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**EXECUTIVE SUMMARY**

I reviewed the Magic Entertainment Corporate EBIT Audit report, which examined the architectural pillars. The pillars were Leadership (89%), Culture (73%), Structure (59%) and Strategy (83%). In my report, I examined Magic’s leadership style, culture, structure and strategy to understand how they fit into the business’s entrepreneurial fit and determine its competitive advantage.

However, I identified some issues such as:

* Mistakes acceptance level
* Decision making
* Bureaucratic structure

All of these issues will be discussed below in the overview of each architectural pillar, as well as recommendations on what Magic Entertainment can do to improve on each pillar.

**1.0 INTRODUCTION**

This report is for Magic Entertainment. The report is used to identify and analyze the level of entrepreneurship innovation of Magic Entertainment and how it can be influenced by variety factor such as organizational architecture and commercial environment.

The report was based on the CEO audit result which has scored the organisation on the four pillars of organizational architecture and commercial environment.

The report also reviews corporate entrepreneurship, using the four pillars of organisation architecture and commercial environment.

**2.0 COMPANY OVERVIEW (Magical Entertainment)**

Magical Entertainments is Europe's largest visitor attraction operator and the world’s second-largest. With 147 attractions in 24 countries, Magical Entertainments offers unique and memorable experiences for families and friends around the world.

According to Casadesus-Masanell and Ricart (2010), business formats are a collection of decisions and the results of those decisions (strategies and tactics) that have an effect on the organizations, business processes, services, and systems that are actually realized. Magical Entertainment operates across two formats: theme parks and Midway attractions. Theme parks, larger outdoor venues, provide multi-day exploration opportunities and themed accommodations. Midway attractions, mostly indoor experiences, offer a variety of chainable brands and include food and drink, retail spaces, and photography services.

Magical Entertainments is a creative and quick-thinking company with a future-focused business development framework that identifies game-changing growth prospects, speeds up business decisions, and generates immediate, measurable effects in the context of a longer-term vision for sustainable competitive advantage (Adim C. V. et al. 2018). It prioritizes maintaining client happiness while also taking financial restraint seriously.

Magical Entertainments is governed by its Board of Directors. The Board is responsible for providing governance over the Group, setting strategy, and approving major policies (Petrovic J. 2008). To support its governance and operations, Magical Entertainments established several committees. The Health, Safety, and Security Committee ensure effective management of health, safety, and security matters throughout the Group. The Audit Committee monitors financial reporting integrity, oversees external and internal audits, and reviews risk management and internal controls. The Remuneration Committee assists in determining remuneration policies, packages, and incentives for executive directors and senior management.

According to Hambrick D. C. and Mason P. A. (1984), an organization's performance is seen as a reflection of its senior management team. The company's strong management team, focused and ambitious culture, and alliances with leading international brands are all considered key factors in its success. Magical Entertainments continues to set the standard for location-based family entertainment, creating enduring memories for families and friends all over the world with a strong focus on growth and wealth creation.

**3.0 A REVIEW OF THE AUDIT RESULTS**

The chat below is a result of the Corporate Entrepreneurship Audit

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**3.1 Entrepreneurial leadership (Scored 89%)**

According to Fernald L. W. et al., (2005), when faced with dynamic and changing circumstances, the function of entrepreneurial leadership has been presented as a critical component in which entrepreneurs can preserve their competitiveness. Research has demonstrated that entrepreneurial leadership can have a positive impact on business performance by emphasizing innovation and development within customer and competitor-oriented frameworks (Van Zyl H. and Mathur-Helm B. (2007)). As a result, the importance of this novel form of leadership in improving organizational performance has seen a surge in scholarly interest in it.

The Corporate Entrepreneurship Audit result for Entrepreneurial Leadership is at (89%) which means that the organisation leadership is entrepreneurially fit.

The audit questionnaire indicates that Magical Entertainment's leadership is doing well in a number of crucial areas.

1. Senior managers possess a high level of self-awareness and the ability to reflect on their past actions and behaviors. Additionally, they are self-aware and thoughtful.
2. By "walking the talk" and setting an example for others, they also serve as real examples of the organization's mission and beliefs, inspiring others to follow suit. An established set of values serves as the foundation for all of the organization's actions, ensuring that all decisions and deeds are in line with its core values.
3. The senior managers work together as a team, exemplifying a collaborative and unified leadership style. Additionally, kids respect the workers and enjoy pleasant interactions with them. It is essential to act consistently in order to maintain a positive work environment.
4. The vision of the company is clearly articulated, making sure that every employee is aware of its objectives and direction. A welcoming and inclusive environment is fostered through the senior managers' approachability and accessibility. Additionally, they consider and cherish the views of their employees.
5. Senior managers demonstrate strategic behavior and thinking, demonstrating their capacity for swift decision-making and long-term planning. They are also skilled at eliminating uncertainty and focusing effort on key tasks, guaranteeing efficient resource allocation.
6. The company has a well-articulated strategy for success that outlines a specific plan for achieving its vision. Because they are aware of the opportunities and challenges they must contend with, they are able to adapt and respond to market trends.

