

Strategic Management & Sustainability

Written Report

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Introduction

In this piece, we look at how AstraZeneca's corporate and business strategies affect the outside world and the company's internal environment. A company looks at its competitive and growth plans with an open mind in light of the current challenges in corporate strategy. Lastly, look at the things that a group needs to think about to carry out a plan.

Identify with evidence the key business and corporate strategies of the company. Use related frameworks to discuss why those strategies are pursued.

Porter's general metrics and the Ansoff matrix are used to find the most important business strategies.

Porter's generic strategy



Figure: Porter's generic strategy (Akan, 2018)

Because AstraZeneca makes its name stand out, it will also charge more for its products or services on the market. Some ways that it is different from its current competitors are better

customer service, more efficient products, and more (AstraZeneca Plc (AZN) - Financial and Strategic SWOT Analysis Review, 2021).

High advertising costs are one example of an extra cost that can be seen as an investment to promote a unique brand. When differentiation has been used for the past five years, from 2015 to 2020, AstraZeneca has benefited. The company has a hard time figuring out if the extra costs that come with being different will be able to be repaid by higher prices from customers. Also, if a company has a good differentiation plan, its competitors will want to get into the business and copy the unique product.

Cost leadership

AstraZeneca PLC can get a bigger part of the market by going after the middle-class consumer, who makes up most of the population in most countries. Large and medium-sized customers usually pay the most, and controlling costs is the best way to meet their needs. AstraZeneca PLC gets a big competitive edge from the fact that its goods are cheap and easy for people all over the world to get. The goal of these discount and marketing campaigns is to make people more aware of the brand and encourage them to buy it. To get a long-term strategic edge in the very fast-paced global customer business, AstraZeneca uses a strategy of differentiation and cost management. The company gives discounts and coupons to meet its growth goals and keep prices low (AstraZeneca Plc (AZN) - Financial and Strategic SWOT Analysis Review, 2021).

Differentiation

As a secondary generic choice, AstraZeneca PLC was able to set its product apart from others, which helped it get more customers. AstraZeneca PLC added more products to its line and made them stand out from its competitors. AstraZeneca has built a big and loyal customer base by being unique and keeping costs low. People from the company know what the mark looks like. The brand also offers a lot of different smells that can be used by people with different tastes. The company has a marketing and communication strategy that is different from its communication strategy because it has the best brand and the biggest impact on the world. It has changed a few times, but the brand's meaning has stayed the same, which is another big difference (Akan, 2018).

Focus strategy

AstraZeneca PLC chooses the concentrated method even though it is the least expensive and works best. To meet the needs of the niche market at the lowest possible cost, a low-cost option has been created. With the best value method, the taste, size, and design of the product that best meets customers' wants and needs are all brought to light at the same time. AstraZeneca PLC is reviewing its marketing strategy with a focus on quality and the steady change in product design and packaging to meet the psychological needs of its customers and give them the best value for their money (Akan, 2018).

Intensive Growth Strategies

A comprehensive growth plan takes into account the addition of new technologies or industries to help a company reach its growth goals. Multinational companies like AstraZeneca PLC are thinking about these strategies to learn how to get deeper into developed markets and find new customers by making more products and growing their businesses. Intensive growth plans help businesses grow quickly by looking for new products and market opportunities all the time.

When AstraZeneca PLC tries to grow, it uses a unique mix of the three main types of generic strategies: cost, difference, and focus (Tulum and Lazonick, W., 2022). Ansoff's product expansion grid shows these growth strategies. It has four parts: entering a new market, making products, creating new markets, and expanding into new areas.

Ansoff matrix



Figure: Ansoff matrix

Market penetration

If AstraZeneca in the same area could make more medicines, they could serve more customers. Operating costs would be maintained with aggressive bids. It is thought that the C02 problem was caused by the PLC using dynamic bidding more and more (Dorp, 2023). To make customers more interested, the company would also use new and better marketing strategies.

Market development

Through market expansion strategies, AstraZeneca PLC will be able to boost its sales by bringing its well-known brands to new countries. The main goal of research and development should be to understand and recognize different customer behaviour, company cultures, and patterns. Gaps in culture need to be taken into account as the world grows. Building a brand identity is important for the company to reach new parts of the market and get more exposure and awareness.

Product development

Brand Manufacturing is a business strategy that wants to use new technology to expand its reach in the market. There are several choices, and the AstraZeneca PLC encourages product growth. The company also takes part in research and development (R&D) efforts to keep up with changing customer needs. After that, it goes through an NPD step where new products are made and sent to the target market. In this way, the company can grow and move into new areas of the business. It also helps the business improve processes and tasks that are done over and over again. It will make changes and improvements to existing products to offer users new and better deals (Willigers, 2020). This will help bring in more money and get more people to use the products. It is very important to know about the new product and how it is made, as well as how people react to it and whether they like it. This COVID-19 case shows that they are doing a great job.

