



BS CONSULTING  
GROUP 12

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DAIRYGOLD CO-OPERATIVE

# Strategy Report

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PREPARED BY:  
MATTHEW BERNEY  
BEN BOLGER  
FINN MCCARRICK  
OISIN BENNIS  
DAVID ORANGE  
LAEEQ UR REHMAN

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# Executive Summary

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## Introduction

This Business Strategy Consulting report presents a comprehensive strategic review of Dairygold Co-Operative Society Ltd., conducted in our role as management consultants. The aim is to assess the company's current position, identify key challenges and opportunities, and recommend strategic interventions to ensure long-term growth and competitiveness. Our approach follows a structured four-stage methodology, ensuring a thorough and actionable strategic roadmap for Dairygold's future.

## Company Background

Dairygold is one of Ireland's leading dairy cooperatives, owned by farmers and dedicated to producing high-quality dairy ingredients for domestic and international markets. The cooperative has a strong presence in the global dairy industry, supplying markets in Europe, Asia, and beyond. With a focus on sustainability, innovation, and farmer support, Dairygold plays a crucial role in Ireland's agri-food sector. However, the cooperative faces strategic challenges

### 1. Orientation

The Orientation phase sets the foundation for the strategic review by defining the scope of analysis and key focus areas. We examine Dairygold's core strategic issues, using relevant literature and give an overview on how Dairygold captures value to achieve its vision and goals.

### 2. Diagnostics

In this phase, we conduct a comprehensive internal and external analysis to assess Dairygold's competitive landscape. Using strategic tools such as PESTEL, and Porter's Five Forces, we identify key factors affecting Dairygold's performance. The diagnostics phase highlights critical areas where strategic interventions are required to enhance Dairygold's market position and operational efficiency and also highlight key trade offs which have been made. The relevance of literature is discussed as well as strategic choices which have been made by Dairygold's leadership team.

### 3. Intervention

Based on the findings in the diagnostics stage, we propose key strategic interventions to drive sustainable growth. This report will explore key strategic considerations, including the choices made to support the current strategy and how they drive organizational success. We will discuss the strategic fit across the organization, examining how different functions align to create synergy and efficiency. Finally, we will review the process of engagement with client organizations, highlighting how collaboration and communication contribute to successful strategy implementation.

### 4. Evaluation

In this section we will examine the alignment of the current strategy with overarching organizational objectives, assessing its effectiveness and coherence. We will then conceptualise our findings into a structured framework to provide a clear representation of key insights. Finally, we will reflect on the role of strategy consultants, evaluating their impact in shaping and guiding effective strategic decisions.

## Conclusion

Through this strategic review, we outline a clear roadmap for Dairygold's sustainable and profitable future. By leveraging innovation, sustainability, and market expansion, Dairygold can reinforce its position as a leading dairy cooperative, future-proof its operations, and deliver long-term value. Our recommended interventions provide a strategic pathway to resilience and growth, ensuring Dairygold continues to thrive in a rapidly evolving agri-food landscape.



## Introduction

Dairgold is one of Ireland's leading dairy and agri-business cooperatives known for its commitment to sustainable dairy production, innovative business strategies and customer driven solutions. The dairy industry is constantly evolving and Dairygold needs to respond to changes in consumer demands, economic conditions and the environment. Therefore it is critical for Dairygold to adapt to these changes to maintain a competitive advantage within the industry.

This strategic review will analyse Dairygold by examining the company's approach to achieve their long - term business objectives. We will evaluate their current strategic choices, highlighting key issues and key trade offs within their plan. The aim of this report is to deliver valuable insights to help Dairygold to achieve their strategic goals allowing them to remain competitive in the dairy industry. Our recommendations and analysis will help Dairygold optimise their business performance, recognise challenges and drive them towards long-term sustainable growth.

## Orientation

### **1.1 Identification of Key Strategic Issues**

Before we could identify key strategic issues facing Dairygold, we felt it was important to define Strategy. We felt that Lawrence Freedman's (2013) definition was applicable to Dairygold as he described how "Strategy is about getting more out of a situation than the starting balance of power would suggest. It is the art of creating power." This definition aided the Orientation stage which involved Identifying key strategic issues facing DairyGold. According to McKinsey & Company (2008), the orientation phase in consulting is crucial for understanding the client's context, identifying key issues, and aligning on objectives to ensure that subsequent strategies are relevant and actionable. In addition, Mintzberg, Ahlstrand, and Lampel (1998) argue that identifying issues requires a balanced view across multiple strategy schools, including design, planning, and positioning. In practice, we have identified a broad range of key strategic issues facing Dairygold.

Firstly, the Removal of Nitrates Derogation which would Stagnate the co-op's core business. Dairygold recently released a statement stating "We were encouraged by the Taoiseach's recent comments regarding the importance of the EU nitrates derogation for Irish dairy farmers and delighted to be able to meet him today to echo that view and reiterate the importance of the European Commission retaining the derogation at the current level beyond 2025". This is echoed by Chairman Seán O'Brien, calling for a four-year delay to any decision on the Nitrates Derogation, which if it is reduced further would "significantly curtail milk production, impacting the viability of the entire industry" (Dairygold Annual report and Financial Statements 2023). Former Taoiseach Simon Harris also described 'Nitrates Derogation as a national asset which he is determined to retain'.

Secondly, the Global Dairy Market decline particularly in China has the potential to cause significant strategic issues for Dairygold, who operate two main routes to market. Dairygold Direct focuses on B2B relationships with companies like Danone and Nestlé for tailored ingredients, and through Ornu, which supplies branded products to consumers globally. Approximately 60% of Dairygold's products are sold in Europe, 12% in Ireland, and 28% worldwide. However, global dairy demand has declined, particularly in China, a key market for Irish dairy products, such as infant milk formula. The decline is attributed to factors such as rising prices, declining birth rates, and increased domestic dairy production in China. These shifts, combined with broader geopolitical tensions and economic pressures, are impacting both ingredient sales and demand from major customers like Danone and Nestlé.

Another potential challenge for Dairygold is decreased Operational from inflationary pressures since the Russian invasion of Ukraine. Dairygold's energy costs surged to €62 million in 2022 but have since decreased, with projections falling below €25 million in 2024. As energy costs decline, related expenses like packaging are expected to reduce, which should help slow food inflation, unless there is a significant spike in dairy demand. However, Dairygold's turnover dropped to €1.4 billion in 2023, a decline of €254.7 million from 2022. Operating profit also fell by 40% to €23.9 million, and earnings before deductions dropped by 20% (Dairygold annual report and financial statements 2023). This decline was largely due to the co-op's decision to maintain strong milk and grain prices to support farmers, despite the reduced turnover. The current geopolitical uncertainty means this area could be problematic again.

Finally, Co-op Member Concerns with Management have the potential to cause significant future strategic problems. At a meeting in January 2025, around 300 Dairygold milk suppliers voiced dissatisfaction with the co-op's management, citing overspending, inefficiency, poor milk pricing, and a lack of transparency. The suppliers put forward recommendations for Dairygold to improve its milk price ranking and address concerns over its financial management, especially given its debt of €140 million and interest payments of €20 million annually. The co-op's management has acknowledged the concerns but insists its strong balance sheet and investments in infrastructure will lead to future benefits. However, if their demands aren't met, suppliers warn of further action. As a consulting team we feel the key for Dairygold is to address these key strategic issues, which will allow the organisation to capture value and therefore achieve its vision 2030.



## **1.2 Terms of Reference Discussion (See Appendix I for Original TOR)**

Cunningham and Harney (2012) emphasize that establishing clear ToR prevents scope creep and ensures focus on strategic priorities. As a consulting team we aim to evaluate Dairygold's strategic position, identifying opportunities for sustainable growth whilst addressing key operational and competitive challenges. This project will assess Dairygold's operational readiness, transformation initiatives, and alignment with industry best practices to enhance its long-term competitiveness. A comprehensive strategic analysis will be conducted using multiple frameworks, including SWOT analysis to assess internal strengths and weaknesses alongside external opportunities and threats, PESTLE analysis to examine macro-environmental factors such as regulatory changes, economic shifts, and sustainability pressures, and Porter's Five Forces to evaluate competitive pressures and market positioning. Additionally, a Value Chain Analysis will be applied to identify areas for operational efficiency, while RBV (Resource-Based View) and VRIO frameworks will assess Dairygold's unique capabilities and strategic assets. The team will also employ the Dynamic Capabilities Framework to evaluate Dairygold's adaptability to changing market conditions, McKinsey's 7-S Model (See Appendix II) to ensure internal strategic alignment, and Kotter's 8-Step Change Model to guide any necessary transformation efforts. To support strategic decision-making, Porter's Strategic Test will be used to validate the coherence of Dairygold's competitive strategy, and the Blue Ocean Strategy will help identify new market opportunities. The consulting team will also integrate data-driven insights, stakeholder interviews, and industry benchmarking to ensure a robust and actionable strategic plan. By leveraging these methodologies, the team will develop clear recommendations for Dairygold, focusing on enhancing value capture, strengthening market positioning, and ensuring long-term sustainability in a rapidly evolving agricultural sector.

