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Assignment 2

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**Business Plan Part II**

**Competitive analysis**

The purpose of a competitive analysis is to determine the strengths and weaknesses of the competitors within a particular niche. For Mr. Okoth, his Stokago Farm Company seek to ensure that it becomes one of the top companies producing high-quality farm products and services. From the market analysis, it is evident that competitors are not meeting the needs of the customers. According to Rao & Syed (2019), one of the most important components in business is ensuring the organization meets the needs of the customers and constantly improves its products or services. In our case, Stokago Farm Company seeks to provide a very high-value proposition by partnering with like-minded and mutually beneficial companies to ensure quality is guaranteed. An analysis of the competitors indicates that other suppliers are in the market do not heed to the various customer’s calls and wants, thus making the customers constantly seek a better supplier. Stokago Farm Company seeks to put the needs and wants of the customers as a priority in different areas and wants.

In terms of distribution, the current marker suppliers have a very weak distribution chain, which affects the availability of farm products in the area. Having an effective distribution chain is an essential component in maintaining a competitive advantage. For this reason, the organization seeks to streamline its distribution chain, which will ensure that the company’s high-value products get to reach customers from different parts of the community. The company aims at ensuring its farm products reach customers in both rural and urban areas. The company’s vision is for its products to be sold in all the major supermarkets and grocery stores in the state, and become the leader in fresh farm produce.

The company seeks to enhance its competitive advantage by selling its products at a fair price. While other suppliers and producers in the market may tend to hike the price significantly during the low seasons, Stokago Farm strives to ensure that its products are available throughout the season, thereby offering competitive prices during the low seasons. This ensures that the customers will enjoy relatively stable prices throughout the year. Additionally, the farm seeks to employ social media marketing and traditional advertising to promote its products among different customers. Additionally, the company seeks to upgrade its website to include an online purchasing system, where customers can make their orders and get their products delivered. This will be beneficial to customers purchasing products in large quantities.

**Differentiation Strategy**

With several players in the market, the company needs to differentiate its products and make them stand. Having a differentiation strategy is vital in ensuring the company’s competitive advantage. One of the strategies Stokago Farm seeks to employ is in packaging. While other companies mostly use plastic packaging for their products, Stokago Farm biodegradable packaging, which can be recycled or disposed of without the fear of causing harm to the environment. It is the organization’s goal to be a sustainable company and aid in finding a solution to the current problem of pollution and global warming. The company will utilize packaging that is well branded and that ensures the farm products remain fresh. Customers of fresh farm produce seek the nutrients, flavor, and ingredients derived from the produce. It is the company’s mission to ensure that it delivers top-quality produce, which offers the best price to quality. The packaging will ensure that all these benefits are preserved, for the benefit of the customer.

Another differentiation strategy is through pricing. The company will employ a unique strategy that will ensure its product are not affected by seasonal weather changes. This will ensure a steady supply of farm products, thus ensuring steady product prices for the customers. By using farming techniques such as irrigations and greenhouses, the company will ensure a steady supply of farm products, thus ensuring steady prices. Customers will be able to differentiate other farm products from Stokago Farm products since the prices will be fair throughout the year. Additionally, having a steady pricing mechanism will also build brand loyalty, thus improving the company’s profitability. When customers continue to receive quality products throughout the year, it will significantly improve brand loyalty, which will contribute to consistent company revenue. By meeting the customer’s needs and expectations, the company will differentiate itself from the other companies. While other companies are product-oriented, Stokago Farm strives to e customer-oriented, by meeting customer’s needs. The company wants to be known as the people’s farm since it strives to meet customer’s needs.

**Risk Assessment**

In any business, there are bound to be risks. In the farming industry, the needs are significantly higher since the business is dependent on unpredictable weather and the environment. While the company may engage in irrigation and greenhouse farming to solve the problem of changing climate, the company faces the risk of pests and diseases and small shelf life. One of the company’s risk assessment strategies involves continuous assessment and change implementation. With continuous assessment, the company can identify potential risks and can develop strategies to handle the situation.

The company strives to identify hazards and risk factors, which have the potential to cause harm. The company ensures that it is updated on research involving farm produced and discoveries that may help boost the company’s business productivity and profitability. The company then analyzes and evaluates risks associated with the hazard. The company promoted risk evaluation and risk analysis. The company then determines the appropriate ways to eliminate the hazard or how to effectively control the risk, for those that cannot be eliminated.

**SWOT Analysis**

**Strengths**

One of the strengths of the company is that it provides healthier and fresher farm produce. Stokago Farm prides itself on being one of the leading high-quality farms produce suppliers. According to the company, a quality response to the customer is key. The organization values quality fresh produce that will be beneficial to the customer. It is the company’s mantra to provide quality goods and services, to ensure the business reach its desired target.

Another strength of the company is that it utilizes the land, which is easily available in rural areas, which gives room for expansion, as the demand for farm produce continues to grow. The company also benefits from the availability of workers in the market. Farming does not require workers who have professional acumen and expertise in the field. One can use the nonskilled or semi-skilled labor force available in the community, and give them a good induction on what to do. Another strength of the company is that it produces farm products that are in high demand, such as fruits and vegetables. These products are consumed daily, thus ensuring the company has a constant supply of orders.

**Weaknesses**

One of the weaknesses of the farming business is that it involves a lot of time investment and labor force. When planting the fruits and vegetables, it will take the Farming Company not less than 4 months, to harvest the produce for sale. During this time, there is a lot of work that is required to ensure high productivity of the crops and fruits. Another weakness is that the company has not yet established a stable market to sell its produce. Since the company wants to be a leading producer of farm products, it needs to capture a large market share of the consumers. Another weakness facing the organization is the tight regulation facing farming companies. When dealing with food products and consumables, one has to conform to various policies and regulations for the safety of the consumer (Alim et al., 2016). Another weakness of the business is that it has a high risk of being face with pests and diseases, which can negatively impact the company’s productivity and profits.

**Opportunities**

With the company planning to enter the food production industry, it is presented with a variety of options to engage in. For instance, the company can engage in a variety of vegetables and fruits, thus presenting a huge opportunity for the business. Another opportunity is that there is an increased demand for organic products from customers, as people become more healthily conscious. According to Larsson (2015), there is a rise in the organic foods movement in recent years, as more people discover the health effects of junk food and bad diet.

**Threats**

There is a threat from substitutes and new entrants into the market. The other threat is inclement weather conditions, which can affect the Farms produce. Additionally, legislation and policy changes can adversely affect the company’s profitability.

**Strategic Position Statement**

The company has good potential for thriving in the farming industry. With the proper strategies and the company’s passion and efforts of producing quality products, the company can succeed in the market, thus making this a great viable option. By meeting customer’s expectations, the company will create a good image brand, which will promote its growth and success. Our marketing message will be, “Our fresh and quality farm products ensure you get value for your money.”

**Types of risks facing the company**

Changing weather is a risk that can be mitigated by using irrigation and greenhouses. Commercial farming is guided by various policies and regulations, and thus the risks of non-compliance. This can be mitigated by seeking professional advice from experts in the field. The third risk is changing market needs, which can impact company sales and revenue. This can be mitigated by continuous market analysis and change implementation.

References

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