



TT4



CREATION AND EVALUATION OF PROCESSES AND RISK ASSESSMENT REPORTS

TEAM

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P	E	S	T	L	E
International Relations/Geopolitics	Inflation and Commodity Prices	Health and Nutrition Awareness	Cold Chain Logistics	Food Safety Regulations	Climate Action and Emissions
Economic Competition Policies	Exchange Rates (Currency)	Fast-paced lifestyles	Automation and Smart Factory	Front-of-Package Labeling Laws	Water Management
Labor Regulations	Economic Cycles and GDP Growth	Transparency and Traceability	Conservation Technologies	Intellectual Property Rights	Waste Management and Circular Economy
	Interest Rates and Debt	Ethical Trends (Animal Welfare)	Packaging Innovation		Refrigerant Regulations

External Factor Evaluation Matrix



Key External Factor	Weight	Rating	Score
Opportunities			
Growth in digital beauty retail and virtual try-on technology (AR).	0.14	4	0.56
Increasing consumer interest in clean, viral, and influencer-driven brands.	0.16	4	0.64
Expansion through collaborations with influencers and exclusive product drops.	0.1	3	0.3
Growth of premium beauty markets in US, Europe, and Asia.	0.13	3	0.39
Rising demand for personalized beauty recommendations using AI.	0.12	3	0.36
Threats			
Intensifying competition from Ulta, DTC brands, and fast-trend beauty startups.	0.12	3	0.36
Market saturation and rapid trend cycles increasing inventory risk.	0.1	3	0.3
Economic uncertainty reducing consumer spending on premium beauty.	0.1	2	0.2
Increasing dominance of TikTok-driven “viral products” disrupting loyalty.	0.8	3	2.4
Regulatory changes in cosmetics ingredients and sustainability requirements.	0.5	2	1
Total	1.52		4.76

INTERPRETATION

A score of 2.72 indicates that Sigma is performing solidly above average, with competitive strengths that clearly differentiate it from the rest of the market. However, the score also reveals that Sigma is not fully maximizing its potential advantage. While the company demonstrates strong brand presence, product quality, and operational consistency, there are still strategic areas that require optimization.

Rating	Meaning	Interpretation
1 = Poor	The company responds very weakly to the external factor.	< 2.5 → NEED TO ACT
2 = Moderate	Response is limited or insufficient.	< 2.5 → NEED TO ACT
3 = Good	The company responds adequately and manages the factor reasonably well.	2.5 = AVERAGE (JUST THERE)
4 = Superior	The company responds extremely well and takes full advantage or fully mitigates the factor.	4 = PERFECT RESPONSE

kpi

CONSIDERATION RATE



CAGR RELATIONSHIP

A higher Consideration Rate expands the potential buyer base, increasing conversion opportunities and driving revenue growth over time. Sustained improvements in this lower-funnel KPI directly support a stronger CAGR by turning brand awareness into consistent sales growth.

KPI ELEMENT	DESCRIPTION
KPI Name	Consideration Rate (Lower Funnel)
Strategic objective	Measure the percentage of consumers who include the brand within their consideration set when making a purchase decision, indicating the brand's effectiveness in driving preference and intent to buy.
Formula	Consideration Rate=Total consumers aware of the brand/Number of consumers who would consider purchasing the brand×100
Data Source	The question "Have you considered buying the brand?" directly measures the lower-funnel Consideration stage, an indicator of purchase intent.
Reporting Frequency	Quarterly or for a specific campaign period
Target	Achieve and maintain a consideration rate above 35% among aware consumers within the next fiscal year.
Assigned Responsibility	Marketing or Media

kpi BRAND AWARENESS RATE



MARKET SHARE RELATIONSHIP

Awareness fills the top of the funnel. As more buyers recognize the brand, reach and consideration rise, converting into sales that lift market share.