## **1.3 Preliminary Literature Review**

To get a better understanding of the AgriBusiness industry and strategy of Dairygold we conducted a preliminary Literature Review. This included both Strategy literature and client specific literature to understand how we could identify issues and help capture value for Dairygold. Johnson et al. (2017) emphasises that conducting a preliminary literature review helps contextualize the client's situation by exploring existing theories, frameworks, and industry trends.

The literature review emphasised the importance of strategic alignment, sustainability, and innovation as key drivers of success in the dairy and agribusiness industry. These factors could also offer potential sources of mitigation to strategic issues facing Dairygold. The issues we identified are also seen throughout strategy literature and client specific literature. According to Porter (1985), competitive advantage arises from cost leadership, differentiation, or a combination of both. Dairygold's current strategy aligns with this framework, through its investment in value-added dairy products, operational efficiency targets, and sustainability initiatives, which are outlined in Dairygold's Annual Report (2023). Additionally, Mintzberg, Ahlstrand, and Lampel (1998) emphasize the emergent nature of strategy, arguing that businesses must adapt to market dynamics rather than rely solely on deliberate planning. The current global dairy market is characterized by fluctuating commodity prices, changing trade policies, and shifting consumer preferences (McKinsey & Company, 2019) leading to strategic issues for Dairygold. This is seen particularly with decreased Chinese demand for foreign dairy products as they become more self-sufficient. According to KPMG (2024), the post-pandemic economic landscape and geopolitical tensions are also creating uncertain dairy supply chains.

In addition, Dairygold is also still feeling the effects of Russia's illegal invasion of Ukraine, which continues to pose significant economic consequences, particularly in Europe, given the importance of Russia as an energy provider and Ukraine's substantial agricultural export capacity (Dillon et al., 2024).

In the past, Dairygold has navigated such strategic issues through rapid consolidation and expansion into international markets, driven by strategic alliances, which are now proving to be more challenging, which is echoed by (IFAC 2025 report). The KPMG AgriBusiness Report (2024) highlights climate change and sustainability as other key challenges facing the dairy sector. In conclusion as a consulting team we feel this literature review helped crystallise the strategic issues facing Dairygold and helped us provide suitable recommendations.

#### **1.4 Preliminary Client Case Introduction**

Dairygold Co-Operative, established in 1990, is one of Ireland's leading agricultural cooperatives. Located in the rich fertile Golden Valleys of Munster, Dairygold is Ireland's largest co-operative, supporting thousands of shareholder farmers for the last 150 years. The Co-Op has grown to become a key player in both the Irish and international dairy market. Dairygold operates across various segments, including milk processing, cheese production, and dairy ingredients, serving both the domestic and global markets. The co-op's operations are underpinned by a strong commitment to sustainability, quality assurance, and supporting its farmer-members. As an agricultural co-operative, Dairygold is owned and governed by its farmer-members, who are central to its business model. It provides its members with not only a reliable outlet for their milk but also a range of value-added services, including agronomy advice, farm inputs, and business support. Dairygold is facing many strategic issues as previously outlined, but has significant potential to shape future dairy markets.



#### **1.5 Organisational Purpose (Value Capture)**

As a consulting team we feel Dairygold's core purpose is to maximize value for its members by efficiently processing and marketing their dairy produce in a manner that drives economic sustainability for its community, yet operates with a strong commitment to efficiency, innovation, and sustainability, aligning with global food trends and environmental regulations.. This involves capturing value at multiple stages, Value capture refers to an organization's ability to retain a portion of the value it creates (Bowman & Ambrosini, 2000).

Additionally, (Kim & Mauborgne, 2005), describe how companies need to align their strategic focus on both differentiation and cost reduction, creating a unique position in the market that captures value. Dairygold operates in a blue ocean by producing cheese and dairy ingredients that can be traced from grass fed cows in Europe's most fertile pastures. Dairygold's strategic vision requires adding new value to the organisation and its nutritional products through smart innovation, research, market expansion, industry-leading technology and world-class facilities if it is to achieve its 2030 vision.

To help identify areas of value, and potential opportunities to create value we conducted a SWOT analysis (See **Appendix III**). According to (Gürel & Tat, 2017) "SWOT analysis is widely used as a strategic tool to assess internal strengths and weaknesses whilst identifying external opportunities and threats, aiding in decision-making and competitive positioning. Dairygold's strengths lie in its strong cooperative model, ensuring a loyal farmer base, and its well-established global supply chain, which enhances its brand reputation in dairy ingredients. However, its weaknesses include vulnerability to dairy price volatility and a heavy reliance on traditional dairy products. There are significant opportunities for growth, particularly in the rising demand for functional and premium dairy products, as well as the potential for digital transformation within B2B and expansion into emerging markets. According to the 2023 B2B Buyer Experience Report by (6sense 2024), B2B buyers spend approximately 70% of their purchasing journey conducting independent research before engaging with vendors.

Despite this, threats such as increasing environmental regulations, growing competition from plant-based dairy alternatives, and economic fluctuations pose challenges to its long-term sustainability and market position.

To conclude the orientation stage, we feel that for Dairygold to continue to capture value, the key is to drive cross functional alignment amongst its members, which we believe will create operational efficiencies at scale. This can be done by recontextualising the value proposition in accordance with emerging trends, whilst maintaining a results oriented framework amongst its members ensuring the highest quality products.

## 2. Diagnostics

### **Data Collection methods**

We combined qualitative and quantitative data collection methods to get an accurate and comprehensive diagnostics analysis of Dairygold. We used secondary Data such as industry reports to gain insights on market trends. E.g. Irish Dairy Industry Report, 202. We collected company reports so that we could analyse strategic goals and financial performance E.g. Dairygold Annual report. We also backed up our data with academic literature to give us a deeper understanding of strategic frameworks.

### **Macro-environment Analysis 2.1**

To gain a greater understanding of the Macro-environment we used PESTLE analysis. PESTLE analysis is a commonly used framework in strategic consulting to understand the macro-environmental factors affecting organizations, including political, economic, social, technological, environmental, and legal factors (Yüksel, 2012). (See Appendix IV PESTLE). Through our findings we have highlighted various political, legal and economic factors that could impact Dairygold's operations. Political factors such as EU agriculture policies (subsidies and regulations) could potentially impact performance. Compliance with EU dairy regulations and food safety laws is also essential.



By implementing quality assurance programmes they can help stay up to standard with current regulations. Brexit has also created potential complexities and trade barriers which may impact access to markets outside of Ireland. (IBEC, 2023). In our analysis of the Irish economy we have noted that Inflation and input costs have caused Dairygold's turnover to decrease by €0.3 billion (15.5%). This reduction in returns highlights how volatile the dairy industry is and the economic pressure they are facing. (Dairygold, 2023).

Macro-environment factors such as societal changes and environmental concerns present various challenges for Dairygold. Recent societal trends we have noted is a change in consumer preference as people are opting for more sustainable dairy products. To try to combat this they conducted a strategic review on consumer trends in 2022 and they have also set up programmes such as The Sustainable Dairy Assurance Scheme (SDAS) (Dairygold, 2023). In our analysis we can see that sustainability is at the forefront of their 2030 strategy. They have invested significantly in sustainable farm practices and have a strong focus on achieving environmental goals which include water efficiency and carbon reduction. Dairygold has implemented initiatives like renewable energy sourcing through corporate Power Purchase Agreements (cPPA) to reduce its carbon footprint and improve environmental performance (Planning Permission Ireland, 2024). These initiatives can be aided through technological investments. There is plenty of potential for them to increase productivity through growing advancements in dairy processing. The Analytical Service laboratory helps safety compliance and supports innovation and assurance. These factors we have analysed all impact Dairygold's operations in various ways so therefore it is critical to recognise and navigate these effectively.

## **Industry Analysis 2.2**

We used Porter's Five Forces framework to analyse the industry and factors that could influence Dairygold's business. (See appendix V).

Our findings have shown that Dairygold has a strong brand recognition and customer loyalty which helps reduce the threat of new entrants. However small-scale dairy producers from emerging countries targeting niche markets may be able to capitalise on emerging consumer trends. We see this as a moderate risk (Chakravarty, 2023). There has been a growing trend of consumers shifting to plant-based products such as oat milk driven by environmental and societal trends. This can be seen as a high threat for the dairy industry. Therefore, it is vital that Dairygold innovate and diversify its products to remain competitive. There is high competition within the dairy industry due to established players such as Kerry Group, Glanbia and Nestle. It is important that Dairygold focus on product differentiation through innovation, sustainability and branding.

Bargaining power of suppliers and buyers is also critical to evaluate. Supplier power is limited as the farmers are also the stakeholders. (co-operative). It is important for Dairygold to maintain these relationships with suppliers to ensure that quality is maintained. We see this as a moderate risk. That being said there are other factors influencing supply such as poor weather conditions, which can have an impact on milk production (O'Brien, 2023).

