



DOUGH T.O

YEC 2021 Case Competition

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Important Facts

What situation is DOUGH T.O currently in?



Current situation

- ★ DOUGH T.O has sold products through both a “pop-up” store model, catering and an online e-commerce site
- ★ Known for its [signature edible cookie dough products](#)
- ★ Strong and unique Social Media presence
- ★ Hope to establish DOUGH T.O as a household name
- ★ Looking into expanding the business

The Focus

- ★ A choice that makes a material impact on profits and aligns with DOUGH T.O's **Fun and Youthful** brand identity
- ★ Target Audience - Active and young people looking for a sweet treat

02

Key Objective

What are we focusing on delivering?



03

Expansion Options

What strategic expansion
options is DOUGH T.O considering?



Considering one of the following to expand:

- ★ 1) Open a Permanent Flagship Location
- ★ 2) Offer Franchise Rights
- ★ 3) Sell through Grocery Stores
- ★ 4) Enter into Strategic Partnerships
- ★ 5) Think Outside of the Box

Our Approach

How are we approaching the situation?



Business Strategies and Frameworks Summary

Our Criteria	SWOT	Reverse-Engineering
<ul style="list-style-type: none">❑ Reaches the target audience of youthful people❑ Will maintain the brand and customer experience of being young and fun❑ Has to make a material impact on profits	<p>Strengths, Weaknesses, Opportunities & Threats</p> <p>+ Competitive Advantage</p>	<p>What needs to be true for each option to work?</p>

Our Criteria

The solution/course of action should meet the following criteria:

- ❑ Reaches the target audience of youthful people
- ❑ Will maintain the unique brand and customer experience of being “young and fun”
- ❑ Has to make a material impact on profits



SWOT Analysis

Competitive Advantage: A growing brand for edible cookie dough with a variety of unique flavours



Strengths

Unique branding with strong social media presence

Assurance of food safety (edible dough)

Achieved significantly higher than the industry's average profit margins due to its manufacturing process and low-cost ingredients

Huge variety of flavors; That is backed up by statistics of what are most popular (e.g. "Special seasonal flavors")



Weakness

Sustainable packaging that maintains freshness

High shipping costs for online orders

Large expense on labor (Training and production)

Sales fall during Winter (likely earn half of the sales in spring and summer)



Opportunities

Viral trends during lockdown periods

More attention to vegan, gluten free, low fat options for snacks. Promoting a healthier lifestyle