KPI ELEMENT	DESCRIPTION
KPI Name	Brand Awareness
Strategic objective	Increase recognition and recall of the brand within the target audience to strengthen market positioning and customer loyalty.
Formula	(Number of respondents who recognize or recall the brand / Total number of respondents surveyed) × 100
Data Source	Customer surveys, social media analytics, website traffic data, and brand tracking tool
Reporting Frequency	Quarterly or for a specific campaign period
Target	Raise aided and unaided brand awareness from 45% to 60% within the next two quarters.
Assigned Responsibility	Marketing and Communications Department.

KPI TRIAL RATE

Percentage of consumers who have ever purchased the brand at least once.



EBITDA RELATIONSHIP

Higher Trial Rate → Higher demand
→ Higher sales → Higher EBITDA.

KPI ELEMENT	DESCRIPTION
KPI Name	Trial Rate
Strategic Objective	Measure the proportion of consumers who have tried the brand at least once, to understand market penetration and the effectiveness of awareness-to-trial conversion efforts.
Formula	Number of respondents who have tried the brand/Total Respondents *100
Data Source	Consumer survey data (question: "Have you ever tried this brand?")
Reporting Frequency	Quarterly or depending in campaign periods
Target	Industry standard ranges from 20%-40% depending on category maturity. Target is defined based on brand goals.
Assigned Responsibility	Marketing/Brand/Category manager



RISK MATRIX



LIKELIHOOD ↑

IMPACT ← →

Operational Nuisance

- Low response rate in surveys
- Sampling bias / poor segmentation / limited digital reach
- Unexpected competitor events
- Seasonal / cultural events boosting exposure
- TikTok / retail media / upgraded campaigns
- Overreliance on self-reported behavior
- Incorrect attribution of trial increases to campaigns
- Low survey response rate, leading to unreliable or biased results

Critical Risks

- Even with good brand perception, high prices may discourage first-time purchases
- Aggressive pricing or promotional strategies by competitors
- Big awareness, bad brand perception
- Poor trial experience
- Unclear messaging / misaligned positioning
- Failure in marketing campaign execution
- Positive reviews, social buzz, community loyalty
- Health-conscious or plant-based trends reduce interest in traditional cold cuts
- Sigma premium/wellness lines align with trending health demands
- High awareness without conversion
- Distribution gaps / availability issues
- Other brands capturing trial volume first
- During uncertainty or inflation, consumers may gravitate toward reliable brands
- Holidays, back-to-school, sporting events, grilling season elevate brand visibility
- Positive reviews, social buzz, or community loyalty
- If products are not sufficiently available or visible at the point of sale
- Better shelf positioning, endcaps, or co-marketing agreements
- Adopting TikTok, retail media, or upgraded ATL/BTL campaigns
- Error in data integration or brand tracking tool
- Brand collaboration

LIKELIHOOD ↓

Minor Risk

- Competitor scandals / supply issues

Strategic Risk

- Celebrity Endorsement
- External market events influencing trial independently
- External events influencing trial independently of brand efforts

PROBABILITY X IMPACT MATRIX

Probability / Impact	Low Impact	Medium Impact	High Impact
High Probability	Operational Nuisance Risks <ul style="list-style-type: none">• Seasonal demand fluctuation• Minor supplier delay• Packaging shortage	Strategic Risks <ul style="list-style-type: none">• Logistics cost increase• Competitor product launches• Underperforming marketing campaigns	Critical Risks <ul style="list-style-type: none">• Cold chain failure• Product contamination / recall• Cyberattack affecting operations
Medium Probability	Minor Risks <ul style="list-style-type: none">• Temporary labor shortage• Raw material cost variation	Operational Risks <ul style="list-style-type: none">• Transport disruption• Production equipment malfunction	High Operational Impact <ul style="list-style-type: none">• Quality deviation affecting brand perception• Inventory loss from storage issues
Low Probability	Negligible Risks <ul style="list-style-type: none">• Isolated labeling error• Short communication delays	Moderate Risks <ul style="list-style-type: none">• Exchange rate volatility• Regulatory adjustment	Severe Strategic Risks <ul style="list-style-type: none">• Brand reputation crisis• Export permit suspension• Government sanction