The bargaining power of Large retailers and supermarkets, they can dominate the distribution channels for dairy products. This allows them to demand lower prices which can have a significant impact on dairy gold's profit margins. Also important to note that an increase in demand for sustainable products means Dairygold must adapt to change in demand and align practices accordingly.

### **Internal Analysis 2.3**

We analysed the internal operations using a Value Chain which allows us to visualise all activities that Dairygold undertakes to deliver their product to the market. (See appendix VI).

#### **Primary Activities**

To improve operations and productivity DairyGold has invested in advanced dairy processing facilities. This will help them improve capacity of production. They have also focused heavily on automation which will also enhance productivity within the firm. Key findings that influence inbound logistics are the importance of the relationship with local farmers which helps ensure Dairygold has high quality milk. The only concern we highlighted was the risks that Brexit may bring (Hennessy & Heanue, 2021). Outbound logistics analysis has shown us that DairyGold has direct access to distribution networks which cover both domestic and international markets. Challenges they may face would be rise in fuel costs and increase transportation costs which they will have to navigate through efficiently (Irish Agri-Food Report, 2023).

Our analysis of marketing has highlighted that they have very strong brand recognition. Therefore, as they plan to expand into foreign markets such as China and the EU, Dairygold have recognised the importance of aligning their sales strategy with change in consumer preferences (Kotler & Keller, 2020). These preferences highlight the importance of sustainable practices and nutritional benefits within the product. They also provide technical support and sustainability initiatives which also ensure supplier relationships and quality control across the value chain.

#### **Support Activities**

Dairgold has a well-structured infrastructure that fosters trust between the cooperative and its farmers. However, there is potential to enhance digital infrastructure to improve the efficiency of the supply chain. Human resource management remains a critical factor, as the company benefits from a skilled workforce with industry expertise but attracting young talent has become increasingly challenging (Irish Dairy Industry Report, 2023). Technology development is a key priority with ongoing investments in dairy nutrition research and sustainable farming practices. Additionally, procurement strategies are shifting toward more sustainable sourcing as regulatory compliance continues to drive up costs (Irish Agri-Food Report, 2023).

### **Relevance of literature review 2.4**

We used Porter's 5 force model (Porter 1985) to analyse the industry. This helped us gain insights on competitive advantage in differentiating products. Grant (2016) focuses on how resources and capabilities contribute to long-term business success. Kotler and Keller (2020) highlighted the critical role of strategic marketing within competitive industries. Johnson, Scholes, and Whittington (2019) analysed strategic decision -making which gave us insights on how we can support dairy gold in managing uncertainty and market shifts.

## **Diagnosis of Strategic challenges and choices made (trade-off) (2.5)**

Dairygold's strategic challenges can be better understood by examining a number of important aspects that influence its operations. The main strategic decisions and difficulties Dairygold has faced are listed below.

### **Market Expansion and Growth**

Dairygold has to handle challenges that arise both domestically and abroad. The dairy industry is highly competitive and expansion outside of Ireland requires careful strategic planning. Dairygold has focused on growing its presence in foreign countries in order to broaden its global reach, particularly with products such as cheese, powders, and nutritious foods. This means entering into high-growth markets like Asia and Africa, where there is an increasing demand for high-end dairy products.

### **Sustainability and Environmental Concerns**

There is growing pressure on the dairy industry to lower its environmental impact, especially regarding carbon emissions and sustainable agricultural methods. Some of these methods are improving grassland management, reduction in fertiliser use and more efficient milk production. Environmental consciousness among consumers has grown immensely and governments have called for sustainable action. Sustainability is now an integral part of Dairygold's strategy. This includes initiatives to enhance the sustainability of its supply chain and support sustainable farming methods. In an effort to improve its environmental impact, Dairygold has made investments into waste reduction programs and uses sustainable packaging.

### **Diversification and Product Innovation**

Dairygold needs to be innovative to remain competitive in its versatile, ever evolving industry. Low-fat goods, plant-based substitutes, and functional nutrition are becoming increasingly popular. In response, Dairygold has expanded its range of products to include more products such as nutritional supplements, functional dairy foods, and dairy-based ingredients. The company has now ventured into producing food additives in an effort to seize opportunities outside of the typical dairy product market.

### **Competitive Pressure**

There are numerous successful companies in the dairy sector making it a fiercely competitive market. Traditional dairy producers, new entrants and private brands all put pressure on Dairygold. To maintain a competitive edge, Dairygold's approach involves bolstering ties with farmers, improving its supply chain, and improving production efficiency. Additionally, by highlighting quality and traceability and ensuring their products satisfy their consumers standards, Dairygold can solidify its brand and generate customer loyalty.

### **Operational Efficiency and Cost Management**

In the face of rising costs of raw materials and the need for continuous investment in production facilities, Dairygold faces the difficult challenge of cost management. In an effort to cut expenditure and boost productivity, Dairygold opted to concentrate on supply chain optimisation, technology utilisation and process automation. By investing in advanced production facilities and digital solutions, the company is able to minimise the impact of growing input costs and streamline operations effectively.

## **Regulatory and Political Risk**

The dairy industry is subject to strict restrictions, especially those relevant to trade, environmental impact, and food safety. Given the significance of the UK as a trading partner, Brexit posed a challenge for Dairygold. However, Dairygold has managed to decrease its dependency on the UK and expand its markets internationally. To lessen the effects of possible trade interruptions following Brexit, the company has concentrated on growing its footprint in non-EU regions, especially in Asia and the Middle East.

## **3. Intervention**

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### **3.1 Identify choices made to support current strategy**

Dairygold Co-Operative Society Limited has articulated its strategic vision, "Our Strategy Our Future 2030," focusing on five key pillars: **(See Appendix VII)**

1. Core Business
2. Business Growth and Margin improvement
3. Sustainability and Environmental impact
4. People and Culture:
5. Financial Delivery and Governance

Dairygold leverages innovation and sustainability to distinguish its products and operations in the market. By investing in value-added products, sustainable practices and improved facilities, the co-operative aims to meet evolving consumer demands and enhance profitability.

To support its future strategy, Dairygold has undertaken several initiatives:

**Acquisition of Vita Actives Limited:** In June 2023, Dairygold acquired a 59% shareholding in Vita Actives Limited, aiming to grow its health and nutrition business and diversify earnings (Dairygold, 2023). By investing in value-added products, Dairy gold is showcasing its differentiation in aims to meet evolving consumer demands and enhance profitability.

### **Sustainability Programs**

The co-operative has implemented the Grassroots Milk Supplier Sustainability Bonus Programme, with over 90% of milk suppliers participating, demonstrating a strong commitment to sustainable farming practices (Dairygold, 2023). This programme shows Dairygold's use of the Cost Leadership strategy by encouraging suppliers to implement cost-effective farming while reducing waste and improving efficiency.

### **Renewable Energy Initiatives**

Dairygold has entered into a corporate Power Purchase Agreement with a farmer member to source renewable solar energy for its processing operations, showcasing innovation in sustainability (The Avondhu, 2023). This model is the first of its kind in the Irish dairy sector, differentiating Dairygold from competitors and enabling them to sail into the 'Blue Ocean' market.

### **Dairy Processing Facilities**

As DairyGold has invested in advanced dairy processing facilities, they have shown their intention to enhance operational efficiency. These facilities will heavily consist of automated processes to avoid human error and improve productivity

### **3.2 Discuss strategic fit across organisation (See appendix VIII for activity map)**

Dairygold's business strategy is built around cost leadership, sustainability and expansion. It aligns with Porter's competitive advantage framework (1996) by using activities that are interconnected to drive efficiency and long term growth. The activity map for the company highlights 3 core pillars; sustainability, operational efficiency and optimisation of their supply chain, which will collectively strengthen its market position.

Sustainability is a large part of Dairygold's operations. The company pushes low-carbon farming, green product innovation and research driven development to further their environmental responsibility. These efforts will reduce their costs in the long run and also appeal to the growing numbers of eco-conscious consumers. Supporting farmers through sustainability also ensures a stable supply of raw produce, which reinforces Dairygold's commitment to ethical sourcing and sustainable agriculture.

Efficiency is vital for Dairygold's processing and manufacturing operations. State of the art facilities and machinery are used to improve productivity, reduce waste and operational costs. Combining these with strong business relations and a global marketing effort, has enabled the company to expand its international presence. Using strategic partnerships has allowed Dairygold to access new markets and drive exports, which has solidified their competitive advantage.

Sustainable growth is reliant on a well run supply chain for Dairygold. Dairygold reduces logistical inefficiencies and improves cost control by optimising their transportation of raw and finished produce through route optimisation technologies. Rising competition and supply chain disruptions require continuous adaptation to stay competitive.

