

### **Team 15 Valve: Analysis of Organization and Impact on Industry**

Valve is a privately-owned video game and software development company with many major successes. This report is aimed to study Valve's organizational structure and their impacts on the video gaming industry. Research includes their organizational philosophy and culture, their position in the organizational life cycle and SWOT analysis of the company. We took the approach of researching the companies' various innovations and external environments that enabled them to be the main player in the video gaming industry on the global platform.

We found that Valve have successfully skipped most of the crises anticipated in the organizational life cycle and the SWOT analyses showed a lot of opportunities and strengths identified due to their flat organizational structure. Their 'Adaptability' culture in the organization allowed them to adopt new innovations without any problem, making them pioneers in new technologies to support amateur video game makers and game modifiers, simultaneously gaining public support and a large fanbase. New demands from users to have a more storytelling-based games have shifted Valve's consumers to other video-gaming platforms as these games are exclusive to specific platform making it a huge threat to Valve. On top of that, Valve's corporate shift from becoming a video-game developer to video-game distributor have contributed as one of their weaknesses and strengthen competitor's threats as the increase in games on Steam are not developed by Valve anymore.

However, the success of Steam is what is set to be Valve's future. Valve must choose which improvements to focus on; whether to continue developing games or improving the user's experience of Steam. Our recommendation is that Valve focus on the latter, as Steam has reached the maturity stage and careful management will be crucial to delay Valve's most successful product from reaching the decline phase. There is little use in going back to their old games to release sequels as those games are no longer among Steam's best sellers.