stores.

Therefore, operative management across all the stores have the upper hand in operational controls and activities. McDonald's utilizes a three-way operational system. This technique is emphasized highly overall on the client's worth and satisfaction.

The company has also been creative in its conception to magnify the functioning side of the corporation due to its extended statistics technology. The application of a goods control database structure stops unnecessary orders and allows the store inventory to stay up to date. In the upcoming recent years simplicity and saving a lot of time on stock orders has become accessible only because of the stockroom's connections being direct to sales being on point, therefore management can analyse, and view products that are in the process of a quick sell and foresee on how an additional work or how an inventory will be applied in the success of completing an order.

3.4- Marketing

In exchange for attaining the company's unique financial market and other objectives, the marketing strategy's mission is to produce, communicate and offer value to its customers. A market strategy is made up of a coordinated collection of choices that help the business decide on critical issues pertaining to marketing, initiatives in particular markets and segments. (Larimo and Leonidou 2021). McDonald's aspires to dramatically rise the share in the markets by continuous repetition of improving quality for the purpose of client's happiness and luring new clients via cost reductions, operational efficiencies, and brand recognition and are pleased to use both traditional and guerrilla marketing strategies to extend its promotional activities to a huger range of customers as well as its core consumers. The services offered, the food and beverage industry utilize a variety of digital, print and tv promotions, newspapers magazines billboards, media outlets and the internet to advertise their products and communicate with their customers.

3.5- Human resources

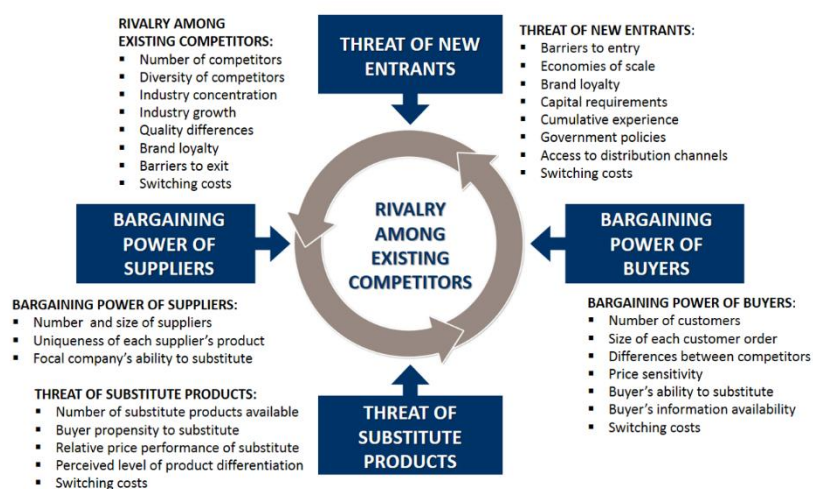
To achieve the maximum degree of employee performance is the responsibility of human resource management in a corporation. (Loarusic, 2019). McDonald's HRM practices focus on hiring and selection, personnel, job design, reward and recognition and receives its HRM outcomes by commitment, quality, and flexibility. Behavioural outcomes relate to the effort's employee motivations, cooperation, their involvement, and organisational autonomy within McDonald's and the performance outcomes of McDonald's contributes to this dimension through sustaining an elevated level of production with the aim of keeping up with expected standards and change, reduced turnover, absence, and workplace conflicts. The outcomes of the financial sector of McDonald's are to create profits and (ROI) return on investment, McDonald's links it to cost effective strategies it employs.

4.0- Porters 5 forces analysis of McDonalds external environments opportunities and threats

Poter (1985) [21] described competitive forces as the industry pressure on a business unit (company/firm/corporate) to perform better. (Omsa et al, 2017) Porter asserts that there are five components to industrial pressures: (one), Consumer negotiating power (two) supplier bargaining power (three), threat of new competitors, (four), threat of replacement goods or services, and (five), competition among established businesses. (Omsa et al, 2017).