#### **Recommendations for improvement**

Dairygold should continue to invest heavily in renewable energy and sustainability in order to stay ahead of competition and reduce costs and emissions. This will also appeal to the growing market for sustainable produce. Using this increase in sustainability, Dairygold should increase digital marketing efforts to promote this to differentiate themselves from competitors. Dairygold should diversify their sourcing and use logistics technology in order to reduce inefficiencies in their supply chain. By interconnecting sustainability, efficiency and supply chain management, Dairygold maximises its cost effectiveness while expanding its market reach. These activities reinforce its competitive advantage, and place them as a leader in sustainable dairy production.

### **3.3 Alignment of Strategy to Organisational Structure**

The PESTLE analysis shows that inflation and input costs pressures have reduced Dairygold's annual turnover (Dairygold,2023). Porter's Five Forces identified the high risk of substitutes (Plant-based dairy products) and stronger buying power from large retailers. The Value Chain indicates that the core milk processing and inbound logistics are quite effective, but there is potential for digital gaps and export limitations (post Brexit and Russia-Ukraine War) to affect quick market responses. These findings emphasize the need for an organizational structure that preserves cost efficiencies while enabling innovation (Grant,2016, Johnson et al.,2020).



## **Recommended Structural Adjustments**

Cost-Leadership Core is a framework centered on focusing on dairy processing at a larger scale that supports economies of scale and helps DairyGold combat the cost squeeze from powerful buyers (Porter,1985). Create cross-functional “Innovation Pods” that establish semi-autonomous teams that are given significant independence in decision-making solely devoted to value-added products. The task for the team will be to address the potential threat of substitutes by quickly developing products to combat these substitutes (Kotler& Keller,2020). Thirdly we have Regional Hubs/Localized Authorities. Given the Russia-Ukraine War, Brexit challenges, and international expansion goals we recommend to promote local hubs (e.g., in Asia and the EU) to tailor the supply chain, marketing, and distribution decisions. This structure will help mitigate external uncertainties such as shifting consumer trends, potential geopolitical conflicts, and regulatory barriers quicker than a purely central model (Hennessy & Heanue,2021).

## **Feasibility and Success Factors**

Co-op relationships with farmers facilitate cost-effective sourcing which aligns with the cost leadership framework. Ensuring cross-department coordination between the likes of R&D, Supply Chain, and Marketing is vital to secure a low-cost base (Grant,2016). Digital infrastructure upgrades could drastically improve logistics and reduce any inefficiencies in transportation (Irish Agri-Food report,2023). By combining a cost-focused core with flexible, cross-functional teams and regional hubs, Dairy gold can reinforce its competitive advantage while exploring new avenues of growth.

### **3.4 Alignment of Strategy to Organizational Culture.**

Cost-Leadership is already supported by Dairy gold’s cooperative culture, which is centred around shared ownership, trust and long-term planning. However, differentiation or “Blue Ocean” strategies call for a culture that promotes innovation, risk taking and proactive change (Kim & Mauborgne, 2005).

## **Recommended Cultural adaptations**

### **Transparency and Inclusion**

Given the co-op structure, members will want clarity on decisions such as milk pricing or product diversifications. Providing regular updates through meetings or digital communication platforms that will ensure farmers and frontline employees see how decisions align with the cooperative values (Saunders et al., 2019). This not only will preserve trust but will also encourage ideas from the bottom of the business to the very top.

### **Incentivising innovation**

New product concepts, packaging innovations, and process optimization must be identified to cultivate a differentiation culture (Grant,2016). Active engagement is promoted throughout the co-op by giving out small “innovation awards” or highlighting best practices such as sustainable farming techniques. Reward systems can be set in place to tie innovation to broader cooperative goals. (Johnson et al.,2020).

## **Sustainability and Shared Values**

Dairy Gold has a huge emphasis on environmentally responsible farming, this can become a unifying rally point for cultural alignment (Porter,1985). By creating a link between sustainability initiatives and day-to-day work, the co-op can make environmental sustainability a shared mission. This supports premium product lines with a strong 'green' narrative, whilst also fostering pride among the members, and changing customer demands (Kotler & Keller,2020).

## **Feasibility and Success Factors**

Collaboration is inherently supported by the cooperative identity. It is important that a culture of open dialogue and feedback is created which will maintain cohesiveness (Mintzberg, Ahlstrand & Lampel, 1998). Clear leadership commitment demonstrated through consistent communication and resource allocation prevents cultural inertia (Johnson et al., 2020). Aligning performance metrics such as sales growth from new products and reduced carbon footprint with co-op values ensures widespread adoption. Dairy gold can align its culture of trust and collaboration with a stronger emphasis on innovation, transparency, and sustainability, leading the co-op to maintain its cost-effectiveness while successfully diversifying into higher value niche markets.

### **3.5 Process of Engagement with the Client Organization**

An effective Intervention Stage relies on continuous, transparent communication between the consulting team and DairyGold's key stakeholders. According to Block's (Block ,2000), there should be a strong emphasis on "collaborative contracting ". The team should begin by discussing mutual expectations, scope of intervention, various roles, and authority on decision making. This can be done through an initial meeting with senior management where objectives (such as cost-leadership, reinforcement, and innovation initiatives) are discussed and validated.

## **Ongoing Stakeholder Communication**

To maintain alignment, the consulting team should host regular meetings with Dairygold leadership and representative farmer committees. These meetings can be done weekly or biweekly to allow the team to present continuous updates, gather critical feedback on newly introduced structures (e.g, cross-functional "innovation pods"), and refine any unanticipated issues. Also, the department can gather "feedback loops" (Mckinsey & Company,2008) to collect insight from R&D, marketing teams and logistics ensuring that the engagement is not just from the top-down but from the whole business.

## **Iterative Pilots and Joint Decision- Making.**

Where feasible, internal champions should be involved in the design of pilot testing (such as the introduction of health-focused product lines). A joint decision-making committee can be formed by integrating the key managers, farmer representatives, and the consulting team. The committee's focus will be to help accelerate buy-in and mitigate resistance as stakeholders see their efforts reflected in real-time solutions (Block,2000).

## **Final Review and Handover**

In the final phases of the Intervention Stage, the consulting team will look to conduct a "lesson learned" workshop, discussing the best practices and outstanding challenges. A comprehensive and clear handover ensures that Dairy Gold's internal teams have the required tools, training, and confidence to sustain the newly adopted processes beyond the consultant engagement period.

By having priority on mutual trust, open-communication and continuous feedback, the Intervention Stage remains client-focused, increasing the chances of the recommended changes being implemented in the long term.

## **4. Evaluation**

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### **4.1 Alignment of findings to current strategy**

Based on our diagnostics and intervention, Dairygold's current strategy shows strong continuity with its strategic goals outlined in "Our Strategy Our Future 2020".

#### **Core Business and Market Expansion**

Dairygold is focusing on international expansion, targeting high growth markets such as Asia and Africa which aligns with its strategic strategy to expand outside Ireland. In our analysis we have highlighted the competitive pressures that Dairygold are facing and the need for a specialised market entry. This is supported by the company's existing initiative to strengthen global sales especially in cheese and nutritional products.

#### **Sustainability**

Sustainability is a key pillar in Dairygold's strategy, and we have found several initiatives that align with the long-term sustainable focus and differentiation through green initiatives

- Grassroots Milk Supplier Sustainability Bonus Programmes – Ensures cost efficiency through sustainable farming.
- Corporate Power Purchase Agreement (CPPPA) – Ensures renewable energy is used.
- Sustainable packaging and waste reduction initiatives – Helps reduce environmental impact.

#### **Business Growth and Margin Improvement**

Through our findings we can see that Dairygold is facing pressure from inflation and high input costs. To combat this, they have responded by optimising operations through automation and technology in dairy processing. These improvements in facilities and inbound logistics align with their strategic goal of maximising profitability and operational resilience.

#### **Culture and People**

Dairygold has a cooperative model which helps maintain a healthy relationship with farmers which ensures high quality milk. However, our analysis has identified challenges in attracting young talent within the dairy processing industry. As key focus as part of their strategic roadmap is attracting talented employees.

#### **Financial Delivery**

Our findings have shown Dairygold's emphasis on cost leadership, efficiency, and supply chain optimisation which supports the financial governance goals. With investments in logistics optimization and digital infrastructure upgrades, this also aligns with their goal of financial sustainability

## **4.2 Conceptualisation of findings into consultant framework (See Appendix IX for Framework graph)**

The BCG Matrix we have used categorises Dairygold's business segments based on market share and market growth, helping to guide strategic decisions. The four quadrants are:

- Stars (High Market Share, High Market Growth) – Market Expansion
- Cash Cows (High Market Share, Low Market Growth) – Traditional Dairy Products
- Question Marks (Low Market Share, High Market Growth) – Sustainability
- Dogs (Low Market Share, Low Market Growth) – Low-Value Bulk Dairy

This BCG Matrix framework helps Dairygold prioritise investments and allocate resources effectively for long-term success.

## **4.3 Alignment of findings to relevant Literature**

As a Consulting team we are confident our findings align with strategic management theories, particularly the BCG Matrix which is seen in figure 4.2, which categorizes Dairygold's business segments based on market share and growth potential, therefore guiding resource allocation and decision-making. Dairygold's international expansion into high-growth markets such as Asia fits into the Stars quadrant, requiring strategic adaptation and investment (Johnson et al., 2017). This aligns with Johanson & Vahlne (1977) Uppsala Model, which emphasizes gradual internationalization.