In summary, Magical Entertainment's leadership has strong entrepreneurial attributes with an emphasis on reflection, teamwork, strategic thinking, and effective communication. The high audit result of 89%, which shows that the organization's leadership is entrepreneurially fit, reflects this.

**3.2 Entrepreneurial Culture (Scored 73%)**

Kuratko D. F. et al. (1993), argue that entrepreneurial culture is a key determinant of the strategy of innovation, and that organisations should promote values and standards in accordance with their strategic choice. In other words, the ‘Culture of Organizations’ poses as an axial component of the continuation of the organization’s entrepreneurial activities and calls for a joint analysis with the concept of Entrepreneurial Orientation (EO).

According to the audit questionnaire, Magic Entertainment's entrepreneurial culture scored 73% on the corporate entrepreneurship audit, falling short of the benchmark of 75%. The organization received below average marks in the following areas:

1. Tolerance of mistakes: The organization earned a score of 2, which indicates that it is not particularly tolerant of errors. Risk-taking and creativity may be hindered as a result.
2. Time for learning and innovation: The organization earned a score of 1, indicating that not enough time is spent on learning and innovation. This may inhibit innovation and make it more difficult for the company to adjust to change.
3. Delegated decision-making: The Company earned a score of 1, which means that decision-making is not adequately delegated. This may result in a lack of empowerment and limit the organization's capacity to act swiftly in the face of opportunities and difficulties.
4. People are valued: The organization earned a score of 2, indicating that perhaps employees don't feel appreciated there. This may affect motivation and morale.
5. Experimentation: Organizational experimentation is not actively promoted, as seen by the organization's earning a score of 3. The organization's capacity to experiment with novel concepts and methods may be constrained as a result.

However, the organization did well in the following categories:

1. Open communication: The Company earned a score of 5, which means that open communication is promoted. Collaboration and idea sharing may result from this.
2. Building networks of relationships: The organization earned a score of 6, indicating that it aggressively promotes forming connections with individuals and groups outside its own. This may result in beneficial collaborations and chances.
3. Strategizing: The Company earned a score of 6, which means that it promotes strategy. The organization may be able to establish defined objectives and a course of action as a result.
4. Achievement orientation: The Company scored a 6, suggesting that it is focused on achieving goals and results. This can drive performance and success.
5. Creativity and innovation: The Company scored a 6, indicating that it encourages creativity and innovation. This can lead to new and unique offerings.

As a result, even though the company has a significant entrepreneurial culture, there are still some things that should be done better in order to properly promote an entrepreneurial mindset and spur innovation.

**3.3 Entrepreneurial Structure (Scored 59%)**

According to Johnson S. and Venn A.H. (2002) without the proper conditions for entrepreneurial activity, the required backings cannot be developed in organizational settings. The foundation for the appearance of such backings was organizational structure.

Magic Land's entrepreneurial structure scored (59%) on the Corporate Entrepreneur Audit, which indicates that it is far from being entrepreneurially fit. Based on the audit questionnaire results, it is clear that Magic Land's structure is not conducive to fostering entrepreneurial activities.

1. Magical Entertainment is bureaucratic, which indicates that there are many rules and regulations that prevent creativity and innovation
2. Magical Entertainment lacks facilities that promote creative thinking
3. The decision-making process is not delegated, which indicates a lack of independence and empowerment among employees
4. Magical Entertainment is hierarchical, which indicates a narrow span of control
5. Magical Entertainment lacks structures and resources to promote training and development
6. Magical Entertainment lacks new venture activities, such as an R&D division/department and budget
7. Magical Entertainment does not recognize and reward entrepreneurship and innovation

In conclusion, the audit findings reveal a rigid and inflexible organizational structure that prevents innovation and entrepreneurial behavior. This is probably a factor in Magic Land's poor performance on the Corporate Entrepreneur Audit.

