



TheCaseSolutions.com

Number 1 in case studies solutions



MARRIOTT CASE



INTRODUCTION

The Marriott case provides a sound evaluation of strategic and financial management activities employed by Marriott International to improve the client's shareholder value. This case successfully overviews the analysis of the company's asset-light strategy, divestitures, and financial reengineering, which have been the key factors for it to remain a leader in the hospitality industry.



ASSET-LIGHT STRATEGY

Asset-light management means that the firm has less capital intensive because it does not own many properties; it only manages or franchises hotels. It makes it possible for Marriott to penetrate world market fast without implying on heavy fixed investments. Thus, by using this strategy, Marriott would be able to increase the operating flexibility so that resources would be properly utilized to generate the maximum ROI and reduce the risks which could be attributed to property ownership.



FINANCIAL REENGINEERING

The solution of this case rests a lot on the aspect of financial reengineering. This shows that the firm has utilized the principle of leverage and fine-tuned its capital structure to enhance the shareholders' value. Having reviewed Marriott's operation and financials, it can be seen that the company has been very strategic in the application of debt financing to spur growth within a sound financial financial structure. From the WACC and the analysis of the effects on Marriott's investment decisions, one can gain insight into how Marriott optimally manages for the cost of capital in order to be profitable.



CONCLUSION

This is indeed evident in Marriott's case solution where such ideas as strategic asset management, divestitures including; and financial reengineering were noted as key to sustaining competitive advantage and attaining sustained growth. Indeed, concentrating on the most important business segments, making efficient use of capital, and minimizing fixed assets have allowed Marriott to successfully manage the intricacies of the selected industry and continuously generate value for the company's shareholders. This situation can therefore be regarded as a perfect example of how a firm can be taken through its business goals and objectives through sound financial management.



RESOURCE

This is just a sample partial case solution. Please place the order on the website to order your own originally done case solution.

Resource: Visit thecasesolutions.com for detailed analysis and more case studies