The use of Michael E. Porter's five forces study course of action will be convenient in analysing McDonald's strategic management for fixing problems in the businesses' external environment, bargaining power of suppliers, endangerment of substitution and the endangerment of all the new members all are classed as outside reasons that effect the highlighted issues. McDonald's brand widens by using helpful ideas which have a useful impact on other business terms. Due to being the world's greatest eating place chain, the organisation is an idea of impactful strategic responses, especially with handling the competition that is in lots of places within the globe, multiple Companies that compete, include massive global corporations as well as smaller and closer by enterprises who put pressure on the brand. Below is an analysis demonstrating McDonald's strategy path. which is appropriate in light of external variables like those identified in this five forces analysis.

Figure: 3 porters five forces model



Source: B2U Business –to-you, (2013)

External environment of McDonald's porters 5 forces analysis opportunities and threats

1.Competitiveness rivalry / competition with McDonald's: (powerful action).

- Junk food dine in businesses are fast evolving, growing competitive, McDonald's faces stiff competition.
- Many world-wide junk-food chains and small junk-food places are among the many businesses in the fast-food restaurant industry of varied sizes.

A few average and bigger organisations strongly market their service boosting the struggle that McDonald's restaurant must face.

- It is easy for buyers to make a change over to other food places, such as subway, KFC, Burger king, because changeover prices are at lower level.

Based on the following external elements, competitiveness is highly valued as an external force in the business of strategic management:

- Many businesses (powerful force)
- High firm aggression, (powerful force)
- Cheap switching (Strong force).

2.Bargaining power of McDonald's, Consumers/purchasers. (Powerful action).

- It is easier for Customers to forcefully direct orders on McDonalds because the convenience of switching from one eating place to another.
- Customers can choose from a wide range of junk-food eating places other than McDonalds because of the competition in the market.
- Consumers bargaining strength is the numerous alternatives, like food kiosks and outlets, artisanal bakeries and microwaveable dinners and small dishes which are a convenience preparing at one's home, are examples of alternatives.

According to the following external elements, buyer negotiating power has a significant impact on the Companys external environment:

- switching costs which are low (powerful action)
- Many providers (powerful action)
- substitutes with a lot of availability (powerful action)

3. Bargaining strength of McDonald's suppliers (powerful action)

- In terms of the organisations production capability and the number of raw materials available, suppliers have a massive impact on McDonald's.
- The impact of a single supplier on McDonald's corporation is diminished due to the enormous population of suppliers. The absence of strong regional and international partnerships among suppliers is a contributing factor in this shortcoming.
- McDonald's do not have enough vertical integration; they do not have power over the distribution network that bring their goods to businesses like McDonald's. Low vertical integration reduces supplier's negotiation leverage.
- Meat and bread are available, therefore their impact on the business is lessened.

According to the following external factors, suppliers have little leverage in negotiations:

- Multiple supplier base (A weakly action)
- Low forward vertical integration of suppliers (A weakly action).
- A big supply (A weakly action).

4.Threat of substitutes or substitution (powerful action).

- A few different options to McDonalds items, such as artisanal food producer's products and local bakeries baked goods. Clients have the option of making food in the convenience and comfort of their own home.
- cheap change over costs have made it easier in change over from McDonald's to replacements simple. For instance, switching the firm to replacements does have small drawbacks, such as slightly increased meal costs in some circumstances or greater time spent preparing food.
- Regarding quality and client happiness, substitutes are competitive (high performance to-cost ratio).

Depending on the following external conditions, there is a powerful force that could replace the current one.

- High availability of substitutes (Powerful action)
- Cheap switching (Powerful action)
- Elevated production to cost ratio of choices (Powerful action)

5.Threat of New Entrants. (Moderate force).

- Due to a lower level of change over costs, clients have the option of a fast change over from McDonald's to a wider choice of fast-food places.
- The option of new firms that come into the fast-food restaurant business are aided by the variable capital cost of opening a new location. Smaller restaurant enterprises, for instance do have smaller capital costs than bigger organisations in the market.