Sustainable alternatives such as Bring Your Own Jar Initiative



Threats

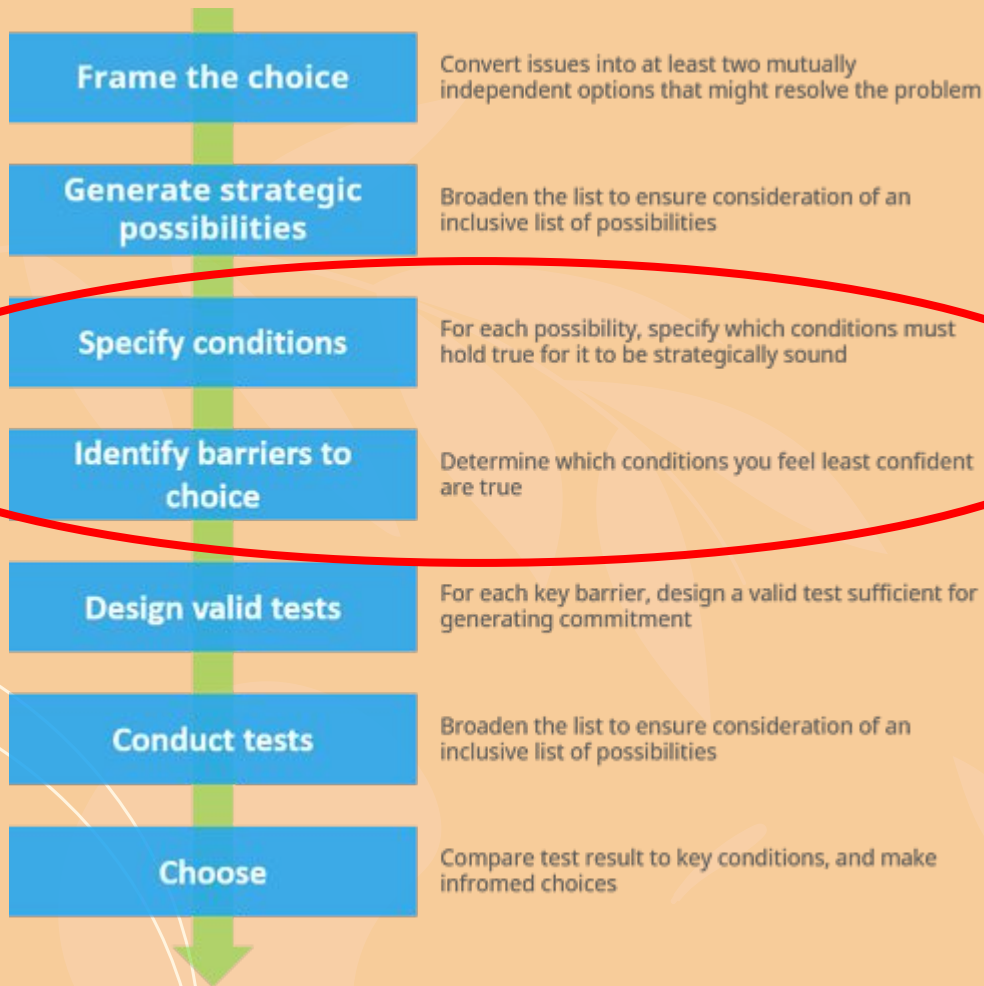
Numerous competitors such as other cookie/sweet businesses, homemade and grocery store options as well.

Sweet Jesus (Strongest Competitor)

Competitors in general have relatively easy access into the market as it is a product that can be made in home with the right ingredients and equipments

Reverse Engineering Strategic Options

(Lafley and Martin 2013)



Question:

What needs to be true for each option in order for this option to work (i.e. meet the goals of DOUGH T.O.)?

1) Open a permanent flagship location	2) Offer franchise rights	3) Sell through grocery stores	4) Enter into strategic partnerships	5) Think outside the box
Central location for all business operations	Consumers willing to visit any franchise location	Most consumers would be grocery shoppers looking for a sweet treat	Customers willing to purchase DOUGH T.O products from other brands	Consumers would have to gravitate towards the outside the box ideas
Sustain demand for products during slow periods (winter)	Sustainable financial agreement between company and franchise	DOUGH T.O brand needs to be popular enough for grocery shoppers to (a) recognize brand and/or (b) willing to try the brand	The brand, customer experience, and company standards would have to be maintained throughout all partnerships	
Offer additional products during winter	Franchise upholding company's brand and standards			
Leverage economies of scale, producing high volumes of dough at a relatively low cost	Strategic geographic locations to meet customer demand and avoid self-competition		The partner is at least as big or "bigger" than DOUGH T.O to make utilizing their reach worth our time	

Reverse Engineering - Identifying Barriers			Barriers to Choices	
1) Open a permanent flagship location	2) Offer franchise rights	3) Sell through grocery stores	4) Enter into strategic partnerships	5) Think outside the box
<p>Capital and operating costs that make it difficult to sustain growth</p> <p>Less foot traffic and in-store operating during winter months</p> <p>High overhead fees - \$7,000 monthly lease</p>	<p>Licensed owners ability to duplicate DOUGH T.O.s success, branding and customer experience</p> <p>Competition amongst franchise locations</p>	<p>Limited to the grocery store customers</p> <p>Grocery stores may not be willing</p> <p>Reduced profit margins from B2B to grocers</p> <p>Competition with other competing products</p> <p>Brand may become diluted and become mainstream</p>	<p>Creating mutually beneficial partnerships can be difficult, and the brand and products are somewhat niche.</p> <p>Finding good strategic partners that strengthen brand</p>	<p>Inability to <u>successfully</u> implement ideas (Example: Cookie dough vending machines would have a lot of maintenance costs)</p>