The traditional dairy business in Ireland and Europe represents Cash Cows, where profitability is sustained through efficiency and cost leadership (Porter, 1985). The Harvard Business Review highlights operational improvements as critical in stable markets, aligning with Dairygold's emphasis on automation and logistics optimization. Sustainability initiatives, including renewable energy and waste reduction, fall under Question Marks, requiring investment for future growth. (Mintzberg et al. 1998) and (Elkington's 1997) Triple Bottom Line stress sustainability's evolving role in competitive advantage, supporting Dairygold's focus on green initiatives.

In addition, we discovered through literature how low-value bulk dairy products, categorized as Dogs, face pricing pressures and low growth. (Cunningham & Harney, 2012) and (Grant 2016) suggest divesting or repositioning such segments, aligning with Dairygold's shift toward high-margin alternatives. By applying the BCG Matrix alongside key strategic frameworks, our findings highlight how Dairygold balances growth, sustainability, and profitability for long-term success.

## **4.4 Recommendations for strategic growth/creativity/change**

The approach that Dairygold has taken to meet their 2030 target goals has been explained and analysed by our team. Although we think they have some nice ideas, our findings have identified several areas that need improvement. Dairygold intends to enter foreign markets, but we believe they must be more focused and innovative. They have to determine the distinct nutritional requirements, tastes, and preferences of the regions they want to enter. As we previously discussed, the demand for dairy and protein-based goods is increasing across Southeast Asia. They can gain an advantage over their rivals and start supplying new nations as soon as feasible by conducting targeted, significant study for each area.

Dairygold may appeal to consumers that are growing more environmentally sensitive by utilising their sustainability perspective and emphasising green activities like plant-based packaging and waste recycling. To ensure that people can see the positive work they are doing to raise environmental awareness and reduce emissions, Dairygold should advertise these initiatives online. They should hire a new social media manager who looks after the brand image online and in turn this will keep consumers in the loop with the day to day of the business. We would also strongly advise Dairygold to attempt to complete the requirements to become a fair trade firm as soon as possible, as it would greatly increase their chances of reaching the more environmentally conscious audiences.

"Develop, retain, and attract a diverse and high performing team, reflecting our future ambition," is what Dairygold have stated in their strategy roadmap. We advise Dairygold to set up an innovation lab within the business that focuses on developing new products, innovative problem-solving techniques, and emerging food science trends. Employees will be able to take on new tasks and stay innovative in order to expand the company. Creativity and innovation will now be rewarded under a new rewards program and we suggest setting up an online hub where staff members may collaborate and share any fresh ideas they may have simultaneously. We believe that these recommendations will enable Dairygold to flourish. By focusing on international market growth, leveraging sustainability as a brand differentiator, accelerating product diversification, and fostering a culture of creativity and innovation along with a loyal customer base, business will be profitable and have the ability to grow year on year. Dairygold will be able to stay one step ahead of their competitors and can position themselves as a leader in the dairy industry for years to come.

#### **4.5 Team reflections on role of "Strategy consultants"**

Being given the opportunity to act as strategy consultants for Dairygold, gave our team a unique chance to apply frameworks that we have studied to real-world businesses, deepening our understanding of business strategy in a practical setting. We were able to analyse Dairygold's strategic position, identify key challenges and propose actionable recommendations to enhance their competitive advantage.

Identifying and diagnosing key strategic issues was one of the most valuable aspects of our role as strategy consultants. This required us to approach problems from various angles and use frameworks such as; PESTLE, SWOT and Porter's 5 forces. These tools helped us to assess external threats, such as removal of nitrates derogation and declining global dairy demand, while also recognising internal challenges like operational inefficiencies and Co-op member concerns.

Balancing trade-offs in strategic decision-making was a learning curb for us. Our challenge was to recommend strategies that balance cost leadership with differentiation, sustainability with profitability and innovation with traditional business operations. We integrated models such as Resource-Based View (RBV) and McKinsey's 7-S framework to ensure our recommendations were realistic and also aligned with Dairygold's long-term objectives.



Acting as consultants also showed us the importance of stakeholder management and clear communication. Dairygold, being a cooperative structure, shows the importance of aligning farmer members expectations with strategic goals. Transparency in decision making, investment in innovation and proactive sustainability measures turned out to be very central to our strategic recommendations.

This project helped us to understand the link between and the differences in theory and practice. Strategic models provide a structured approach, while real world application requires adaptability. External macroeconomic factors, geopolitical uncertainty and shifting consumer preferences showed us that strategy must be dynamic rather than rigid.

Overall, this experience has strengthened our ability to think critically, solve complex business problems and approach strategy from different perspectives. As consultants we learned that strategic recommendations are not just about identifying problems, but also about crafting solutions that align with the organisations vision and market realities

## Conclusion

In conclusion, this strategic consulting report has provided a comprehensive analysis of Dairygold's current position, identifying key opportunities and challenges that influence its long-term success. As a consulting team we feel the 4 stages Orientation, Diagnostics, Intervention and Evaluation critically evaluate Dairygold's position in a rapidly evolving dairy industry and provide detailed analysis that is contemporary, with recommendations that are actionable.

By implementing the recommendations outlined in this report, Dairygold can strengthen its market position, drive innovation, and achieve sustainable growth. A proactive and forward-thinking strategy will not only enhance resilience but also ensure that Dairygold remains a leader in the dairy and agri-business sector for years to come, cementing its legacy in Ireland and throughout the world for its unique quality and reputation.

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## Appendix I

### Terms of Reference

Dairygold Co-Operative Society Limited

Strategic Consulting Project for Dairygold Co-Operative Society Limited

Team Number - BS12

Industry – Agri-Business

Consulting Team Members:

- Oisin Bennis - 21351231
- Matthew Berney - 21788585
- Ben Bolger - 21313041
- Finn McCarrick - 21321411
- David Orange – 21484964
- Laeeq Ur Rehman - 22448606

### 1. Rationale for Study

Our Consulting team will focus on evaluating Dairygold's current state, identifying growth opportunities, and delivering actionable insights for performance improvement. As a consulting team, we aim to create significant value for Dairygold by enhancing its operational readiness, enabling effective benefits realization, and aligning its strategy with industry best practices. We will manage this project effectively by breaking down the project which will allow us to monitor key project milestones and reflect on our performance. Working together as a consulting team with a clearly defined methodology process for consulting will allow us effectively complete this consulting project.

#### A. Readiness assessment

Dairygold was selected for a number of reasons, Firstly Dairygold operates as a premium Irish Agri-Business. The business, one of Ireland's leading Agri traders, is based in the Golden Valleys of Munster and that appealed to us. Dairygold was also selected due to its prominence in the dairy industry, its ongoing transformation initiatives, and its commitment to sustainability and operational excellence and its 2030 Vision. The change that Agri businesses such as Dairygold will need to make to protect the environment for the long term motivates our consulting team to provide advice that can have a tangible, meaningful impact on our client and on society. Dairygold currently stands at the threshold of an era of new opportunities, which will set the Business on a new, innovative and sustainable growth path. This is a very exciting time for Dairygold and we want to help this journey. Dairygold's goal every day is to optimise and grow their core business with values that are led by deep-rooted tradition as a rural, community-oriented co-operative of hardworking farmers and families. Everything comes from that grassroots focus on quality, honesty and community. These values will allow us to build and maintain relationships with our client. Dairygold's graduate programme will also help foster a culture where change is encouraged and creates a high performance environment with a pool of young talent with fresh ideas. We believe these qualities make use of Dairygold's current capacity to adopt and implement strategic initiatives.

As we analyse the business further we will understand strengths and areas for improvement further and how we can use our weakness and threats to be one step ahead and provide agile solutions for our client.

#### b. Benefits Realisation

The benefit for Dairygold of conducting a strategic consulting project is explained with Supporting Literature and Research that indicates strategic consulting can significantly enhance an organization's capacity to implement change, improve operational efficiency, and gain a competitive advantage. A study by (Wright and Kitay, 2002) highlights the role of consulting in driving transformative change and leveraging industry knowledge for client benefits. Throughout this consulting engagement we will lean on academic literature to help strengthen our research and use existing frameworks to provide solutions that can have a tangible impact on Dairygold.