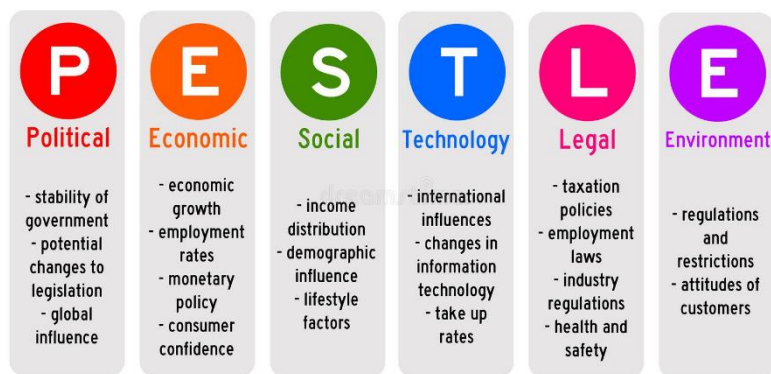
- Building a great global brand in the industry is costly. Many small and medium enterprises do not have the resources to build a strong brand that can compete with McDonalds.

Based on the following external considerations, the threat of new entry is moderate:

- Cheap switching (powerful force)
- Great levels of variability in capital costs (Moderate force)
- Development of brands is costly (weakly action).

(Lestari, et al 2020) Four factors can be used to gain a competitive advantage: removing entry barriers, supplier and buyer strengths, and precision in decision-making when there is intense rivalry on the market. (Christodoulou and Cullinane 2019). Analysis by pestle is an analytical tool for strategic business planning that offers a tactical framework for comprehending the outside forces affecting a company or other type of entity. It is employed by organizations to assess the potential effects that the outside world may have on a project. Under the broad areas of political, economic, social, technological, legal, and environmental pestle concerns. It groups external characteristics under different factor categories.

Figure: 4 pestle analysis



Source: Dreamstime (2022)

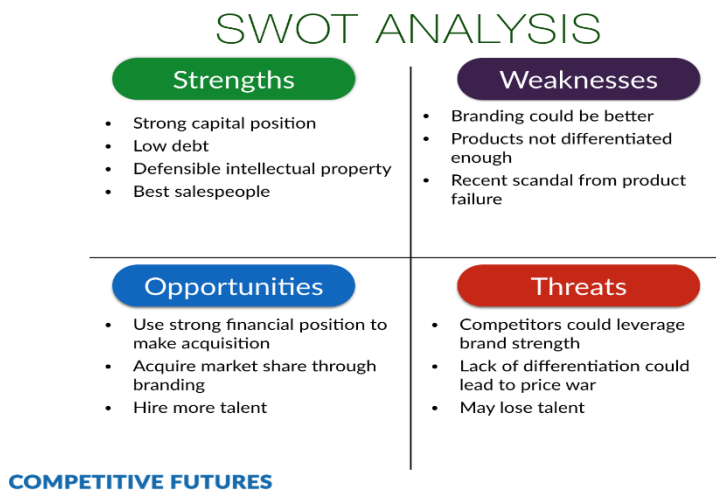
5.0 - Pestle analysis of McDonald's fast-food restaurant external opportunities and threats

