

WTF STUDY GROUP B

TEAM F PRESENTATION

PESTLE ANALYSIS

CASE SCENARIOS



MEET OUR TEAM



COURAGE UWAGBAE



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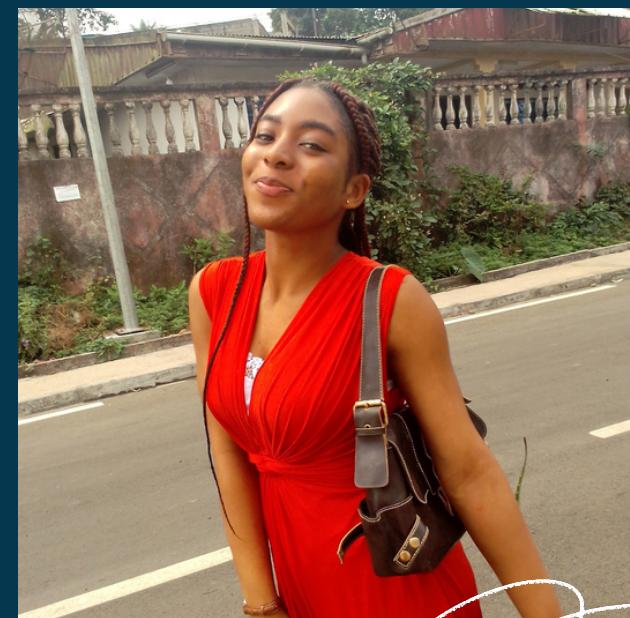
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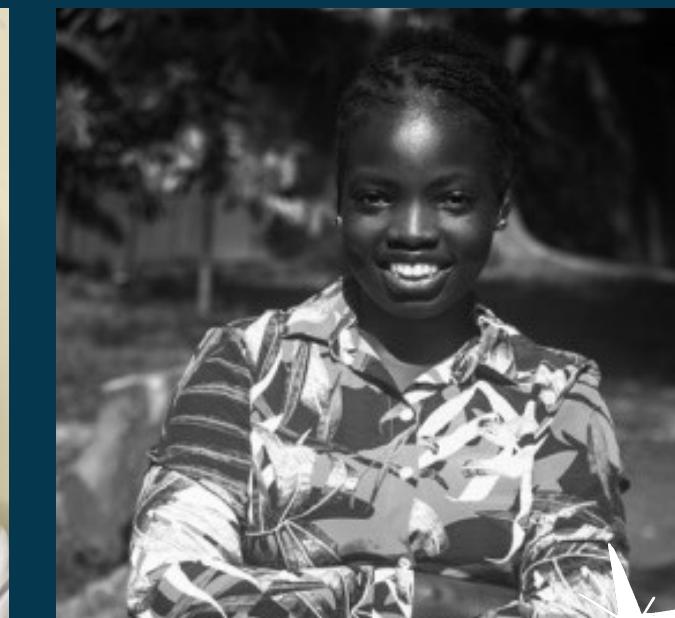
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SCENARIO 1

An export-oriented company faces challenges due to changing trade tariffs, geopolitical tensions, and global supply chain disruptions. The company needs to assess the impact on its international trade operations.

Case scenario overview: Export-oriented company (**Sky cargo shipping** company that enables importation from China to Nigeria through a third-party platform and individual).

Challenges:

1. Changing Trade Tariffs: They are facing economic challenges such as increased exchange rate/ tariffs which affects the purchasing power of the importing country slowing revenue generation.
2. Geographical Tension: They are facing legal challenges such as strained diplomatic rules that enable shipping from one country to another.
3. Global Supply Chain Disruptors: Delayed shipments, memorandum of understanding (MOU) between the countries that are responsible for layoffs.

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Trade Policies: The policies that govern buying and selling can significantly affect importation.

Political Unrest: Anarchy and divisions between the trading countries can halt operations.

Change in government: This could be due to election, Impeachment and so on. Each administration has its way of ruling. When there is a change in power, the system automatically changes. This factor can greatly affect the economy, cost of living, which in turn affect the customer's and the shipping company. The effect can either be positive or negative.

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Exchange Rate: When shipping, the exchange rate of all currencies involved depends on the state of the economy. If there is an instability in the exchange rate, it will affect the rate at which importation is done.

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Language Barrier: Communication can be challenging when there is no flow of understanding or cultural barriers in place. For example, China has a language that is vastly different from English, and without a good translator, effective communication can be difficult.

Behaviour: Societal trends and preferences can affect trade.

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Modern Technology: Technology allows for swift transactions, reducing human interference. (Skycargo's collaboration with womata allows for convenience of transaction and importation from China)

Innovation: Embracing innovative technologies can improve product quality and efficiency. (The Womata app, a sky cargo third party platform allows you to confirm the legit authentication of the seller of an item)

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Regulatory Requirements: Most countries have various shipping laws binding them and they are strict with adherence. The regulatory requirements of each country the parcel will go through have an impact on the delivery efficiency.