#### C. Critical Success Factors for Consulting Assignment

To ensure a successful engagement with Dairygold, we have prioritised the following critical success factors that we want to achieve. We believe a well-defined project scope and clearly articulated objectives are essential to avoid scope creep and ensure alignment with Dairygold's strategic goals. This will develop as we further investigate. We also plan on Data-Driven Decision-Making to accurately use data which will allow our team to make informed recommendations that are specific to Dairygold's unique context. Our consulting team plan to display Agility and Flexibility in our Approach. We will maintain flexibility to adjust our approach in response to Dairygold's evolving needs or unexpected challenges, ensuring that the project remains aligned with its strategic objectives, providing contemporary solutions that are applicable in 2025 and beyond

#### 2. Project Management

Working on something as a group can be a difficult task in any walk of life. There are many factors to take into account as there are numerous personalities and opinions that are put together to achieve a common goal. In some circumstances, strong opinions and tricky characters can be overwhelming which distinguishes the reasoning behind working as a group in the first place. All of our group members have had experiences in the past where we haven't enjoyed working with others because there have been issues within the group. This was the one thing we didn't want to have during the course of working together. To eliminate the chance of this happening we met up as soon as we found out our groups and put our heads together to decide how we should go about completing the assignment.

Project management is a key aspect to group work. We divided the task at hand into five stages. These stages are the initiation stage, the brainstorm stage, the execution stage, the communicating stage, and the closing stage. This approach helps to break down a large, daunting task into a much smaller group of manageable projects. The initiation stage was just to meet up with each other to have a chat and see what company we were going to choose. We chose Dairy Gold as it is a very successful Irish company that we all thought had a very interesting story to tell and a lot of learnings to take away after researching it. Next we have the brainstorm stage. Here we divided up roles between all members. This is important as we didn't want to be overlapping our ideas and create extra and unnecessary work for each other.



We gave clear instructions to everyone and we now know the part we have to play in completing the assignment. Another part of this stage was deciding on deadlines. We have dates we want certain work completed by just so we can manage the project to the best of our ability. The execution stage is where we go off and research the roles we were given. We want to get as much information as possible about the company and portray our new-found knowledge in our work. We met as a group very early on so we all have lots of time for this stage. We cut out stress and gave ourselves the best chance at putting our best effort into the project.

We constantly make sure to stay in contact with each other via WhatsApp so we can monitor and control what the other group members are doing and keep on top of our work. We have a Google Document which helps massively as we can see the work our team members are doing and make sure we don't overlap so we use our time efficiently. When we get to the final weeks of the project we will have all our work put together into the one document. We also have put an excel spreadsheet to help manage our work in a clear manner. The use of a Gantt has helped us to display these tasks clearly and enhance our coordination. We will proof read it and make sure it is nice and presentable. We all agreed that the work can be the best work we have ever done, but if it doesn't read well, it is all pointless. This is the way we are going to manage the project and to make sure all team members have a part to play and hold each other accountable if someone is not pulling their weight.

### 3. Key Study Activities

To ensure a disciplined approach, the consulting team will divide the methodological process into four essential stages, each emphasizing unique activities. The four stages are the Orientation Stage, Diagnostic stage, intervention stage, and evaluation stage. Below is an outline of the activities we will do in each stage.

#### I. Orientation Stage

This is the initial stage, and it is the most important stage. This stage is centred around researching, addressing, and understanding the challenges and issues that Dairy Gold might face. We will use academic literature to support our findings. By doing so we will enhance our understanding of Dairy gold. To develop our understanding, we will use different types of analysis such as S.W.O.T and for the macro-environmental factors that could pose challenges we will use P.E.S.T.L.E, we will also use the balanced view of strategy framework which will provide a comprehensive approach to strategic management and a means for performance measurement. By joining the different ideas for each analysis, a comprehensive understanding will be achieved. In this stage, we will also complete the Terms of Reference document.

#### ii. Diagnostic Stage

This stage has more of a focus on the collection of data for our project. We will identify a plan for collection of data and how we will analyse the relevant data which will address DairyGold's challenges and objectives. We will prepare interview questions to be used to interview internal shareholders from DairyGold that will help us gather insights into internal operations at DairyGold and their external market factors such as their competitors, we will use Porter's five forces to analyse the different competitive pressures which impact Dairygold, we will use value chain analysis to examine the internal value-adding activities and RBV and VRIO frameworks will be used to evaluate the unique resources at Dairy gold.

### iii. Intervention Stage

This stage involves the assessment of data through team brainstorming which will make a strategic understanding of Dairygold's position and identify any challenges and issues. We will compare the findings of Dairygold with industry literature to gain valuable insights. We will use the Dynamic Capabilities Framework to evaluate Dairygold's adaptability to sudden market changes, we will also use McKinsey 7-S to ensure that there is a sense of organizational alignment at Dairygold, we will use Porter's test to evaluate the coherence and alignment of dairy golds strategic ambitions and we will also use Kotter 8-Step change to guide a decision if there is a necessity for the strategic or organizational stage.

### iv. Evaluation Stage

This is the final stage; we will focus on developing recommendations and summarizing findings to assist Dairy Gold. We will evaluate team performance by reflecting on the project process and the effectiveness of each team member to ensure that project goals are met. We will propose and justify recommendations for Dairy gold. We will use the blue ocean strategy to identify any opportunities that have not been assessed and use strategic growth tools to create a clear outline of the potential pathways for long-term growth within Dairy gold. We will collectively assemble our findings into a cohesive framework to clarify recommendations. Finally, we will finalize our presentation and report which will have a comprehensive report detailing the challenges that Dairy gold might face, our findings, and the strategic approach we suggest.

## 4. Confidentially

The principal consulting team adheres to the University guidelines on research and agrees not to disclose, publish or authorize others to publish reports or other confidential materials obtained during the course of this investigation without the client organizations and supervisors (teaching professors) written prior authorization.

### Signature and Date

Oisin Bennis 31/10/2024

David Orange 31/10/2024

Finn McCarrick 31/10/2024

Matthew Berney 31/10/2024

Laeq Ur Rehman 31/10/2024

Ben Bolger 31/10/2024

## Appendix II

### MCKINSEY 7S

The McKinsey 7S Framework emphasizes the alignment of strategy, structure, and systems within an organization to achieve effective performance (Waterman et al., 1980)

#### Strategy

Dairygold's strategy focuses on diversification and growth in health and nutrition, as seen in its 59% stake in Vita Actives.

#### Structure

The co-op operates with a traditional, centralized structure, but may benefit from a more agile setup to support its growing health and nutrition division

#### Systems

Dairygold's systems are likely strong in milk supply management but could be enhanced with digital tools to track and improve supply chain efficiency and financial performance.

#### Staff

Dairygold has a strong workforce, but should improve engagement with suppliers

#### Shared Values

Dairygold's values are rooted in sustainability and mutual benefit for suppliers. However, transparency and supplier engagement are areas needing attention, especially in light of recent supplier dissatisfaction.

#### Skills

The co-op excels in dairy production, but should invest in developing market intelligence, sustainability practices, and acquisition integration skills to fully leverage its health and nutrition focus.

#### Style

Leadership has a top-down approach, which could be more collaborative to address supplier concerns and encourage more transparent decision-making.

## Appendix III

### SWOT ANALYSIS

STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS FRAMEWORK FOR DAIRYGOLD

#### Strengths

Strong cooperative model ensuring a loyal farmer base

Well-established global supply chain enhancing brand reputation

Reputation in dairy ingredients market

#### Weaknesses

Vulnerability to dairy price volatility

Heavy reliance on traditional dairy products

#### Opportunities

Rising demand for functional and premium dairy products

Potential for digital transformation within B2B operations

Expansion into emerging markets

#### Threats

Increasing environmental regulations

Growing competition from plant-based dairy alternatives

Economic fluctuations impacting the market

## Appendix IV

### Diagnostics - Macro-Environment Analysis

#### PESTLE

PESTLE analysis is a commonly used framework in strategic consulting to understand the macro-environmental factors affecting organizations, including political, economic, social, technological, environmental, and legal factors (Yüksel, 2012)

POLITICAL	ECONOMIC	SOCIOLOGICAL	TECHNOLOGICAL	ENVIROMENTAL	LEGAL
Subsidies and support for agribusiness	Fluctuating Milk prices	Shift in Consumer preference	Digital Transformation	Sustainability goals	Trade Agreements
Regulations from EU ( Common Agricultural policy)	Rising Costs/ inflation	Sustainability Focus	R&D and Innovation	Climate Change	Regulatory Compliance
Tariffs and trade barriers	Economic Growth		Advancements in Farming technology		

## Appendix V

### INDUSTRY ANALYSIS

#### Threat of New Entrants

**Barriers to Entry** - Dairy gold has a strong brand recognition and customer loyalty. This helps reduce this threat

**Threats** - Small scale dairy producers from emerging countries targeting niche markets.

#### Bargaining Power of Suppliers

**Supplier dynamics** - Supplier power reduced as the farmers are also the stakeholders. (co-operative).

#### Agricultural Conditions -

Faced significant challenges due to difficult weather conditions at harvest. Impacting milk production levels. (O'Brien,2023)



#### Threat of Substitutes

**Consumer preference** - Growing trend of consumers shifting to plant based products such as oat milk driven by environmental and societal trends. This can be seen as high threat for the dairy industry.

#### Industry Rivalry

**Competition** - High competition due to many established players such as Nestle. As a result, it is important to focus on product differentiation through innovation, sustainability and branding.