Political factors	Junk food has a powerful impact on people and especially by McDonalds, their prime concern being customer safety, they are at risk and targeted by the government which could lead to closure if they do not follow rules of the health and safety regulation law. There is also an arising issue due to the amount of salt and sugar content which is the probable cause of diabetes and hypertension.
Economic factors	McDonalds must source their goods from outside the country, as the expenses are always changing because of currency exchange rates. The latest economic downturn in several regions around the world has reduced consumer demand for junk food. McDonald's has a high employment turnover rate, meaning that employees regularly leave the company and new hires are needed all the time. Hiring and training new employees has a huge effect on time loss and resources for the company.
Social factors	McDonald is recognised for constantly changing its company practices to be appropriate to customer requests. At the start, it grew its franchises around the world through starting off with the idea of the "American way of life." It then began to help many nations according to their separate needs. It bought certain foods like a Mcveggie burger and McAlloo Tikki in India. In Japan. They sell shrimp burgers, teriyaki burgers, rice burgers and green tea ice cream and especially keeping in mind the tastes and preferences of Japanese people.
Technological factors	McDonald's are always evolving up with the latest technologies, by adopting modern technologies to enhance customer service. This is so they can reduce the waiting time for customers. The organisation bought self-order kiosks for every McDonalds at every location. It is said that people ordered more food using the self-service machines compared to orders at tills. There are now more diverse food menus which are now shown on the self-service machines at McDonald's in locations. customers can use its apps to order what they prefer even if its extras and they can have their food delivered to their doorsteps. McDonald's is continually raising customer satisfaction using all these technologies.
Legal factors	All the countries/ areas where McDonalds does have a place open are operated by their own legal systems. For instance, it supplies local services within the UK with business rates. Additionally, it must comply to all the cleanliness and food safety laws. However, there are other places which have more lenient and flexible rules, so it is less complicated for McDonalds to run.
Environmental factors	for every single perspective of its company, McDonald's have strict goals to be sustainable. By the time it reaches the year 2025. McDonald's restaurant will recycle all its packaging materials, Mcdonald's now ships frozen concentrate, which helps to reduce orange juice packaging by 75 percent. They have pledged to put in energy-efficient kitchen appliances and LED light sources to save on energy.

6.0 Swot analysis of McDonald's internal environments opportunities and threats

(Shvardak 2021), quite a few scholars interpret swot analysis as a process of skilful review to pinpoint the advantages and disadvantages of organizations internal and external environments, analyse them and use the findings to inform strategic planning and management of decisions.

Figure: 5 Swot analysis model



Source: Competitive futures

Internal environmental Swot analysis of McDonald's strength and weaknesses

STRENGTHS

1. Worldwide presence
2. Brand value
3. International growth
4. Technology- driven market share

WEAKNESSES

1. Their meal
2. Business strategy
3. Employee unhappiness
4. Limited choice on menu

STRENGTHS

1. Worldwide presence

Every nation in the globe has a local McDonald's business with driving distance. Currently McDonald's may be found in more than 120 different nations.

2. Brand value

Among the top branding strategies is used by McDonald's. Their marketing strategies were successful because one could sense straight away and know what to think of when those golden arches were seen.

Everybody is familiar with their logo, even their iconic menu items, such as French fries and the big mac, are simple to identify due to their recognizable, attractive logo.

3. International growth

To expand internationally, McDonald's has perfected the skill of developing a global strategy. All their chains may be sensitive to the cultural and traditional requirements of the nations they operate because of their business model of franchising. In India McDonald's has applied vegetarian products that are unique only to India. McDonald's success around the world is because of the techniques it has utilized in keeping customers satisfied and attending to their needs.

4. Technology driven market share

McDonald's has effectively changed with the times to keep up with the global technology breakthroughs. They provide clients all around the world with several cutting-edge solutions. Customers can choose their orders and pay without standing in the line, through their self-service kiosks. Additionally, their drive-through delivery time is also excellent. They established a strategic agreement with IBM in 2021 to create the technology needed to automate drive-through. When it comes to fast food sector, they hold the largest market share, as they are everywhere in the world, so it is not too difficult to believe this. Their market capitalization as of February 2022 is \$186.40 billion! They are classed as today's most valuable companies in the world.

WEAKNESSES

1.Their meal

Although many people enjoy eating at McDonald's and the taste, it is nevertheless true that fast food is unhealthy for one's health. These types of food do not provide any nutritional gain, instead is a disease for extreme calorie intake for clients. McDonald's is targeted as having a contribution towards obesity in clients because it is known to be part of a huge part of the market, main category, being the early age children and older children. For instance, teenagers who love to eat fast food a lot and are more likely to be attracted and are McDonald's main target audience.