Diversification

AstraZeneca PLC will join forces with and buy other businesses and organizations that it would like to expand into new markets and customer groups. New goods that are similar to visiting goods in terms of how they work economically are good for established product lines. The company can also broaden its offerings by looking into fresh business ideas and starting up in or buying a different market (Dawes, 2018). Consolidations and mergers may help you find brand-new goods and services that are not connected to other deals. This makes sure the company stays qualified, original, and successful.

International strategies

The WHO made recommendations about how to use the COVID-19 Oxford/AstraZeneca vaccine (AZD1222). Two types of the vaccine, made by AstraZeneca-SKBio and The Serum Institute of India, have been put on recommendation by the WHO. This shows that AstraZeneca has done better around the world (Sharun and Dhama, 2021).

Identify with evidence the resources and capabilities of the case study company over the past five years and analyse to what extent the company has aligned its resources and capabilities to its business strategies.

SWOT analysis

Since it bought AstraZeneca in 1999, the company has grown into a multinational one with over 64,000 workers on six continents. AstraZeneca has put more and more effort into research and development, which is still the company's main goal. AstraZeneca's strengths are that it is a knowledge-based company and that its people are good at communicating. It is not only a bigger win for AstraZeneca but also a better one. AstraZeneca's sales went up by 18%. AstraZeneca has also spent the most on research and development (R&D) each of the last seven years (Campião, 2023). AstraZeneca is an optional partner for some pharmaceutical companies because of its strengths in research and development, marketing, and manufacturing. It also has a wide range of scientific relationships and licensing agreements with labs, institutes, and organizations.

Strength	Weakness
A lot of people are getting medical care as R&D moves forward. Wide scope in terms of geography and medicine. Patent rights on main things have been around for a long time.	Taking a break from making a product in later stages of production. AstraZeneca is less open to the size and complexity of the company.
Opportunity	Threats

Speed up production by working together on free R&D.	There is a new economic emergency because of competition between AstraZeneca products in R&D to hit the market close to or before AstraZeneca products in China, India, and other regions competition is a threat.
Globalization of new drugs, medicines, and products.	
The marketing department works with companies that want to use AstraZeneca's marketing skills to make more money.	

Value chain analysis

By looking at the supply chain and lowering risks, AstraZeneca PLC can take advantage of new markets. As demand and income rise, Value Chain Analysis can help make the flow of goods and services even better. To put the value chain into action successfully, the company need more than just understanding. Building strong relationships with providers is an important part of input logistics. The company does not see Porter's value chain model as a fixed structure because all activities are given the same level of importance. The study can also be used to find strategic advantages and help businesses make plans. AstraZeneca PLC needs to stay away from wrong responsibilities on product properties that cannot be met by the manufacturing department (Andersson and Fransson, 2022). Through value chain studies, Astra Zeneca can group these practices into groups and make improvements in those areas to get a big edge over its competitors. Based on the depth and breadth of its value chain research, AstraZeneca PLC will benefit from either one or both of these channels. The company will use analyses to get the best rates and make the most of both incoming and outgoing shipping.

VRIO analysis

Valuable: The AstraZeneca PLC VRIO Analysis shows that the company's money is very important. The uniqueness of its local food makes it a useful resource. Their employees are dedicated to the company, and a lot of them stay with it. The strategy research and development weakness of the Group. The R&D department should be strengthened, and these teams should cut their prices. The VRIO report has been looked over so that the company can make its

financial capital and market operations better. Because of this change, the way its rights are judged has also changed (Pro, 2021).

Rare: From the VRIO study, we can see that AstraZeneca PLC has unique financial strengths. Only a few businesses in this field have enough money to run. Local medicines can be quickly brought to the market by other rivals. This puts Astra Zeneca PLC on the same level as the neighbourhood competitors. The people who work for AstraZeneca are very valuable because they are highly skilled and have a lot of experience. These people are paid well and are trained, which is not always the case with company staff. The rights are hard to use and do not belong to another company.

Imitable: It costs a lot to copy AstraZeneca PLC's financial capital. Newcomers and competitors would have to earn the same amount of money over a longer period to build up this financial wealth. From what the VRIO study shows, it does not cost that much to copy the local medicines. This is something that rivals will understand in the long run (Kim, 2019). Competitors cannot copy the company's staff, and other businesses will teach their employees how to get better at what they do. Patents are hard to copy because it is against the law to copy an idea that has a copyright. The network of delivery is also an expensive copycat business that can be bought from competitors in the future.