Legal framework: The legal requirements binding each country can affect the ease of doing business (some countries won't allow you to ship some things via a particular shipping means)

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1. Geo-regional festivals: Activities or holidays within one of the trading countries can affect activities for that period of time (Chinese holiday that happens within 14 days and everything regarding to business is halted).
 2. Environmental stability: it can affect the business as well as the movement of goods and services.
 3. Ease of Trading: it's easier to trade when you go through the right channel

INTERPLAY BETWEEN THE DIFFERENT FACTORS AND THEIR IMPLICATIONS

1. Political and Economic Factors: The introduction of a new government, and geopolitical tensions, can lead to alterations in trade policies.

- Implications: Changes in trade policies between the various countries can directly impact economic factors, affecting exchange rates, and purchasing power.

2. Social and Economic Factors: Economic conditions such as exchange and inflation rates can influence consumer purchasing power and behavior.

- Implications: Higher inflation rates, allow consumers to prioritize essential goods, impacting demand for certain products in international markets.

3. Technological and Economic Factors: High exchange rates and low purchasing power may influence the adoption of technology in supply chain management.

- Implications: Investment in advanced technologies can enhance speedy operational efficiency, and product handling, mitigate communication barriers, and improve competitiveness.



INTERPLAY BETWEEN THE DIFFERENT FACTORS AND THEIR IMPLICATIONS



4. Environmental and Technological Factors: Geo-environmental engagements/ activities can disrupt traditional supply chain routes and processes.

- Implications: Companies may need to invest in technological solutions to adapt their supply chains to environmental challenges, ensuring resilience.



5. Legal and Political Factors: Trade policies and legal frameworks, especially in the context of international trade agreements.

- Implications: Changes in legal structures can affect the ease of doing business and compliance requirements for companies involved in international trade.



STRATEGIC RECOMMENDATIONS

1. Government Relations and Advocacy: The government should introduce trade policies and navigate regulatory changes that are adjustable to change.

Recommendations:

- Engage in proactive dialogue with government bodies.
- Participate in industry alliances advocating for fair trade policies.
- Stay informed about regulatory changes and adapt strategies accordingly.

2. Digital Transformation: Digitization allows for increased operational efficiency and accuracy and allows for risk mitigation through data-driven insights.

Recommendations:

- Invest in digital technologies for end-to-end supply chain visibility.
- Implement data analytics for predictive risk assessment.

3. Strategic Partnerships and Collaborations: Collective agreement with industry-based partners allowing for shared intelligence and resources.

Recommendations:

- Forge partnerships with industry peers for collective risk-sharing.
- Collaborate with governments and international bodies for support.
- Participate in industry-specific forums and alliances.

4. Diversification Strategy: The government should mitigate risks associated with trading inflation by increasing resilience to tariff fluctuations.

Recommendations:

- Identify new markets with favorable trade conditions.
- Diversify product offerings to cater to varying tariff structures.
- Strengthen relationships with existing partners while exploring new ones.

SHORT-TERM STRATEGIES BASED ON PESTLE INSIGHT



1. Government Relations and Advocacy: The government should be able to influence trade policies

- Implementation: Engage with government agencies, industry associations, and advocacy groups to communicate the impact of trade policies.

2. Supply Chain Resilience: There should be compensation for losses incurred during shipping.

- Implementation: Identify critical points in the supply chain and implement contingency plans. Increase safety stock for key components. Collaborate with insurance companies in case of mishandling.

3. Diversification of Markets: There should be diversification of the market so as to reduce dependence on a single market.

- Implementation: Identify and target new, stable markets with lower trade barriers. Leverage existing relationships with distributors and partners.

4. Exchange rate effect: It's a determinant of how individuals use the service of the shipping company. There should be a solution to this effect.

- Implementation: A feature where a shipping fee can be paid for immediately after parcels have been sent should be incorporated, this will reduce the damage inconsistent exchange rate does.



LONG TERM STRATEGIES BASED ON PESTLE INSIGHT



1. Technology Adoption: The use of technology allows for improved efficiency and competitiveness.

- Implementation: Invest in advanced technologies for streamlined operations, like getting lifting machines for all goods, and reduce manpower to that effect.



2. Sustainability Initiatives: Implementation of a long-term sustainability plan that aligns with global trends and consumer preferences.

- Implementation: Implement sustainable practices across the supply chain. Consider the use of eco-friendly packaging materials. Introduce a new feature; Configuration - double the packaging of parcels in high-quality cartons.



