**BSG Strategic Simulation Memo**

Date: [insert date]  
To: Sharon Beaudry  
From: E Company

Subject: [insert Decision Year]  
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**Company Strategy**

The answers to these questions **should NOT be generic**.  Think about the type of shoes you will be selling?

* Are they low quantity, high-quality pricey shoes marketed to a nitch environmentally conscious consumer in only one or two areas of the global market?
* Or are you looking to manufacture high quantity, low-cost shoes in more economically advantageous areas where labor is cheap, and then sell them to retailers like Wal-Mart?
* Or are you looking to produce averaged price shoes with superior manufacturing methods?

Your report should reflect your company’s direction. It should be specific and easily identify your company’s strategy- therefore it should not be generic.  Your work should reflect the text, simulation, as well as your cumulative business knowledge. Your team will add to this memo every week with your company decisions.

**Week 2** (Complete this section in week 2 and only update if your company shifts strategy)

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| **Company Name** |
| E Company |

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| **Mission Statement** |
| If you have a foot, we have a shoe for you. |

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| **Vision Statement** |
| We want to be a part of every step that is taken in the world. |

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| **Core Values** |
| Embrace the change that comes from the styling world. |
| Sell products that work for everyone. |
| Pursue growth and learn from that growth. |
| Do more then just cover your feet. |

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| **Strategic Objectives** (be specific and quantifiable) | **Strategy** (How will you meet these objectives?) |
| 1 Reach ever person possible. | Grow retail selling locations within market. |
| 2 Increase Workforce output. | Combination of increase in workforce and incentives. |
| 3 Increase Demand for product. | Combination of celebrity endorsement and quality rating. |
| 4 Have a competitive customer rating. | Buy quality materials, and not increase the price to beyond competitors. |
| 5 Create a product that is popular. | Do everything above, plus get celebrity endorsement. |

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| **Financial Objectives** (be specific and quantifiable) | **Strategy** (How will you meet these objectives?) |
| 1 Increase Stock Price | Increasing value of the company through sales and opinion rating. |
| 2 Continue on a sustainable growth path. | Offer competitive pricing and quality. |
| 3 Give shareholders a profit. | Sell at a profit with a high net profit %. |
| 4 Increase retail outlets. | Offer better deals. |
| 5 Increase cash balance for future purchases. | Limit amount of loans and expenses that could create negative cashflows. |

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| **Explanation of how your vision, mission, core values and objectives will drive your company.** |
| *The mission and vision are simple and explain that the company want to grow and be a popular shoe. The core values help achieve and image that we are a company that values quality and what the customer will want and our objectives show that we will work to improve the shoe until it’s what the customer wants.* |

**Weekly Decision Summary** *(complete this section during week 3- 10 for decisions 12-18)*

1. *After reviewing the reports and scanning the competitive environment, summarize issues that may effect your company. Be specific – 200 word summary.*

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| **Competitive Environment Summary** |
| **Right now the environment is extremely competitive since it appears the top couple companies are taking over the entire market. A potential problem I can see from the reports is that since the top companies are doing so well they are currently investing in larger spaces to increase production which when completed will allow them to sell more and more, and therefore cornering the market. What also seems to be happening is internet sales are driving the top companies. There sales appear much larger then the rest of us.** |

1. *Based on your review of the competitive environment, summarize any changes to the strategy you set above. (Make the changes above, then summarize why you made this change in this box).*

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| **Changes to Strategy** |
| **After looking over the different reports from year 11 - 13 and the previous two practice years one of the key factors that I’m seeing is that the companies that have the highest overall scores are also the ones that have all the celebrity endorsement. So, in order to change me “value” as a company I will be focusing heavily on celebrity endorsement to increase my image and therefore increase my ability to sell in this market.**  **I’m also lower the amount of shoes that I am selling and upping the quality to try and compete with K company by offering a high quality but lower then market price since I have lower overhead presumably then there larger company.** |

1. *Discuss steps you are taking to meet your strategic objectives this week*

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| **Strategic Objectives** | |
| **1** | *increase my image rating (There listed above in the strategy)* |
| **2** | *some celebrity endorsement* |
| **3** | *change the number of shoes that I am selling in north American and in Asia in order to meet the demand* |
| **4** | *hold off on increasing the pairs shipped out of my facilities* |
| **5** | *INCREASE quality of shoes* |

1. *Discuss steps you are taking to meet your financial objectives this week*

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| **Financial Objectives** | |
| **1** | *Lower distribution costs* |
| **2** | *Increase stock price* |
| **3** | *Increase earnings per share* |
| **4** | *Increase net profit* |
| **5** |  |

**Weekly Topics:**

In addition to the above, answer the following weekly topics:

**Year 11**: In 200 words, discuss how Porter’s 5 Forces theory can be applied to your company?

*Having a large number of competitors can largely affect your ability to sell and the price that you sell at so making sure that you are offering something that others are not can help lower your competition.*

*The competition can also be affected my new companies that come into the market. I don’t see this as much as a problem since we have a limited amount of people in the game, but someone could come into a smaller portion of the market and effect my position.*

*Next is the suppliers of the industry which could change the amount of product that I could create if they change their prices or agree to sell to someone else in the industry. Being in an industry with lots of suppliers means that you have more control over the price since you could just go somewhere else.*

*Much like the competition of a company substitutes create a problem where rivals could be creating similar versions of your product that have more favorable prices or materials depending on the market. This is extremely possible in the game and will most likely happen.*

**Year 12**: In 200 words, discuss your company’s strength and weaknesses? How do you know? What are your core competencies?

*Strengths are that in the early stages of development I can change the track that I am on very easily and pivot to a different section of the industry that could be more favorable to me. The negatives are that the industry doesn’t have that many available sections to pivot to. Most the differences in the industry rely on products price and quality. Another possible weakness contrary to that first point is that because I am smaller my ability to compete in a new section of the industry might not be that effective against someone that is already rooted and stable in that area.*

*I would say that my company is not old or rooted enough to have a core competency. In the future I could say that I wish it was availability and strength in number of available product but its too early for that.*

**Year 13**: In 200 words, discuss the Five Generic Strategies in relation to your company?

*The Five Generic strategies are Cost Leadership, Cost Focus, Differentiation Leadership, and Differentiation Focus. Overall, I would say that currently I don’t relate to any of these categories since my company is behaving so poorly in the market. However, I was aiming for the overall cost leadership strategy since my goal was to provide a product/products that would work for everyone and be cheap enough to afford. Creating that blanket of coverage over the entire market where the brand name is so large that it is no longer so dependent on the product but rather that its just familiar.*

**Year 14**: In 200 words, Discuss how you are using offensive and defensive strategies?

*This year im going on the offensive and focusing on what makes K company the best in the game. According to there rating on the scoreboard they have a low number of total shoes but they are the highest in quality so I will be raising my quality and cutting back on number of shoes. This in combination with very high celebrity endorsement should start to help me gain more traction in the market.*

**Year 15:** In 200 words, how is your company using international strategies?

**Year 16**: In 200 words, how is your company using diversification strategies?

**Year 17**: In 200 words, how is your company using CSR strategies?

**Year 18**: N/A

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| **Weekly Topic**: |