**3.4 Entrepreneurial Strategy (Scored 83%)**

According Branco L., et al, (2021) a company's basic set of linkages with the environment in which it operates are defined and redefined through the use of an entrepreneurial strategy. The adoption of an entrepreneurial strategy has thus become a prerequisite for an organization's success due to globalization and the ensuing need for businesses to embrace more proactive and entrepreneurial behavior (Morris M. et al. 2008).

An overall score of 83% in the Corporate Entrepreneur Audit for Magic Land Entertainment's entrepreneurial strategy indicates that they are, in fact, entrepreneurial. The audit questionnaire responses clearly show that Magic Land Entertainment has a sound business strategy in place.

1. The strategy development process involves everyone in the organization, indicating a top-down and bottom-up approach. This ensures that ideas and input from all levels are considered, fostering a culture of entrepreneurship.
2. The organization also encourages staff to spot commercial opportunities and strategizes, indicating a decentralized decision-making process. This allows for quick implementation of strategies and adaptability to changing market conditions.
3. Magic Land Entertainment demonstrates an understanding of its core competencies and the opportunities and threats it faces. They have clear values underpinning their actions and a realistic and achievable vision for the organization.
4. The organization also has strategies in place to encourage and facilitate innovation, commercially oriented creativity, and customer feedback. They regularly review environmental developments and have clear strategic objectives.

However, there are areas for improvement. Magic Land Entertainment could benefit from developing strategies to manage the product/market portfolio and implementing risk-mitigation strategies.

In conclusion, the audit questionnaire results support that Magic Land Entertainment has a strong entrepreneurial strategy. They have a clear vision, understand their core competencies, and encourage innovation and creativity. With some improvements in managing the product/market portfolio and risk mitigation, they can further enhance their entrepreneurial strategy.

**4.0 PROBLEM STATEMENT**

In research, a problem statement is a description of the problem that needs to be addressed (Burnett D. 2012). Basically, the review of the Corporate Entrepreneurship Audit found that while Magic Entertainment has great leadership and a great strategy, there's still a lot that needs to be improved in terms of their business culture and overall structure. They scored low on things like;

* Being able to accept mistakes and having time to learn and grow.
* Making decisions independently and adding value to others.
* Their structure is too bureaucratic and this stops them from being able to be more entrepreneurial.

These stop them from having a strong entrepreneurial mindset and being able to innovate.

**5.0 RECOMMENDATIONS**

Based on the audit findings, it is evident that Magic Entertainment has a strong leadership team and a strong entrepreneurial strategy. However, there are areas where the organization’s culture and structure need to be improved in order to create a more entrepreneurial culture.

**5.1 Recommendation on Problem statement**

Due to a lack of tolerance and encouragement for innovation and taking risks, the entrepreneurial culture pillar received low rankings. In order to combat this, the company needs to promote a learning culture where mistakes are seen as chances for growth and improvement (Kollmann, T. et al., 2009). Give employees the freedom to make their own decisions so they can react more rapidly to possibilities and obstacles. It can boost morale and motivation when workers feel appreciated and rewarded for their efforts.

There are several issues that need to be resolved in relation to the entrepreneurial structure (Norquvvatova M. & Saidova M. 2023). The bureaucratic aspect of the organization must be addressed first and foremost. Magic Entertainment has to change the way it conducts business operations to be more flexible and agile. The company can become agile by reducing procedures and getting rid of irrelevant rules and regulations.

In order to encourage innovation and creative thinking within the organization, the company must also invest in the facilities and resources that are needed. A budget set aside for new venture activities and an investment in the R&D division can both do a lot to support entrepreneurial endeavors.

In order to promote innovation and entrepreneurship, Magic Entertainment's culture needs to be enhanced. Resources and facilities must be invested, personnel must be engaged, and leadership must be supported in order to create innovation for future success.

**6.0 CONCLUSION**

This report is based on my thorough review of an audit report that scores Magic Entertainment on the 4 pillars of organizational structure and commercial environment. Based on my analysis and review of several relevant journals, I found that Magic Entertainment has strong leadership and strong entrepreneurial strategy.

However, there are areas where the organization needs to improve in order to create a more business-like culture and structure. For example, Magic Entertainment scores low in tolerance of errors, time to learn and innovation, delegation of decision-making and value of people. The structure of the organization is bureaucratic and lacks training and development support.

To address these areas, I have made recommendations, which are highlighted in the section for recommendations above. By implementing these recommendations, we can improve Magic Entertainment’s entrepreneurial culture and structure and foster innovation and drive organizational performance, positioning the organization for long-term success and growth in a competitive entertainment industry.

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