2. Business strategy

Although the franchising approach has assisted in their global expansion into so many nations, it also has drawbacks. When owners of businesses sell to franchisees, it becomes quite challenging for them to maintain control over how business activities are being carried out, the level of quality, standards, and the overall brand experience are both affected. As a result, this explains why McDonald's is so well liked in some nations but not in others. Some franchises offer better service and higher quality products than others, even within the same country. This is a serious weakness in the franchise business model.

3.Employee unhappiness

Over the years, it has been reported that employees at the company's franchisees are dissatisfied with their pay. They feel that they are not being fairly compensated for work they put in. Wages also differ across franchises because most of them are not controlled by the company itself but are privately held businesses.

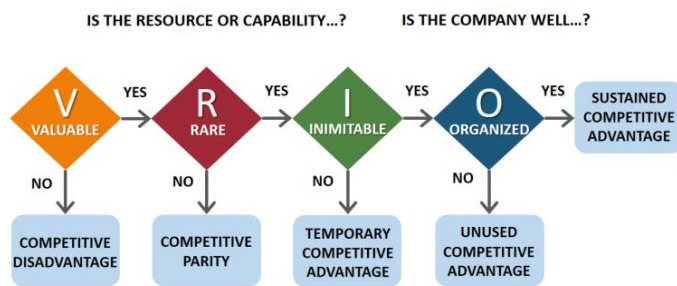
As a result of all the negative response McDonald's has received they have decided to end pay problem in all their restaurants by the year 2024. This shows McDonald is has a long way to go before workers are content.

4.Limited choice on menu

The menu is ideal for someone who likes fast food meals, McDonald's however, sadly offers nothing to those who prefer to indulge in healthy eating options.They should expand the options on their menu.

7.0- Analysis on McDonald's VRIO/VRIN internal environments strength and weaknesses.

Figure 6: VRIO framework



Source: B2U Business

The corporation McDonald's utilizes VRIO and VRIN analysis model to vigorously grow and flourish in their daily operation of their business. Their organisational capabilities and resources which carry out the tactical base for competitors in this VRIN/VRIO business analysis. Value, rarity, inimitability (imperfect imitability), and organization are the facilities and attributes that complete the VRIO measures. According to Jay B, Barney's model these are McDonald's core competencies. And completed through the non-substitutable (N) criterion, analysed, and established from the VRIN framework. Also, within the company's fast-food service-based perspective (RBV), foundational strengths are recognized through this internal analysis. McDonald's corporation value chain inflicts long term upper hand in being competitive over competitors like KFC, pizza hut, dominoes, Subway, Burger King, Wendy's Dunkin Donuts, and Starbucks using its core strengths.

McDonald's services and its food section faces many issues which is a reason they need to address its capabilities for strategic situation in the context of the VRIO/VRIN analysis. McDonald's value chain is enhanced by implementing its core values, taking advantage of competitors around the worlds fast-food market, and maintaining long-term competitive advantages, even though they face remarkable strategic barriers in the markets of U.S.

The assessment of organisational resources and capabilities that have an impact on McDonald's value chain and strategic planning procedures by VRIO and VRIN is covered in the part that follows. According to the resource-based perspective and the conclusions of the value chain analysis that follows.

The company uses its resources and competencies to take part with powerful international companies connected to the food service and handle difficulties unique to markets. To improve its posture and ensure sustainability for an extended period of its restaurant chains business, McDonald's must develop new core competencies and durable competitive advantages, as this VRIN/VRIO analysis shows below.