#### Bargaining Power of Buyers

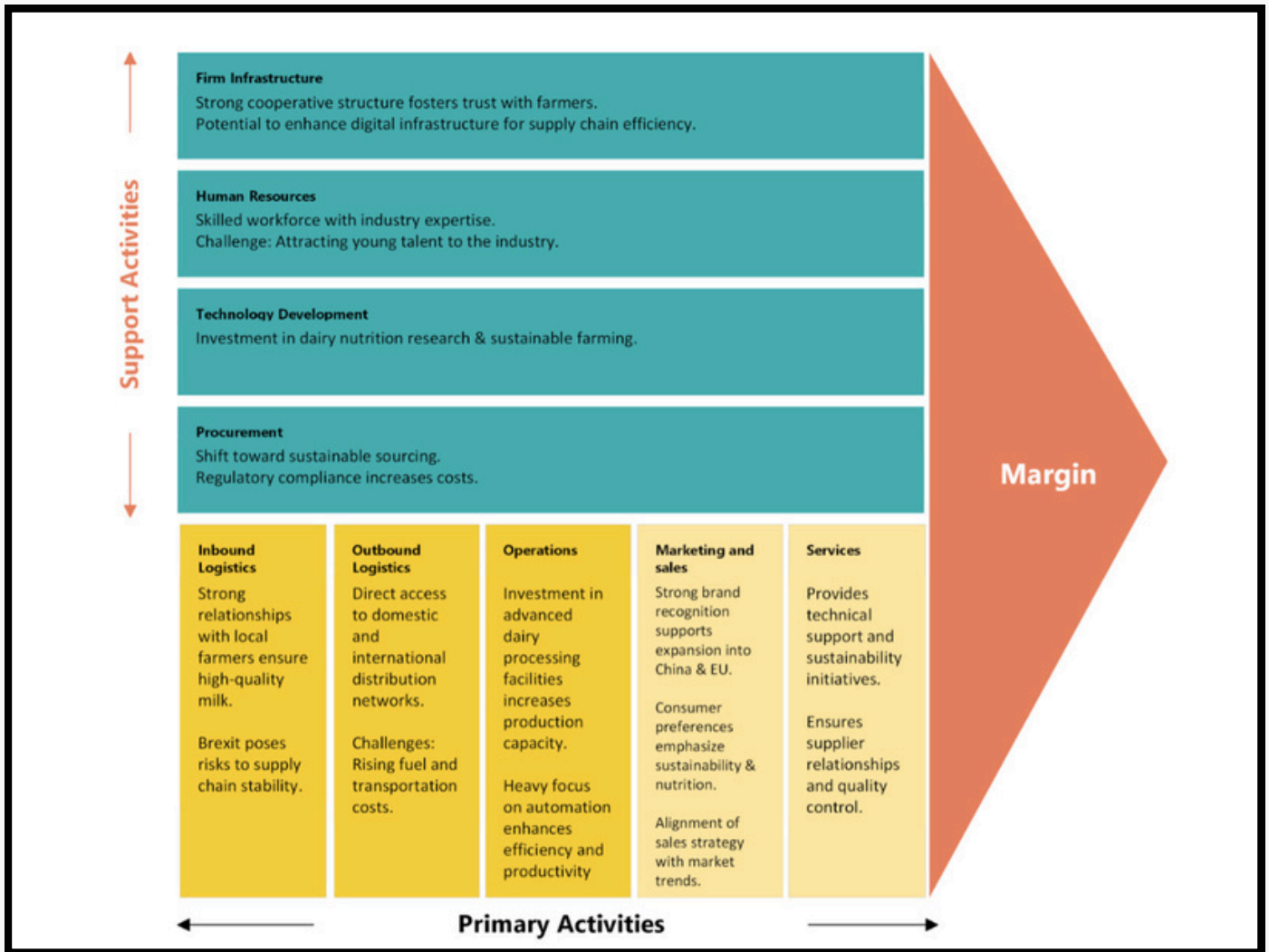
**Key Players** - Supermarkets and retailers hold a strong leverage to demand lower prices.

**Geopolitical issues** - This negatively impact the macroeconomic environment, with interest rates and inflation rising. (Dairy Gold 2023)

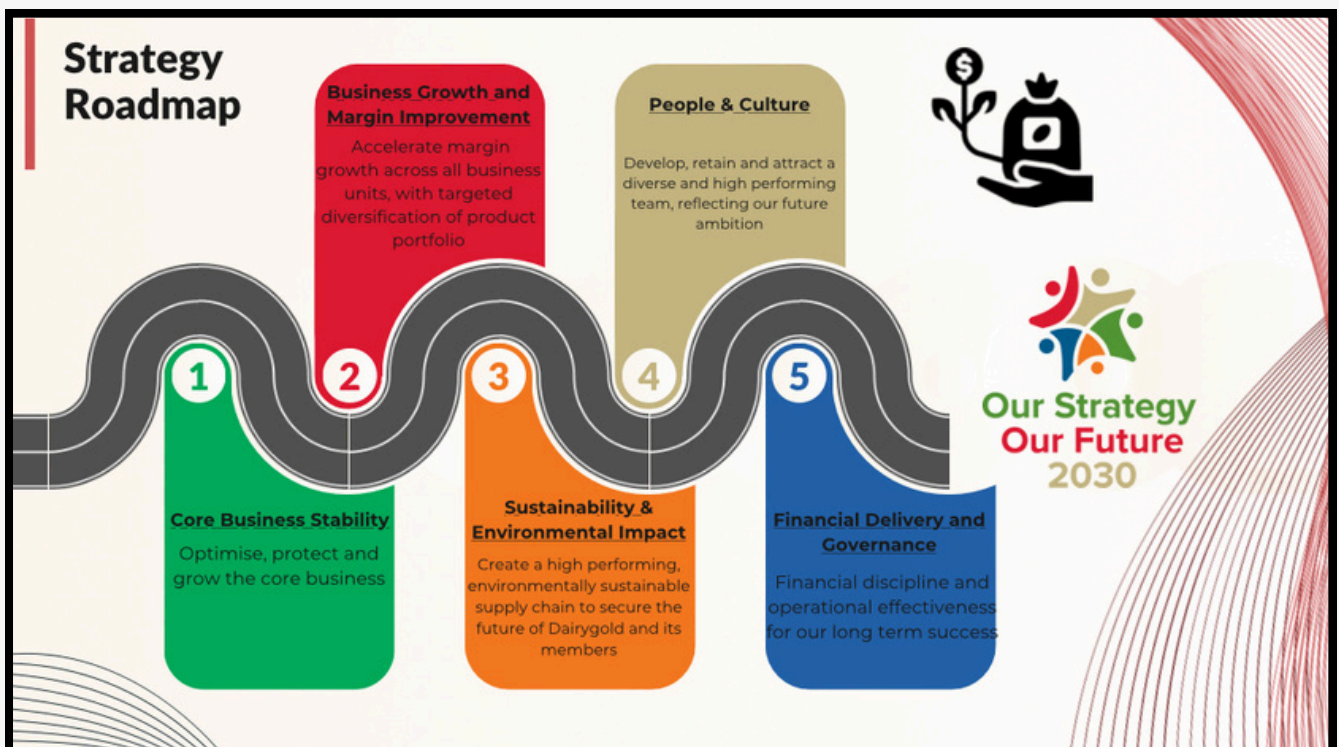
**“Strategy is about being different, deliberately choosing a different set of activities to deliver a unique mix of value “ (Porter 1996)**



