**Assignment 1**

**Company Description and SWOT Analysis**

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**Company Description**

The organization’s name is Bill Cates. The name is significant since it helps the business owner to use a combination of both her name and that of her late uncle Bill from whom she inherited the company’s idea. I would produce an energy drink called Mel B drink that will have herbal extracts targeted for all generations.

**Mission Statement**

Our organization seeks to promote change in the non-alcoholic beverages industry and make it attractive to anyone. The organization plans to achieve this by developing a high-quality energy drink containing herbal extracts that will not only hydrate the customer but also provide them with an energy boost. We are a non-alcoholic beverage company dedicated to changing the industry by introducing herbal extracts to your drink so that our customers will not have to worry about excess added sugars in their drink. We aim to be known as the only provider of high-quality energy drink throughout the region. Our goals include expanding our operations across the globe in the next ten years with a steady increase in profits.

The mission statement is relevant since it outlines the product offered by the organization without forgetting its development goals over a period (Abrams, 2003). Organizations should invest in mission statements that enable them to acknowledge their goal to stakeholders.According to Hirt and Robbins (2009), an effective mission statement must acknowledge the company’s current position and its expected position in the future. It also outlines the steps that the organization is willing to undertake so that they can meet the set goals.

**Trends**

The NAB industry consists of hot drinks that include coffee and tea and soft drinks which contain water which is either carbonated or non-carbonated, a flavor and a sweetener. Soft drinks dominate the NAB industry in the United States with the most common products being bottled water, juices, tea and energy drinks (Sharon, 2014). However, with the increasing market for energy drinks, the Mel B energy drink is likely to attract a large customer base given that it has more health benefits including reduced sugars and a variety of herbal extracts.

**Strategic position**

The best strategic position for the company is market segmentation. According to Han, Ye, Fu and Chen (2014), this involves dividing the company’s potential markets into groups based on different characteristics. The company will use online marketing as the primary means through which they will communicate this strategy.The primary goal of the market segmentation strategy utilized by the organization will be to yield customer loyalty (Anderson and Srinivasan, 2003).Mostly, the organization will use its website to communicate its product and pricing mechanism to its customers.

**Distribution channels**

There are various ways through which companies in the soft drink industry reach the market. According to Sharon (2014), the most appropriate way is by selling the company’s finished products to distributors and retailers. The company intends to sell the final product to grocery stores and sports venues through distributors.These distributors are expected to purchase the products in large amounts so that they can avail them at the grocery stores and the sports venues.

**Risks**

The organization that operates in the soft drinks industry faces a combination of risks that could affect its productivity. The most significant risk for the organization is the food labelling regulations that ensure that companies indicate the components present in their products and their overall benefits (Abrams, 2003). The company also faces the problem of mishandling of the product and materials that could result in significant losses for the firm. These mishandling could result from a lack of training for the personnel so that they do not understand the best way to handle the operation equipment.

The above risks may significantly impact the company’s productivity, and there is an urgent need to develop mitigate strategies.For the food labelling regulations, the organization must ensure that they research the health benefits of the extracts in the product so that they do not give misleading information to consumers (Cowburn and Stockley, 2005). The company must also offer intensive training to employees so that they understand the safety handling measures as this will prevent unnecessary losses.

**SWOT Analysis**

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| Strengths   * Competent personnel * Exclusive rights to production * Availability of startup capital | Weaknesses   * Few employees * Lack of funds for business continuity * Limited product knowledge |
| Opportunities   * Technology adoption * Product diversification * Online marketing | Threats   * Rising competition * New entrants in the market * Lack of product knowledge |

**Strengths.** The firm invests in personnel that is competent in different fields that will aid the production of the soft drink. There is a volunteer who has worked with the Pepsi Co. plant for over 35 years in various capacities, including productionline foreman. The company also invests in a computer expert who will meet the IT needs of the firm. The company also owns exclusive rights to the production of the beverage since Melinda Cates is the product owner and mixer. This makes it difficult for other firms in the industry to steal the recipe.There is alsoavailability of startup capital. The company already has start-up capital amounting to $40,000, which Melinda inherited from her late uncle.The implication is that she will not need any financial support for her financial support for the first six months.

**Weaknesses.** The firm has veryfew employees. Currently, the firm works at a capacity of five employees which is not sustainable. This might increase the workload on each of the individuals making it difficult achieve their production capacity. The firm may also have to spend a lot of money in compensating the available employees for overtime. The continuity of the organization may be highly limited by a lack of financial resources in the long-run. Although Melinda states that she does not need financial help for the first six months, she acknowledges that she will rely on well-wishers to raise capital for business continuity. There is alsolimited product knowledge which means that a lot of advertising needs to be done.Most of the consumers are ignorant, and they do not take their time to read the components of a non-alcoholic beverage.

**Opportunities.** Technology adoption is a promising option for firms in the NAB industry. The organization should invest in technology, as this will provide them with the ability to reduce the average production time. Technology will also enhance the standardization of the products which will help to create a brand name for the company. The firm should also take advantage ofmergers. These could involve collaborations with other smaller companies in the NAB industry in different countries so that it is easier to penetrate new markets. The implication is that the already established company has its fair share of the market, which will contribute to the company’s revenues.Product diversification. The organization could also diversify the product market in the long run. This will ensure that they produce not only energy drinks but also carbonated soft drinks and bottled water that attract a larger market share compared to that of energy drinks.

**Threats.** The company faces the threat of rising competition from well-established non-alcoholic beverage companies. These include 51 Fifty, Starbucks and Pepsi among others. The implication is that the firm may take long before generating profits.The threat of new entrants is also likely to affect the productivity of the firm.Starting up a beverage company does not require very much capital. For instance, Melinda needs a few pieces of equipment, and she can start operating the company from home as long as she has a secret recipe. There is also little information available in the market concerning healthy energy drinks and this reduces the ability of customers to purchase the product. The implication is that the firm will have to spend a lot of money on advertising to make the product known to the consumers.

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