Our Solution:

Option 1: Open a permanent flagship location



The Sweetest Solution Ever



Meets all elements of the criteria:

1. Target youthful people due to location
2. Maintains brand and customer experience
3. Significant impact on profits.

Exhibit 5B, 59.8 percent of their revenue for 2019 came from their pop-up store; this implies that a physical location attracts business



Leverages competitive advantage from SWOT:

A growing brand for edible cookie dough with a variety of unique flavours



Unanimous Reverse Engineering decision

What More Can We Do?



Enter Strategic Partnerships

- To keep the youthful vibe and continue to engage the target, we may choose to partner with certain brands (Similar to Option 4) to increase marketing.
- This is only beneficial where both the partner and partnership also meets our criteria!



Sustainable Alternatives: The Bring Your Own Jar Initiative!

- Increase traction with the youthful audience that DOUGH T.O. is trying to target, as many of the younger generation are interested in sustainability and eco-friendly alternatives.
- This is only beneficial where both the partner and partnership also meets our criteria!

Enterprise Risk Management

What are the dangers, hazards or risks associated with our solution, and how can we solve or avoid them?

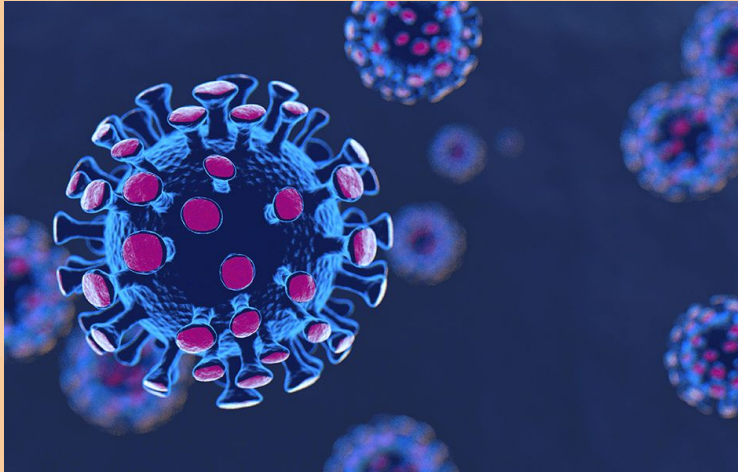
ERM



COVID-19

Enterprise Risk Management

- Pandemic proofing



- Increase amount of take-home-baking products!
- Slight increase in R&D to further develop online presence, digital marketing and delivery services

Leverage Food Delivery Services

Enterprise Risk Management

- Leverage delivery services

Shipping with instant food delivery carriers like DoorDash, UberEats, and SkipTheDishes will eliminate the need for packaging that maintains freshness for long periods of time.

DOUGH T.O won't have to worry about delivery themselves, and the customers will get their products in a timely manner.

Reduce costs on website development and management



DOORDASH

Uber Eats

***SKIP* ^{THE} DISHES**

Increase Product Portfolio

New products like

- Christmas/Holiday related products
- Biscotti Cup along with coffee (Espresso)



Key Takeaways:

DOUGH.TO is a young brand that has a stronger opportunity of expansion under the circumstances of a lockdown like lifestyle, but must defend against competitors and find a cheaper alternative on costs.

Our Analysis Uses:

- A criteria for a solution that's based on DOUGH T.O.s goals
- A S.W.O.T Analysis → Competitive Advantage
- A Reverse Engineering Approach → eliminate and isolate solutions

Our Solution: A permanent flagship location, with the addition of strategic partnerships and sustainable alternatives

Thanks!

We are now open for questions.

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Spaces for Lease



Space

1100 Square Feet

Rent

\$5,000 per month

Taxes \$2,700 per year

Location

Queen Street West

A great location for this business as we know from other revenues made in this area

References

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