RISKS AND MITIGATION STRATEGIES

Risk / Opportunity	KPI	Category	Impact	Likelihood	Mitigation / Strategy	Plan B	Plan C
Even with good brand perception, high prices may discourage first-time purchases	Trial	Operational Nuisance	High	High	Introduce introductory promotions, bundle deals, or sampling campaigns to encourage trial despite price.	Launch a more affordable product line (Value version) to capture price-sensitive consumers without devaluing the main brand.	Launch a cross-brand trial program: offer coupons or bundles where purchasing Yoplait or FUD gives a discount to try Sigma cold cuts, encouraging trial through already strong categories.
Aggressive pricing or promotional strategies by competitors	Consideration	Critical	High	High	Monitor competitor pricing; adjust promotions strategically; emphasize Sigma's unique value and quality.	Launch a temporary and segmented price-match campaign only in key markets, or increase ad spending highlighting superior quality and long-term benefits.	Deploy quality-focused comparative campaigns ("More protein than X", "No fillers"), leveraging premium Sigma brands like San Rafael to elevate perceived value.
Big awareness, bad brand perception	Awareness	Critical	High	High	Implement brand perception tracking; launch corrective campaigns; address negative feedback proactively.	Establish a 24/7 crisis response team and activate a massive campaign with high-level influencers to quickly change the negative narrative	Launch a long-term brand rehabilitation program with third-party credibility (nutritionists, chefs, NGOs) to rebuild trust through transparency reports, factory visits, and verified quality seals.
Poor trial experience	Trial	Critical	High	High	Ensure consistent product quality; provide satisfaction guarantees; collect feedback for improvements.	Offer a full refund (satisfaction guarantee) or a free replacement product and incentivize a second chance	Introduce a "Quality Audit Taskforce" that performs rapid in-market inspections and fixes root-cause issues within 72 hours (production tweak, retailer handling, logistic)
Unclear messaging / misaligned positioning	Consideration	Operational Nuisance	High	High	Test messaging with target audience; align campaigns to consumer insights; simplify communication.	Immediately halt problematic campaigns, call a quick repositioning workshop, and relaunch with a proven and simplified message.	Bring in an external strategic branding consultancy for a full positioning refresh, including new message architecture, new visual system, and multi-market validation.
Failure in marketing campaign execution	Awareness / Consideration	Operational Nuisance	High	High	Establish clear campaign management processes, KPIs, and contingency plans; regular progress monitoring.	Reallocate unspent budget to proven performance marketing channels or to an external agency with a proven track record.	Centralize creative and media operations in a Marketing PMO (Project Management Office) that oversees all campaign steps and prevents executional failure through standardized governance.
Positive reviews, social buzz, community loyalty	Consideration	Positive / Minor	High	High	Encourage user-generated content; manage social media engagement; leverage community ambassadors.	Incentivize loyalty with exclusive discounts or a VIP program for the most loyal customers, in exchange for public testimonials.	Establish a "Sigma Superfans Council" that co-creates content, tests new products early, and acts as ongoing brand advocates in exchange for exclusive recognition/experiences.
Health-conscious or plant-based trends reduce interest in traditional cold cuts	Consideration	Catastrophic	High	High	Develop health-focused or plant-based product variants; educate consumers on benefits of existing products.	Acquire or partner with a niche startup or brand that already has an established plant-based or healthy product line.	Transition one traditional product line into a "Flexitarian Hybrid" series—blending plant and animal protein—positioned as a bridge product for trend-sensitive consumers.
Sigma premium/wellness lines align with trending health demands	Consideration	Positive / Minor	High	High	Promote wellness lines aggressively; leverage influencer campaigns; highlight health benefits.	Pivot the promotional budget from the traditional line to the wellness line and focus on health or nutrition certifications.	Partner with health apps or wearable ecosystems to integrate Sigma wellness products into personalized nutrition recommendations, challenges, or rewards.
High awareness without conversion	Awareness	Operational Nuisance	High	High	Introduce targeted campaigns to convert awareness into consideration and trial; A/B test messaging.	Launch a very aggressive, time-limited conversion offer (e.g., 50% off first purchase) targeting those with high brand awareness.	Deploy a "retargeting accelerator": personalized dynamic ads that show the exact product consumers viewed, combined with localized store availability.
Distribution gaps / availability issues	Trial	Critical	High	High	Optimize distribution channels; monitor in-store availability; collaborate with retailers on shelf placement.	Establish an in-house direct-to-consumer (DTC) online sales channel to bypass retailers with inventory issues.	Implement a predictive analytics supply chain system (AI-based demand sensing) that automatically increases stock for high-velocity SKUs in real time.
Other brands capturing trial volume first	Trial	Operational Nuisance	High	High	Implement timely promotions, sampling programs, and competitive monitoring; highlight Sigma differentiators.	Temporarily reduce margins to maintain accessible pricing and communicate commitment to maintaining price stability.	Build a "First Purchase Guarantee Program" ensuring that first-time buyers who share proof of any competitor purchase get a free Sigma product to recapture trial.
During uncertainty or inflation, consumers may gravitate toward reliable brands	Consideration	Positive / Minor	High	High	Emphasize trust and reliability in messaging; maintain strong distribution and consistent availability.	Create a limited-edition product (seasonal) to generate hype and spontaneous demand.	Launch a "Price Stability Promise" campaign committing to no price increases for X months on core family products to protect household budgets.
Holidays, back-to-school, sporting events, grilling season elevate brand visibility	Awareness	Positive / Minor	High	High	Align marketing calendars to seasonal peaks; activate relevant campaigns and promotions.	Launch a referral program with higher incentives to increase community participation.	Create a multi-seasonal branded event series ("Sigma Food Fest") hosted in schools, parks, or malls featuring cooking demos, sampling, and influencer appearances.
Positive reviews, social buzz, or community loyalty	Consideration	Positive / Minor	High	High	Encourage testimonials and user-generated content; actively engage with loyal customers online.	Offer direct financial or product incentives (spiffs) to store personnel for improving Sigma's shelf-placement and visibility.	Deploy "Digital Shelf Screens" in key stores that show rotating real consumer reviews, recipe videos, and nutritional comparisons to boost conversion at shelf.
If products are not sufficiently available or visible at the point of sale	Trial	Critical	High	High	Improve in-store visibility; monitor stock levels; negotiate with retailers for optimal placement.	Offer joint investment in advertising or promotion (co-op advertising) to the retailer in exchange for guaranteed premium space.	Add dedicated Sigma merchandisers responsible for daily shelf checks, freshness control, and replenishment in priority stores.
Better shelf positioning, endcaps, or co-marketing agreements	Consideration	Positive / Minor	High	High	Collaborate with retailers for premium shelf placements; measure incremental impact on trial and consideration.	Hire a specialized agency in the new platform (e.g., TikTok/Retail Media) to accelerate the learning curve and execution.	Offer retailers a retailer-exclusive Sigma SKU available only with premium placement, creating mutual incentive to maintain visibility.
Adopting TikTok, retail media, or upgraded ATL/BTL campaigns	Awareness	Positive / Minor	High	High	Pilot test campaigns on new channels; track engagement and ROI; scale effective campaigns.	Temporarily switch to a manual reporting system or a backup data tracking tool while the main failure is resolved.	Create an internal "Real-Time Content Cell" that produces and publishes content daily based on trends, ensuring agility regardless of channel evolution.
Error in data integration or brand tracking tool	All	Operational Nuisance	High	High	Implement data validation protocols; cross-check with multiple sources; train staff in proper usage.	Implement a streamlined data-validation system that safeguards key marketing KPIs so campaign decisions continue accurately even when the main tracking tool fails.	Create a long-term collaborative marketing platform that brings together partner brands to launch seasonal bundles, shared retail activations, and cross-channel digital content, maximizing category reach and capturing incremental market share through combined consumer touchpoints.
Brand collaboration	Awareness / Consideration	Positive / Minor	High	High	Partner with complementary brands; define clear objectives; track joint campaign performance.	Implement a market-focused data governance system that cross-validates campaign, sales, and consumer-behavior signals in real time, ensuring that marketing teams maintain accurate insights for media optimization, brand tracking, and competitive analysis even when the primary tool fails.	Develop a seasonal partner-brand program that delivers joint promotions and shared retail activations to increase visibility and capture incremental market share.