Analysis of McDonald's corporations VRIO/ VRIN

McDonald's corporations Resources and capabilities	Value	Rarity	Imitability	Organisation	Non substitutable
Average uniqueness of food products based on McDonald's specific recipes	√				
Third party delivery service providers with partnership arrangements	√				
Efficient order processing with modern technologies	√				
Development of human resource both effective and efficient	√	√			
Systems for producing food that are economical and affordable	√	√			
Widespread supply chain	√	√			
The size of foreign operations and the network of restaurant franchises	√	√			
Economy of scale	√	√			

Core competencies and long-term competitive advantages of McDonald's	V	R	I	O	N
world famous and unique McDonald's brand	√	√	√	√	√
A collection of well-known trademarks	√	√	√	√	√

7.1 McDonald's VRIO core competencies (Long- term competitive advantages)

There are two key strengths, per the McDonald's corporations VRIO research. Positive brand reception of the company's products and brand recall, both contributing to organizational resources for profit and the decision making of customers on where they eat. In the context of the VRIO analysis, the McDonald's brand is distinctive in the industry and of high value. Competing restaurants are unable to quickly imitate the brand or create a brand with comparable strength. In addition, the McDonald's value chain is designed around the brands maximum strategic use as a core competency for a lengthy time of competitive advantage against the international industry of food-service sector. However, the trademarks portfolio, a business asset and fundamental strength, plays a significant role in the value chain operations for McDonald's fast food. With reference to the VRIO approach. This resource helps the operational ability of the company to lawfully safeguard proprietary data.

Despite the likelihood of similarities between competing items, McDonald's trademarks, particularly the names of the foods and beverages are a strength that foster an impression of originality. The trademark benefits the corporation by raising consumer knowledge of the fast-food brand, per the resource-based perspective of this core competency resource. This resource satisfies the VRIO requirements for a lengthy competitive advantage of McDonald's restaurant sector.

7.2 McDonald's corporation resources and capabilities for VRIN.

In the resource-based view the "o" or "organisation" (VRIO analysis) and the "N" or "Non - substitutable" (VRIN analysis) criteria are where the VRIN and VRIO frameworks vary. In this instance, the resources and capabilities that give McDonald's corporation a sustained competitive advantage based on the VRIN framework are also part of its VRIO core competencies. For instance, the company's brand meets the N criterion as well as the V, R, and I criteria. Due to legal restrictions, no other company is permitted to use the McDonald's brand. Because of this brand-based competitive advantage, only McDonald's and its value chain can claim it.

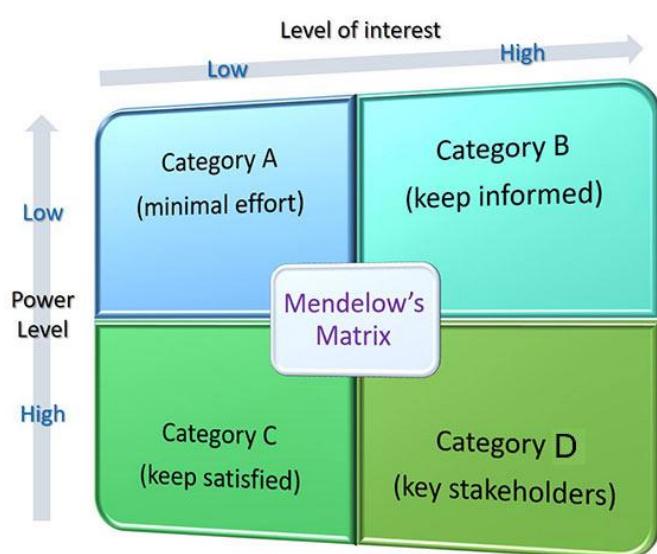
Since the portfolio of well-known trademarks is a non-substitutable resource according to the VRIN analysis model, it also offers a sustained competitive advantage. These trademarks are protected by law. To successfully sell its products and streamline its value chain for the delivery of these products to oversaturated food service markets throughout the world.

McDonald is employing its trademarks. This resource is a key contributor to McDonald's ongoing competitive advantage, according to the VRIN test.

8.0- Stakeholder analysis of McDonald's corporation

Customers, suppliers, and employees are the main stakeholders. Both the operations of the restaurant and those parties influence one another. (David 2022) McDonald's internal stakeholders are the leadership group; the workforce and the stockholders are McDonald's primary internal stakeholders. (Freeman, R, E). Any group or person that has the potential to influence or be affected by the accomplishment of an organizations goals is a stakeholder. Stated below is a model of mendelows matrix stakeholder mapping and a brief overview on McDonald's approach on how they manage relationships and achieve corporate objectives.