## Appendix VI



## Appendix VII

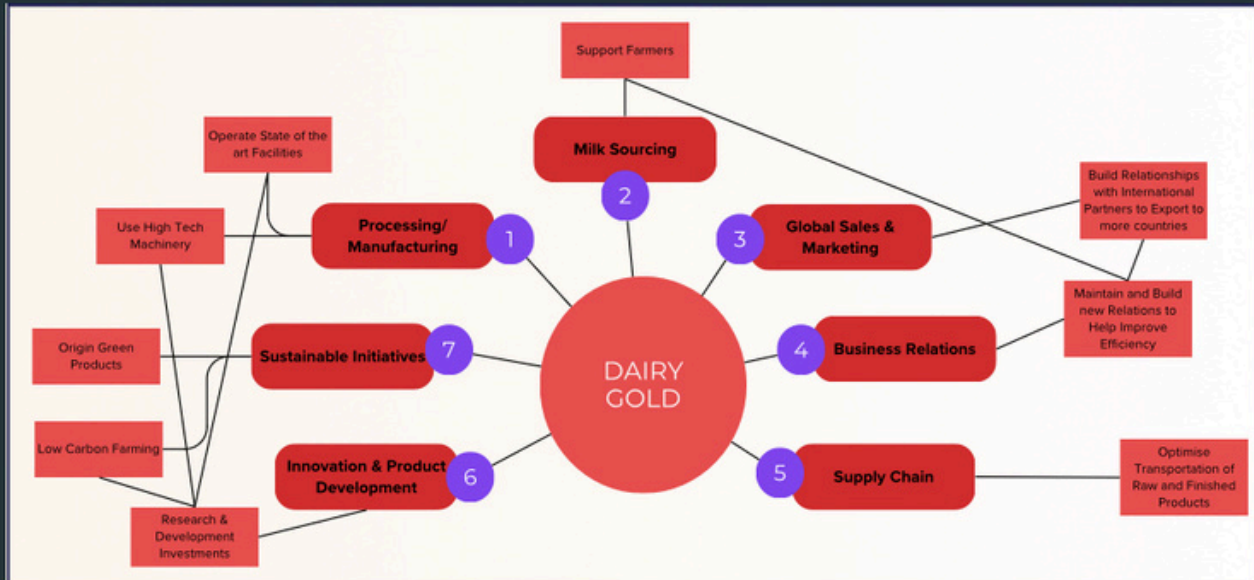




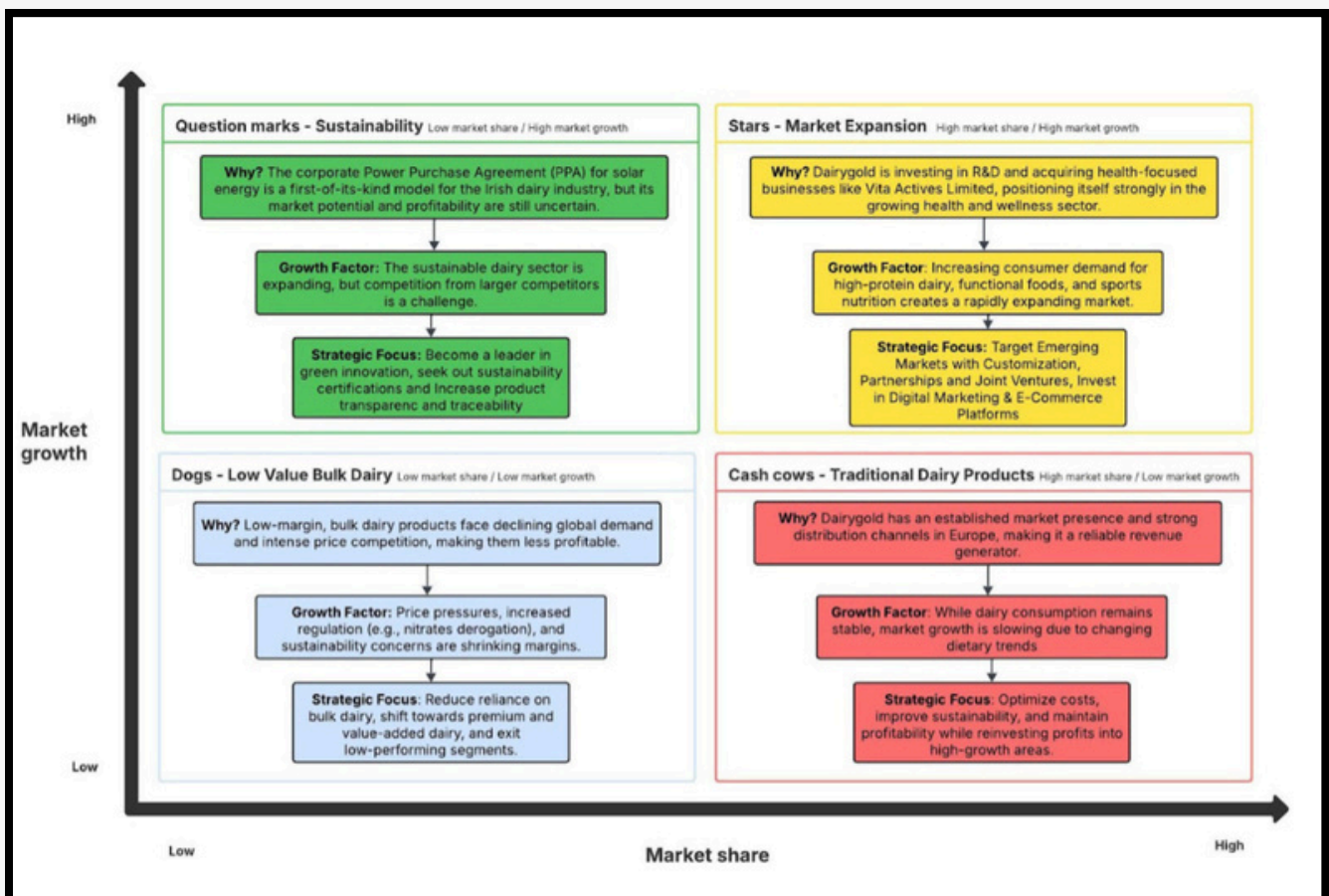
## Appendix VIII

### ACTIVITY MAP

Activity maps help align a company's internal activities with its strategy, creating a coherent structure that drives competitive advantage (Porter, 1996).



## Appendix IX



# Declaration

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DCU (BS) ASSIGNMENT SUBMISSION

Programme: BS

Module Title: Business Strategy

Module Code: BAA1019

Assignment Title: Group Project - Company Project

Submission Date: 7/03/2025

## Declaration

I/We declare that this material, which I/We now submit for assessment, is entirely my/our own work and has not been taken from the work of others, save and to the extent that such work has been cited and acknowledged within the text of my work. I/We understand that plagiarism, collusion, and copying is a grave and serious offence in the university and accept the penalties that would be imposed should I/We engage in plagiarism, collusion, or copying. I/We have read and understood the Assignment Regulations set out in the module documentation. I/We have identified and included the source of all facts, ideas, opinions, viewpoints of others in the assignment references. Direct quotations from books, journal articles, internet sources, module text, or any other source whatsoever are acknowledged and the source cited are identified in the assignment references. I/We have not copied or paraphrased an extract of any length from any source without identifying the source and using quotation marks as appropriate. Any images, audio recordings, video or other materials have likewise been originated and produced by me or are fully acknowledged and identified. This assignment, or any part of it, has not been previously submitted by me or any other person for assessment on this or any other course of study. I/We have read and understood the referencing guidelines found at <https://www.dcu.ie/library/citing> - referencing and/or recommended in the assignment guidelines. I/We understand that I/We may be required to discuss with the module lecturer/s the contents of this submission. I/me/my incorporates we/us/our in the case of group work, which is signed by all of us.

## Signed:

Finn Mc Carrick,  
Oisín Bennis,  
Ben Bolger,  
Matthew Berney,  
David Orange,  
Laeq Ur Rehman

# Team Contract

Team # BS 12

Team Members:

- 1) Matthew Berney
- 2) Ben Bolger
- 3) Oisin Bennis
- 4) Finn McCarrick
- 5) Laeeq Ur Rehman
- 6) David Orange

Team Procedures

1. Day, time, and place for regular team meetings: Weekly
2. Preferred method of communication (e.g., e-mail, mobile, landline, Blackboard Discussion Board, Zoom (or other online platform), face-to-face) in order to inform each other of team meetings, announcement, updates, reminders, problems: Face to Face / ZOOM
3. Decision-making policy (by consensus? by majority vote?): Majority vote
4. Method for setting and following meeting agendas (Who will set each agenda? When? How will team members be notified/reminded? Who will be responsible for the team following the agenda during a team meeting? What will be done to keep the team on track during a meeting?): Team leader sets agenda
5. Method of record keeping (Who will be responsible for recording & disseminating minutes? How & when will the minutes be disseminated? Where will all agendas & minutes be kept?): Team Leader

Team Expectations

Work Quality

1. Project standards (What is a realistic level of quality for team presentations, collaborative writing, individual research, preparation of drafts, peer reviews, etc.): High Standard, Hard Work
2. Strategies to fulfill these standards: Organisation, Hard work, Diligence

Team Participation

1. Strategies to ensure cooperation and equal distribution of tasks: each person is given a meaningful part
2. Strategies for encouraging/including ideas from all team members (team maintenance): open communication
3. Strategies for keeping on task (task maintenance): none, get the work done
4. Preferences for leadership (informal, formal, individual, shared): informal

Personal Accountability

1. Expected individual attendance, punctuality, and participation at all team meetings: Full
2. Expected level of responsibility for fulfilling team assignments, timelines, and deadlines: Full
3. Expected level of communication with other team members: Full
4. Expected level of commitment to team decisions and tasks. Full

Consequences for Failing to Follow Procedures and Fulfill Expectations: given honest feedback

1. Describe, as a group, how you would handle infractions of any of the obligations of this team contract: open communication and discussion

2. Describe what your team will do if the infractions continue: work together to solve

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- a) I participated in formulating the standards, roles, and procedures as stated in this contract.
- b) I understand that I am obligated to abide by these terms and conditions.
- c) I understand that if I do not abide by these terms and conditions, I will suffer the consequences as stated in this contract.

<u>Signed by:</u>	<u>Date:</u>
1) Matthew Berney	07/03/25
2) Ben Bolger	07/03/25
3) Oisin Bennis	07/03/25
4) Finn McCarrick	07/03/25
5) Laeeq Ur Rehman	07/03/25
6) David Orange	07/03/25