Risk Category	Risk	Mitigation Strategy	Insight	Indicators	Responsible Area
Critical Risk	Cold chain failure	<ul style="list-style-type: none">Implement real-time temperature sensors in transportation and storage.Use IoT-based alerts to monitor deviations.	Delays in cold-chain processes increase the probability of spoilage and customer dissatisfaction.	Leading Indicators: <ul style="list-style-type: none">Supplier delay notificationsTransport time variability Lagging Indicators: <ul style="list-style-type: none">Number of damaged unitsCost impact from inventory loss	Logistics
Strategic Risk	Market share loss due to competitor pricing	<ul style="list-style-type: none">Launch campaigns which emphasize quality and brand trust.Develop predictive pricing dashboards using BI.	Competitor pricing strategies increase the risk of losing market share and weakening brand positioning.	Leading Indicators: <ul style="list-style-type: none">Competitor price changes Lagging Indicators: <ul style="list-style-type: none">Sales decline per product lineBrand awareness drop	Marketing / Strategy
Operational Risk	Packaging shortage or supplier delays	<ul style="list-style-type: none">Diversify supplier base.Negotiate emergency stock agreements with other providers.	Supplier delays and packaging shortages increase the risk of production interruptions.	Leading Indicators: <ul style="list-style-type: none">Response times to purchase ordersStock levels of critical packaging materials Lagging Indicators: <ul style="list-style-type: none">Number of delayed shipments	Procurement
Financial Risk	Raw material cost fluctuation	<ul style="list-style-type: none">Implement early warning system through monthly margin tracking.	Fluctuating raw-material costs can weaken margins and affect profitability.	Leading Indicators: <ul style="list-style-type: none">Forecasted margin alerts Lagging Indicators: <ul style="list-style-type: none">EBITDA variationFinancial loss from price increases	Finance
Data / Analytical Risk	Failure in tracking KPIs or wrong data inputs	<ul style="list-style-type: none">Automate data validation and establish data governance policy.Periodic internal audits of KPI dashboards.	Inaccurate KPI inputs or poor data validation increase the risk of wrong decisions.	Leading Indicators: <ul style="list-style-type: none">Frequency of missing or incomplete dataSystem alerts for inconsistent inputs Lagging Indicators: <ul style="list-style-type: none">Reporting discrepancies	BI / Data Analytics

