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ASSURANCE OF LEARNING EXERCISES

Assurance of Learning Exercise A

Perform a SWOT Analysis for Disney's Parks & Resorts Business Segment

Purpose

Each Disney business segment could be required annually to submit a SWOT analysis to corporate top executives who merge divisional analyses into an overall corporate analysis. This exercise will give you practice performing a SWOT analysis. Disney's Parks & Resorts business segment has grown to encompass the world-class Disney Cruise Line, eight Disney Vacation Club resorts (with more than 100,000 members), Adventures by Disney (immersive Disney-guided travel around the world), and five resort locations (encompassing 11 theme parks, including some owned or co-owned by independent entities) on three continents: Disneyland Resort, Anaheim, California; Walt Disney World Resort, Lake Buena Vista, Florida; Tokyo Disney Resort, Urayasu, Chiba; Disneyland Resort Paris, Marne La Vallée, France; and Hong Kong Disneyland, Penny's Bay, Lantau Island.

Instructions

- Step 1** Review Disney's Parks & Resorts business segment as described in the Cohesion Case and the company's most recent *Annual Report* and *Form 10K*.
- Step 2** Review industry and competitive information pertaining to the Parks & Resorts Disney business segment, including competitors such as Royal Caribbean and Carnival and rival theme parks such as Sea World, Busch Gardens, and Six Flags.

STRATEGY ANALYSIS AND CHOICE

- Step 3** Join with two other students in class. Together, develop a SWOT Matrix for Disney's Parks & Resorts business segment. Follow all the SWOT guidelines provided in the chapter, including (S4,T3)-type notation at the end of each strategy. Include three strategies in each of the four (SO, ST, WT, WO) quadrants. Be specific regarding your strategies, avoiding generic terms such as Forward Integration.
- Step 4** Turn in your team-developed SWOT Matrix to your professor for a classwork grade.

Assurance of Learning Exercise B

Develop a SWOT Matrix for Walt Disney

Purpose

The most widely used strategy-formulation technique among U.S. firms is the SWOT Matrix. This exercise requires the development of a SWOT Matrix for Disney. Matching key external and internal factors in a SWOT Matrix requires good intuitive and conceptual skills. You will improve with practice in developing a SWOT Matrix.

Instructions

You already may have determined Disney's external opportunities/threats and internal strengths/weaknesses. This information could be used to complete this exercise. Follow the steps outlined as follows:

- Step 1** On a separate sheet of paper, construct a large nine-cell diagram that will represent your SWOT Matrix. Appropriately label the cells.
- Step 2** Appropriately record Disney's opportunities/threats and strengths/weaknesses in your diagram.
- Step 3** Match external and internal factors to generate feasible alternative strategies for Disney. Record SO, WO, ST, and WT strategies in the appropriate cells of the SWOT Matrix. Use the proper notation to indicate the rationale for the strategies. You do not necessarily have to have strategies in all four strategy cells.
- Step 4** Compare your SWOT Matrix to another student's SWOT Matrix. Discuss any major differences.

Assurance of Learning Exercise C

Develop a SPACE Matrix for Disney's Media Networks Business Segment

Purpose

Each Disney business segment could be required annually to submit a SPACE analysis to corporate top executives who merge divisional analyses into an overall corporate analysis. This exercise will give you practice performing a SPACE analysis.

A division of Walt Disney is Media Networks, comprising a vast array of broadcast, cable, radio, publishing, and Internet businesses, including: Disney-ABC Television Group, ESPN Inc., Walt Disney Internet Group, ABC-owned television stations, ABC Television Network, ABC Daytime, ABC Entertainment Group, ABC News, the Disney Channel Worldwide, ABC Family and SOAPnet, Disney-ABC Domestic Television and Disney-ABC ESPN Television, Radio Disney Network, and the nonfiction book imprint Hyperion. ESPN is a worldwide leader in sports entertainment.

Instructions

- Step 1** Review Disney's Media Networks business segment as described in the Cohesion Case as well as the company's most recent *Annual Report* and *Form 10K*. Review the division's financial summary information.
- Step 2** Review industry and competitive information pertaining to the Media Networks Disney business segment. A major rival firm is CBS Broadcasting, Inc.

- Step 3** Develop a SPACE Matrix for Disney's Media Networks business segment. Write a one-page Executive Overview summarizing strategies that you recommend for this business segment, given your SPACE analysis. Avoid generic, vague terms such as market development.

Assurance of Learning Exercise D

Develop a SPACE Matrix for Walt Disney

Purpose

Should Disney pursue aggressive, conservative, competitive, or defensive strategies? Develop a SPACE Matrix for Disney to answer this question. Elaborate on the strategic implications of your directional vector. Be specific in terms of strategies that could benefit Disney.

Instructions

- Step 1** Join with two other people in class and develop a joint SPACE Matrix for Disney.
Step 2 Diagram your SPACE Matrix on the board. Compare your matrix with other team's matrices.
Step 3 Discuss the implications of your SPACE Matrix.

Assurance of Learning Exercise E

Develop a BCG Matrix for Walt Disney

Purpose

Portfolio matrices are widely used by multidivisional organizations to help identify and select strategies to pursue. A BCG analysis identifies particular divisions that should receive fewer resources than others. It may identify some divisions that need to be divested. This exercise can give you practice developing a BCG Matrix.

Revenue and Operating Income by Segment

(in millions)	2010	2009	2008	% of change	
				2010 vs. 2009	2009 vs. 2008
Revenues					
Media Networks	\$17,162	\$16,209	15,857	6%	2%
Parks & Resorts	10,761	10,667	11,504	1%	(7)%
Studio Entertainment	6,701	6,136	7,348	9%	(16)%
Consumer Products	2,678	2,425	2,415	10%	-
Interactive Media	761	712	719	7%	(1)%
Total Consolidated Revenues	\$38,063	\$36,149	\$37,843	5%	(4)%
Segment operating income					
Media Networks	\$5,132	\$4,765	\$4,981	8%	(4)%
Parks & Resorts	1,318	1,418	1,897	(7)%	(25)%
Studio Entertainment	693	175	1,086	296%	(84)%
Consumer Products	677	609	778	11%	(22)%
Interactive Media	(234)	(295)	(258)	21%	(14)%
Total segment operating income	\$7,586	\$6,672	\$8,484	14%	(21)%

Source: Walt Disney Company, Annual Report (2010).