



Strategic Plan

Environmental Analysis

Internal Environment

Strengths

- Bazaar Ceramics Studio has been operating for 20 years
- Wide range of products
- Sells exclusive art pieces
- Established customer base
- Responsive to the requirements of their clients
- Unique and contemporary products
- Growing reputation
- Niche market
- Outstanding business growth over last 5 years
- Increased sales by 233% in last 5 years
- Exceeding targeted sales growth
- International demand for product
- Ceramic designers and gallery director communicate regularly
- High quality product
- Sales to account customers are growing steadily
- Products are made to the highest technical and artistic standards
- Existing IT infrastructure

Weaknesses

- Cost of selling product (manual processes)
- Ordering of products must be done in person, by phone/fax, or by email
- Ordering process time consuming
- Return on investment has decreased due to the high costs of running the gallery and maintaining our international marketing campaign

- The main source of revenue continues to be from gallery sales (in person)
- Interstate and overseas clients find the current arrangements for purchasing cumbersome
- No it or technical staff employed by bazaar arts ceramics
- Increased employee numbers have increased fixed costs of the business
- The showroom has increased fixed costs dramatically in the last 3 years
- Negative return on investment in the last 3 years
- Decline in markup on product in the last 5 years
- Cost of goods sold has increased over last 5 years
- Showroom not big enough to display all products
- Production of un-saleable products
- Inability to capture sales information about popular products
- Double handling of products made by remote workers
- Any advertising brochures become quickly out of date due to uniqueness of each product
- Orders from international customers entails time zone differences
- Inability of international customers to order by phone (time zone differences)
- Only personal customers can view products adequately
- Manual order forms (costs of printing)
- Time consuming to fill in order forms for phone/fax orders
- Staff can make errors transcribing information onto forms (5%errors)
- Redundant information due to multiple forms

External Environment

Opportunities

- Business expansion
- Expand into national market
- Further expansion into the international market
- Customer requests to provide online ordering facilities
- Create communication and product website
 - Create website to market products (brochure site)

- Decrease marketing costs
 - Increase profile
- Create website to sell products (e-commerce site)
 - Increase customer base
 - Increase business reach
- Establish a strong international reputation in the 'art market'
- Move to smaller showroom to reduce fixed costs
- Gather and incorporate more feedback from customers

Threats

- Competition
- Competitors continue to make inroads into the world wide web
- Competitors have a pricing advantage because of their website (reduced marketing and sales costs)
- Fear of being 'left behind' competitors if website is not implemented
- High advertising costs
- High value of Australian dollar is a constraint to exporting into international markets
 - Products less affordable to overseas customers
- Growing bargaining power of account customers (25% discount fair?)

Critical Issues and Strategic Objectives

Critical Issue 1: Gallery costs

Strategic Analysis:

- Return on investment has decreased due to the high costs of running the gallery and maintaining our international marketing campaign
- The main source of revenue continues to be from gallery sales (in person)
- Cost of goods sold has increased over last 5 years
- The showroom has increased fixed costs dramatically in the last 3 years

Strategic Objective:

- Explore alternatives to selling in gallery sales

Critical Issue 2: Manual processes

Strategic Analysis:

- Manual order forms
- Cost of selling product (manual processes)
- Ordering processes time consuming
- Staff can make errors transcribing information onto forms (5% mistakes)
- Redundant information due to multiple forms

Strategic Objective:

- Automate processes for employees

Critical Issue 3: Double handling of Products

Strategic Analysis:

- Double handling of products made by remote workers

Strategic Objective:

- Develop direct shipping processes from remote workers to client

All the above could come under one heading "production costs" with strategic objective: automate production processes where possible and improve efficiency in handling goods

Critical Issue 4: Pressure on profit

Strategic Analysis

- Increased employee numbers have increased fixed costs of the business
- The showroom has increased fixed costs dramatically in the last 3 years
- Negative return on investment in the last 3 years
- Decline in markup on product in the last 5 years
- Manual order forms (costs of printing)
- High advertizing costs
- Exchange rate

Strategic objective:

- Reduce fixed costs

Critical Issue 5: Ordering process for customers

- Ordering of products must be done in person, by phone/fax, or by email
- Ordering process time consuming
- Interstate and overseas clients find the current arrangements for purchasing cumbersome
- Orders from international customers entails time zone differences
- Inability of international customers to order by phone (time zone differences)
- Time consuming to fill in order forms for phone/fax orders

Strategic Objective

- Automate ordering process for customers

Critical Issue 6: Lack of IT support

Strategic Analysis

- No it or technical staff employed by bazaar arts ceramics

Strategic Objective

- Hire IT staff

Critical Issue 7: Lack of showroom space

Strategic Analysis

- Showroom not big enough to display all products

Strategic Objective:

- Explore alternatives to gallery display

Critical Issue 8: Inadequate sales information

- Production of un-saleable products
- Inability to capture sales information about popular products

Strategic Objective:

Improve feedback mechanism from customers

Critical Issue 9: Advertising processes cumbersome

Strategic Analysis

- Any advertising brochures become quickly out of date due to uniqueness of each product

Strategic Objective:

- Find alternative methods of advertizing

Critical Issues 10: Competition

Strategic Analysis

- Competition
- Competitors continue to make inroads into the world wide web
- Competitors have a pricing advantage because of their website (reduced marketing and sales costs)
- Fear of being 'left behind' competitors if website is not implemented
- Growing bargaining power of account customers (25% discount fair?)

Strategic Objectives:

- Explore opportunities to improve competitiveness