CONCLUSIONS, FINDINGS AND SUGGESTIONS

Conclusions

After analyzing Sigma's external environment and evaluating the main risks, it's clear that the company operates in a stable but demanding market. Most risks are connected to supply chain reliability, operational efficiency, and how the brand positions itself against competitors.

The Probability × Impact Matrix helped identify that the biggest vulnerabilities lie in logistics and brand management. Failures in the cold chain or a drop in market share could have serious financial and reputational consequences.

On the positive side, Sigma has the tools and data to anticipate many of these issues. The KPIs used—Market Share, EBITDA, CAGR, and Brand Awareness—work as a bridge between daily operations and long-term strategy.

Findings

- Several high-impact risks come from internal processes that can be improved with better planning and monitoring.
- Data management is a weak point; there's potential to make decision-making faster and more reliable with automated systems.
- Collaboration between departments is essential. Risks like supply shortages or reputation damage are not isolated—they affect finance, marketing, and logistics at the same time.
- The company already has strong structures; what's missing is a more proactive culture toward identifying and controlling risks before they escalate.



CONCLUSIONS, FINDINGS AND SUGGESTIONS

Suggestions

1. Create a centralized risk dashboard that brings together operational indicators and financial KPIs in one place for easier follow-up.
2. Strengthen digital monitoring tools—for example, temperature sensors for logistics or BI alerts for cost variations.
3. Hold quarterly risk review meetings with key departments to update the Probability × Impact Matrix and evaluate progress on mitigation actions.
4. Include risk-related KPIs in performance evaluations so each area feels responsible for prevention.
5. Continue promoting a risk-aware culture, encouraging employees to report incidents or potential problems early.



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