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Strategic Management

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**WestPoint Strategic Plan**

**Outline analysis**

Strategic Analysis –

1. Location, Strategic Capabilities

2. Environmental Analysis

3. SWOT Analysis

4. Industry Analysis

5. Competitor Analysis

6. Market Segmentation Analysis

7. Market Strategy Analysis – Red or Blue Ocean, Targeting

1. **Location, Strategic Capabilities**

Located on the Hudson River in New York, USA, West Point is the oldest soldierly post in America. It was branded by General George Washington as the most significant strategic position in the nation during the American Revolution. The American had learned from the experience of the French and Indian war that the natural invasion path into the colonies was Lake Champlain to the Hudson River, and equally, the same water corridor was the natural invasion route into Canada from the Colonies. In addition, the Americans knew that the Highlands Controlled the major northeast to southwest land routes of communications which traversed the Hudson from Fishkill to Newburgh on the north and from Verplanck’s Point to Stony Point at the south. (Bradley P.2). Consequently, the Americans could not afford to let the British cut these land routes. The Americans would not have been able to move supplies between the colonies. Therefore, in May 1775, Washington and his committee quickly recommended that the Congress take steps to defend New York from the British. And Congress, in turn, sent resolutions to the New York Provincial Convention suggesting that:

“a post be taken in the Highlands, on each side of the Hudson River, and batteries be erected; and that experienced persons be immediately sent to examine said river, in order to discover where it will be most advisable and proper to obstruct the navigation” (Bradley P.3).

And because they were looking for a place where both sides of the river could be fortified, West Point appeared to be the best choice. The emplacement of batteries on ‘the West Point’ was recommended and a boom was constructed to block the channel to British Ships.

As a fortress, West Point was at that time a fortified area comprising of mutually supporting strong points. It was the heart of modern defensive positions and was considerably stronger than a single position built in the 18th century tradition.

New York has responded positively and as they sailed up the picturesque river, several possible sites for fortification were identified: “Stony Point and Verplanck’s Point, Martelaer’s Rockthe banks of Popolopen Creek, Anthony’s nose, and the West Point of the Hudson River” (Bradley, p.4).

In 1802, West Point became the home of the Military Academy, which served the nation’s peaceful needs and provided leaders for this great nation’s armed services in war. This is based in great part upon the legacies of the American Revolution.

All in all, West Point’s strategic capabilities are very strong. They have the resources and competences needed to survive and to prosper. Their resources can be viewed under the following four broad categories: Physical, Financial, Human, and Intellectual. The institution’s most important strategic resource, they advance, is “leaders of character”.

Such resources are certainly important, but what an organization does, how it employs and deploys these resources matters at least as much as what resources it has. West Point possesses the skills and abilities to effectively deploy the resources through the institution’s activities and processes.

1. **Environmental Analysis**

West Point academy operates in an environment that is vey intricate. The academy has a dual-nature. And as it is stipulated on the USMA Strategic Plan 2015 – 2021, they function in a “military-college environment of accessing, educating, training, and inspiring leaders

of character.” As a military organization, the institution is subject to federal laws and regulations, Army policy, governance structures, and public accountability. West point has to report directly to the Chief of Staff of the Army. The Academy must consider

the regulatory environment and senior leader guidance that governs decision making authority, resource management, and personnel policies. USMA is also subject to informal governance through members of Congress, who represent the needs of the American people. In some cases, military constraints on the Academy’s mission create challenges

for innovation.

Moreover, the remark of General T. Raymond bears witness to the complex environment in which USMA operates. He says, that “The operating environment is multi-dimensional: we are witnessing an increased velocity and momentum of human interaction and events, one in which the speed at which information diffuses globally through multiple means

increases the velocity, momentum, and degree of interaction among people.”

And as a college, “USMA excels in an education market subject to competition for students, competition for faculty, demographic trends, infrastructure requirements, and instructional improvements.”

1. **SWOT Analysis**

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| **Strengths**   * One of the top Institutions in America * The quality of the incoming cadets * Cadets’ academic performance * Contributions to the Army and the nation * high‐quality research * faculty members come from some of the best graduate programs in the world * Strategic location | **Weaknesses**   * Lack of appreciation of cultural differences * Need of a more diversifyfaculty and corps of cadets |
| **Opportunities**   * Court and pull alumni and outside organizations as potential funding sources * Showcase the intellectual capital   of the faculty and cadets   * Capitalize on the opportunities of using West Point as a body of experts for the Army for outreach. | **Threats**   * Rising cost of operation * The possibility of future financial resource constraints is very high * Possibility of revision to existing regulations and laws. |

1. **Industry Analysis**

West pointcan be viewed as a monopolistic industry. It is an industry with one firm and therefore no competitive rivalry. West Point has a dominant position in the market, therefore it has ‘monopoly power’. Tuition, room, board, medical and dental care are provided by the U.S. Army.

1. **Competitor Analysis**

We can use the Porter’s five forces framework to help us identify the attractiveness of West point industry in terms of the five competitive forces:

1. **The threat of entry** (Low)- Tuition for cadets is **fully funded by** the **Army** in exchange for an active duty service obligation upon graduation. That in itself causes the threat of entry to be low. High capital is required to enter the market. And there is no guarantee one would prefer to pay to enter that academy. A West Point cadetship includes a fully funded four-year college education. “Tuition, room, board, medical and dental care are provided by the U.S. Army. A cadet earns about $600 a month or nearly $7,200 a year. That means the factor threat of new entrants is low. One will have to offer at least the same to attract customers” (Rod Powers).
2. **The threat of substitutes** (High/Low)- As a college, prospective students often consider alternatives, they frequently compare the Academy to other four-year undergraduate experiences. But as a military-college, the threat of substitutes is low. The only significant threat is to choose between the five Federal Service Academies. But they don’t offer the same service.
3. **The bargaining power of customers**- Customers don’t have a high bargaining power. Of the 15,408 applicants in 2017, only 1190 were admitted.
4. **The bargaining power of suppliers** (high)- There are dozens of military academy institutions that are providing young candidates, but entering west point is not easy.
5. **The extent rivalry between competitors-** almost non-existent.
6. **Market Segmentation Analysis**

To be admitted at West Point, one must be a United States citizen, at least 17 and not yet 23 years of age on July 1 of your year of admission. You must not be married, pregnant, or have a legal obligation to support a child or children. If you are a naturalized citizen, you must provide documentation. In addition, You apply to West Point by requesting and completing a [PreCandidate Questionnaire](https://candidate.usma.edu/guest/cq/dad_pcq_part1.cfm?field1=BW), and by obtaining a nomination, normally from a United States Congressman or a Senator (Rod Powers).

West Point has its own Marketplace, sporting venues, hotels, its scenic location at the head of the York River as well as its delicious seafood and artesian spring wells. Besides, USMA competes in an educational market with other top tier universities. To successfully compete in this market, the Academy must maintain its status as a preeminent educational experience through Middle States accreditation, quality faculty, modern infrastructure, leading edge technology, and diverse curriculum offerings.

1. **Market Strategy Analysis – Red or Blue Ocean, Targeting**

West Point is a blue ocean market, where competition is irrelevant. Therefore, West Point must continue Sustaining Professional Excellence and Developing a Culture of Winning. It must continue to advance and continually expand so that it remains at the leading edge of both academic and military societies.

They must continue targeting, recruiting, hiring, and retaining a highly qualified and diverse faculty and staff. Based on the Swot analysis, West Point ought to maximize its strengths, seize its opportunities, eliminate its weaknesses and strategically plan to face its threats.

References

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