Figure: Mendelow's Matrix



Source: Learngrowth Ltd, (2022).

Success on starting a business is the capacity in managing stakeholder relationships, a crucial tool in assisting business owners and project management in achieving corporate objectives is the Mendelow matrix stakeholder mapping. (Learngrowth Ltd, 2022).

The president and chief executive officer oversee the leadership team, which is made up of multiple executive vice presidents and senior vice presidents. They have a lot of influence and determine the Company's future course. Also, customers, suppliers, governments, and local communities are among McDonald's primary external stakeholders. Customers are a crucial because every single one of them is what keeps the business in business. To support its operations, McDonalds sources both food and non-food items from a variety of suppliers. Suppliers play a crucial role in the success of a firm by supplying it with essential resources.

There are various additional stakeholders that McDonald's interacts with, collaborating with industry professionals, non-governmental organisations such as the global food safety initiative and WWF's bioplastic feedstock alliance to support international initiatives to address social and environmental challenges. To foster better global community ties through disaster assistance and charitable giving It established a global community leadership board in 2013.

9.0- SMEs in markets and available strategic growth choices

Without growth, a company's worth will never rise. However, corporate growth is the product of purposeful actions, it does not happen by chance. (P, Kyle, 2022). Ansoff matrix is a two-by-two framework used by management teams for planning and assessing growth initiatives, a tool in assisting stakeholders in conceptualizing the degree of risk connected to various growth strategies, developed by H, Igor Ansoff.

The matrix boxes each represent a distinct growth approach which are stated below with a brief explanation of how McDonald's plan and assess their growth strategies.

Figure: Ansoff Matrix



Source: (CFI Education, 2022).

Market penetration- is when a small business decides to promote its current products inside the same market it has been using, it employs a market penetration strategy. (Peterdy, K, 2022). Numerous strategies are used by McDonald's to sell its current products to its existing markets such as fries, burgers, beverages, desserts and catering for adults and children's meals. They also offer coupons, drive through options, which have been amazingly effective in their marketing strategy in retaining old and new clients and attracting new customers. (M, Rahman. 2017).

Market development- Creating new markets for the sale of current items is a crucial growth tactic. One of the most well-known brands in the world is McDonald's. Although it began its voyage in the USA, it did not limit itself to the domestic market.

Instead, it grew and crossed the country's border. It currently conducts business in 118 nations (McDonald's 2021). These international markets bought in \$11.4 billion of their overall 2019 sales. (Lock, 2021). (M, Rahman, 2017).

Product development- is the action taken to boost sales and profitability, a small business could potentially increase the number of products it offers or include new features. (Peterdy, K 2022). Small businesses continue selling inside the current market when they use a product expansion approach, also known as product development.

The menu at McDonald's is regularly updated. For instance, Homestyle crispy chicken launched around the start of 2021. But other innovative ideas have flopped such as the Mc lobster, Hula burger, Mcpizza and Spaghetti, only because the loss occurred due to poor implementation and the competitive rivalry.

Diversification- Where small businesses will market and sell new products. This kind of tactic carries a lot of danger. If small businesses choose to employ a diversification growth strategy, careful planning is required.

Marketing analysis is crucial since a business must know whether customers in the new market could be interested in the new products. (Tutorials point, 2022). Without holding back, McDonald's gave it a worthwhile go as it created McCafe to compare with well-known coffee shops. In 2001 McDonald's opened two hotels named Golden arch hotel in Switzerland and closed in 2003. (M, Rahman, 2017).

10.0 BCG Matrix strategic planning of McDonalds corporation

The BCG Matrix is an effective tool for strategic planning of product performance at the industry and company levels, helping to increase the effectiveness of marketing decision making. Through analysis, it determines which strategic company divisions to buy into, sell off and close. Through effective business management, a corporation can allocate its resources. (Mohajan, H, 2017). Below is a model of BCG Matrix and an analysis of McDonald's BCG strategic planning.