3. Strategic Partnerships: There should be brand recognition in the marketplace as well as influence.

- Implementation: Forge strategic partnerships with key players in the industry. Collaborate on lobbying efforts and joint initiatives to address common challenges.



SCENARIO 2

A restaurant chain is experiencing shifts in consumer preferences, with a growing demand for healthier, locally sourced, and diverse menu options. The company needs to adapt its offerings to stay competitive..

Case Scenario

Food Republic, a food franchise, faces a challenge due to evolving consumer preferences in Nigeria. Nigerian consumers are increasingly demanding healthier, locally sourced, and diverse menu options. This trend is being driven by several factors, including:

- Growing awareness of health and wellness: Nigerians are becoming more conscious of the link between diet and health, driving a demand for healthier food options.
- Preference for local flavors: Nigerian cuisine is rich and diverse, and consumers are seeking food that reflects the country's culinary heritage and traditions.
- Desire for variety and innovation: Nigerians are open to trying new cuisines and flavors, creating an opportunity for food franchises to introduce innovative menu items.

To stay competitive in Nigeria's changing culinary landscape, Food Republic must adapt to these evolving preferences and enhance its overall brand appeal.

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- Government regulations on food safety and labeling: Food Republic must adhere to NAFDAC food safety regulations.
- Trade policies affecting ingredient availability: Food Republic should monitor trade policies that could impact ingredient sourcing and adjust its menu accordingly.
- Political stability and economic conditions: Economic stability and favorable business conditions can influence Food Republic's expansion plans and overall performance.

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- Consumer spending patterns: Food Republic's should closely monitor consumer spending trends in Nigeria to identify growth opportunities and adapt pricing strategies.
- Inflation and interest rates: They need to manage costs effectively in the face of inflation and rising interest rates to maintain profitability.
- The cost of labor and ingredients: They should optimize its supply chain and operational processes to control costs and maintain profit margins.
- The overall health of the Nigerian economy: Economic downturns can impact consumer spending and affect their sales and profitability.

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- Changing consumer preferences for food: They must adapt to the evolving preferences of Nigerian consumers by offering healthier, locally sourced, and diverse menu options.
- Health Consciousness: Nowadays, scientists know more about the relationship between food and our bodies than ever before. There's a clear relationship between the food we eat and our health, and consumers are conscious of this. As a result, many individuals are looking for healthier ways to fuel their bodies
- Dietary Restrictions: They could diversify its menu offerings to cater to the diverse culinary preferences and dietary needs of its consumers.

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- The rise of food delivery platforms: They could partner with popular food delivery platforms to expand its reach and cater to the growing demand for online food ordering.
- The use of technology in menu development and marketing: They can leverage technology to gather customer data, analyze food trends, and develop targeted marketing campaigns.
- The adoption of new technologies in food preparation and service: They Should explore new technologies that can enhance food quality, improve efficiency, and streamline operations.

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- Safety Standards: The food industry adheres to stringent safety standards, with numerous regulations governing food transportation, storage, and preparation. These regulations specify temperature limits, cleaning procedures, and other food handling practices. While these guidelines are primarily political in nature, any breach can result in legal repercussions. Consequently, food industry professionals must exercise utmost caution to comply with these regulations and avoid costly lawsuits

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- Climate change and its impact on agriculture: They could partner with local farmers and adopt practices that minimize its environmental impact.
 - Consumer demand for sustainable food practices: They should clearly communicate their commitment to sustainability to attract environmentally conscious consumers.

SHORT-TERM STRATEGIES

- Adapt Menu Offerings: Develop a new menu that includes a wider range of plant-based dishes, locally sourced ingredients, and diverse Nigerian cuisine options.
- Partner with Local Farmers and Producers: Collaborate with local farmers and producers to source fresh, seasonal ingredients and showcase Nigerian flavors.
- Embrace Transparency: Clearly communicate the provenance of ingredients and highlight sustainable sourcing practices on menus and marketing materials in English and local languages.
- Train Staff Effectively: Provide comprehensive training to staff on the new menu, ingredients, and preparation methods, emphasizing customer preferences and dietary needs.



LONG-TERM STRATEGIES

- Strengthen Brand Identity: Develop a cohesive brand narrative that emphasizes their commitment to healthy, locally sourced, and diverse Nigerian cuisine, while incorporating Nigerian cultural elements and imagery.
- Expand Franchise Opportunities: Identify strategic locations for franchise expansion within Nigeria and establish clear guidelines for franchisees to maintain brand consistency and quality.
- Invest in Innovation: Continuously research and develop new menu items that reflect Nigerian culinary trends, explore sustainable packaging solutions, and adopt innovative technologies to enhance the customer experience.
- Nurture Customer Relationships: Implement customer loyalty programs, gather customer feedback through surveys and social media interactions, and engage with customers in local communities to build long-lasting relationships.



Thank You