Organization: The money that AstraZeneca PLC has is used to make smart investments. In the VRIO study, the rights of the company are not set up well. Because of this, the company does not need these rights. A comparative gain is lost when secret technology is sold in the business market before patents run out (Pro, 2021). To make sure that stock keeping in all fulfilment centres is safe, the supply network is set up to reach customers.

The VRIO report says that AstraZeneca has a competitive edge because of its financial and supply network. At this point, patents have not used the competitive edge.

The staff has a short-term limit. The amount of competition between pharmaceuticals in the area. Finally, AstraZeneca PLC's cost structure is a problem from a business point of view.

Evaluate with evidence how successful the company has been in implementing selected business and corporate strategies to compete in the market and create competitive advantages over rivals.

For AstraZeneca to be sustainable, they need to use their skills to make a big change in society. They are trying to make drugs better so that they can save lives, make workplaces more welcoming, and boost the positive social effects of their processes and supply chain. They all agree that there is a strong link between the health of their patients, their businesses, their employees, their communities, and the rest of the world. A separate approach to long-term growth is no longer an option in their complicated setting (AstraZeneca data and AI ethics, 2021). They think that openness and partnerships will last for a long time. They are working with companies and people who do not work in healthcare to solve problems across the health network. For their plan to work, there would need to be more openness in their relevant areas. This would encourage smart, moral management throughout the supply chain, as well as tracking of success and sharing of industry-specific experience. They have three ways to achieve sustainability that work together and depend on each other. This makes sure that everyone has access to health care, consumer norms, ease of use, and their duties. Recycled CO₂ can be used instead of dangerous chemicals. Scientists at the Gothenburg plant in Sweden have made sure that the environmental impact of purification processes in the pre-clinical and early clinical stages is as small as possible. In most projects, the process mass intensity (PMI) dropped by a lot, and the amount of solvents used and lab trash was cut by 80% (Annunziata, 2022). A very important part of making the right standard medical material is purifying. In the normal method of purifying, expensive and dangerous agents like heptane are used. Filtered CO₂ from other industries' waste streams is used instead of harmful chemicals (AstraZeneca data and AI ethics, 2021). They joined EV100 and EP100, which is the Clima Community's project to make more energy. They are also a part of the Clima Group's RE100 program. Their goal is to provide and use 100% renewable energy around the world by 2025. Right now, we are at 62%. They are the 50th business in EV100 and the first drug company to be in all three of their groups. They think that 16,000 electric cars will be on the road by 2025, which will save more than 80,000 metric tons of

CO2 every year (Baldassarre, 2021). It is up to the organization to decide how Sustainability will affect the climate, business, environment and society. Conscious impact management means that AstraZeneca can cut costs, make better partnerships with other companies, and better control its risks. To sum up, when it comes to sustainability, virtue, rightness, effects and situations are all morally important. In a healthy society, people live beyond the limits of the social and natural systems (Galli 2021)

It has a system of rules and incentives to restore land and cut down on erosion and pollution. AstraZeneca is always trying to improve its services to people around the world.

Evaluate the choices available for the company's strategic direction in the future. Also, make recommendations on how further sustainability practices can help the organisation to develop competitive advantages in the future.

The pharmaceutical and drug research industries can be more environmentally friendly by using green packaging (Milanesi and Guercini, 2020). By using eco-friendly packaging, AstraZeneca can make a big difference in how they impact the earth. Using materials that are biodegradable, recyclable, or reusable can make drug packaging much better for the earth. Sustainable packaging also protects the integrity of pharmaceutical goods, keeping them safe and effective while cutting down on the need for too much packaging. Biodegradable and compostable materials can be used instead of single-use plastic packaging. This will cut down on trash and the damage it does to ecosystems. At the same time, materials that are light and easy to recycle can cut down on emissions from shipping and energy use during distribution.

Sustainable business methods will be good for both the company and Mother Earth. Green business practices will help the company get new funders and clients or make a good impression on them. People are now more aware of their health and the world, as we all know. So, a business strategy that is good for the environment will bring in a lot of new loyal customers. It also saves money, like when you use solar panels instead of energy and many other things (Grimm et al., 2021). Brands that are good for the environment also get great press in the media, which automatically boosts sales and brings in more people who want to work for a company that does corporate social responsibility (CSR).

Conclusion

This report has taken a look at how Astrazeneca's business and corporate policies affect the internal and external climate and how they relate to each other. A business looks at its long-term and short-term plans for growth and expansion without taking into account present issues in business policy. Lastly, the report has talked about the things an organization needs to think about when putting a plan into action.

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