Figure: BCG growth share Matrix



Source: (Hart, D, 2022).

Stars

Star segments, as defined by the BCG framework, are those that compete, operate in industries with significant sales growth, and hold a sizeable market share. Europe falls into the category of stars if the McDonald's restaurant chain is rated according to its geographical segments. The company's top revenue-producing segment in 2015 and 2016 was Europe. For long term financial viability, such a segment needs market expansion and market penetration strategies to turn into a cash cow. (K, Khushdil, 2017).

Cash cow

Cash cows are those parts of the business that keep things stable financially. These market segments are highly dominant in industries with slow sales growth. The McDonald America segment reported a thirty one percent revenue share of the overall company sales.

However, the McDonald America division can be categorised as a cash cow. When it comes to the fast-food sector in America, competition is fierce, customers have a wide variety of restaurants to choose from, and the food industry is challenging owing to competition and the frequent entry of new competitors.

The menu at McDonald's needs to be expanded, more segments should be targeted, and their needs for good dining should be identified and met accordingly. (K, Khushdil, 2017).

Question mark

McDonald's APMEA (Asia Pacific, Middle East, Africa) (Asia Pacific, middle east, Africa geographical region) sector is under the question mark category. Such segment has a small market share and competes in a sector with rapid growth. The potential for industry sales to develop in the Asian Pacific region is incredibly significant, but McDonald's is regrettably not utilising this chance like its rival Yum brands. In the above-mentioned location, Yum brands have been opening a new franchise every day on average, but McDonald's has not been doing an excellent job of responding to the competing strategy.

McDonald's APMEA segment must design a plan for product and market development. To make this sector a star, McDonald should open additional franchisees and develop new goods based on consumer demand. McDonald does not have a competitive advantage over Yum brands in this market. (K, Khushdil, 2017).

Dogs

There are no dogs in the McDonald's segment area. Dogs is one of those business areas with a small market share and modest sales growth. The financial health of a firm or corporations suffers from such sectors. For the dog segment, liquidation and layoffs are the best course of action. (K, Khushdil, 2017).

11.0-Conclusion

In conclusion of my report, I can convey that success in any businesses overall is effective through strategic management, formulating a business strategy with specific goals in mind, producing a plan for achieving those goals, and assigning the resources required to do so. McDonald's operate through strategic management tools in identifying and understanding organization goals by using PESTLE analysis and Porter's 5 forces environmental scanning tool to analyse the organization's external environment in identifying the opportunities and threats to foresee potential business dangers and take steps to minimise their effects. They utilize SWOT and VRIO environmental scanning tool to continuously monitor the organization's internal environment in the aim of identifying the strengths and weaknesses and increasing the chances of the business's success.

McDonald's maintain Stakeholder relationships through engagement to minimise uncertainty, boost project environment, speed up problem solving, and decision making and overall complete any project business plans to achieve those goals.

12.0- Recommendation

McDonald's Strategic management must have a clear understanding of the company's internal environment which I have conducted through swot analysis and VRIO scanning tool to identify strengths and weaknesses. McDonald's should apply Porter's 5 forces to analyse external issues with the objective of identifying opportunities and threats. that will help determine the company's success whether it be today or further in the future. McDonald's management should identify opportunities through business analysis and then construct a strategy outlining how the business will take advantage of those choices. Effective leadership is a requirement for strategic management in McDonald's corporation, to implement the business plan. McDonald's corporation leaders need to interact with stakeholders both inside and outside of the firm as it is critical to identify and prioritize stakeholders and can be analysed through Mendelow's matrix stakeholder mapping to understand stakeholders through their level of power, influence, impact, and interest.

Then develop strategies in managing and engaging stakeholder relationships. McDonald's corporation have a variety of strategic growth choices which they can apply in their business to convey the company's current state and potential risk factors for achieving their goals through the Ansoff growth Matrix.

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