



THE TIMES 100

BUSINESS CASE STUDIES

Lesson resource

Business strategy – ARM

ARM Holdings is the world's leading semiconductor Intellectual Property (IP) supplier. A semiconductor is the electronic controller at the heart of many devices that we use every day, such as Smartphones, tablets, digital televisions and washing machines. To maintain its market leading position, ARM carefully monitors changes in its external environment to ensure it can continue to outperform its competitors. Analysing these changes allows ARM to establish opportunities, threats and challenges.



An organisation's vision outlines what the company wants to achieve. A vision should be aspirational and inspirational for stakeholders, especially employees. ARM's vision is: *'To create a world where all electronic products and services, based upon energy efficient technology from ARM, make life better for everyone.'* This vision will affect every aspect of the business. All strategic decisions will be geared towards making this vision a reality. To help deliver the vision, an organisation will set aims. Aims describe what the business intends to do in the long-term. In order to achieve its vision, ARM aims to:

- attract and retain the best talent globally
- continue to grow the business to ensure maximum revenue to develop new technologies through R&D and also deliver funds for shareholders
- promote collaboration and shared learning through its network of partners.

To aid the achievement of its aims, ARM has set seven core business values. A company's values demonstrate the things it deems to be of the utmost importance. These values underpin everything that the company does. ARM's core values include:

- Teamwork and selflessness – sharing information and knowledge openly both internally and externally.
- Constructive pro-activity – developing practical solutions with a 'can do' approach.
- Partner and customer focus – understanding their needs.
- Responsiveness – always reacting with a sense of urgency.
- Innovation – developing practical solutions to problems.
- Personal development – through training, coaching and mentoring.
- Delivery of results – using expertise to benefit ARM.

These ARM values support the achievement of its vision and aims. They also compliment its business model and demonstrate the company's focus on its workforce. An organisation's vision, aims and values all influence the development of plans for the future direction of the company, namely its business strategies. A business strategy is the plan by which aims and objectives will be put into action. Objectives are the specific targets to achieve the aims. Without business strategies in place an organisation will not have a clear direction so would be more likely to fail.

Behind every business strategy are tactics. Tactics are the means by which the strategy will be implemented. Objectives, which can be set at a function level or for the whole business, outline the outcomes the business needs in order to achieve its aims. The SMART objectives model helps ensure that objectives are achievable. It states that objectives should be:

Through the setting of SMART objectives, ARM is able to plan for the future to aid the achievement of its business strategies. ARM SMART objectives are influenced by many factors, for example, the innovative and technical nature of the business requires a highly skilled workforce. A functional objective for its HR strategy is that 30% of new recruits in 2013 will be graduates. This figure will increase to 40% in 2015 and 50% by 2017. A tactic that supports this objective is that ARM has a strong presence at the leading universities' careers fairs around the world. It also runs a two-week Global Graduate Conference that enables new graduates to become more effective in a shorter space of time. This objective and tactic supports its business aim to attract and retain the best talent globally, as well as promoting the company's value of personal development.



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Questions

1. What is meant by strategy?

2. Describe the meaning of 'values' in relation to organisations.

3. Explain the purpose of a mission statement.

3. Analyse the importance of having business strategies

Task

For a firm you are familiar, research the mission statement, aims and objectives. Then do the following:

- Identify whether the aims and objectives are financial or non-financial.
- Link the objectives to the relevant aims that they should help to achieve.
- Discuss how effective the mission statement is in communicating the purpose, values and aims of the business.

What have you learned?

Write a 100 character text highlighting what you have learned about missions, aims and objectives. Try to identify at least five different points in your text.