



# Scenario Planning for Kraft Heinz

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## 1. Introduction

Kraft Heinz is a multinational food company headquartered in the USA chaired by Mr. Alexandre Behring. Heinz founded in 1869 at Sharpsburg, Pennsylvania selling sauces, soups and it later merged in 2015 with Kraft while keeping 51% of shares. They have since acquired over 200 household brands under its umbrella. Its main products include sauces, baked beans, pasta, grocery manufacturing. It is the fifth-largest beverage company in the world, with \$6.4 billion revenue made alone in 2018.

They are one of the biggest firms in this industry, and to ensure they stay at the top; I will be conducting a PESTLE and SWOT analysis. This type of analysis is a vital planning tool to do a situational analysis of the company and its position in the market. In the 21st century, strategic planning is an increasingly important requirement for any firm. The food market is so highly complex and vastly competitive such that it is impossible to survive by only improving efficiency. Products need to be continuously updated and reinvented to keep pace with modern trends while increasing industrial capabilities. Heinz needs to be prepared for any scenarios for survival and to gain advantages over its competitors.

Their current strategies appear to be to acquire brands, promote them, and cut costs. In doing so, they produced massive losses causing questions to arise over the firm's strategy by investors as accredited by CNN. Moreover, I and my team, I have researched this matter to help Heinz Kraft recover their position in the market and help them prepare for the coming times.

### 2.1 Vision Statement and focal Issue

Their vision statement is to be the best food company, growing a better world. We thought this was very vague, and it does not inform the stakeholders of the firm's strategy, which potentially lowers their confidence levels of the company's management. We then generally agreed that they need to reinvent themselves as a major household brand by following modern trends. Hence, we chose our focal issue to be:

"How can Kraft Heinz increase its market share within the vegan/vegetarian product market in the UK, while promoting healthy living and eating? "

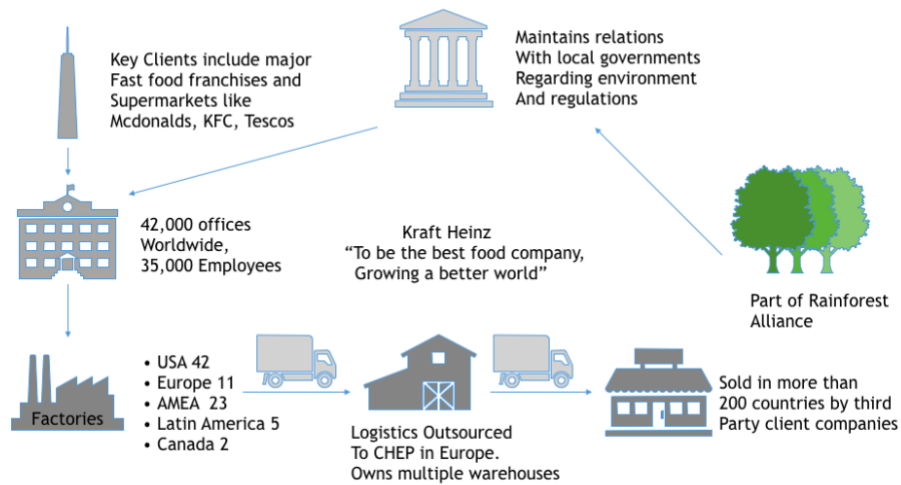
The move comes as restaurants are capitalizing on increasing demand from UK customers for vegetarian and vegan food options. Big Firms like Burger King and McDonald's have already done so recently. Greggs launched a vegan sausage roll at the beginning of the year, which it credited with boosting sales. There is a clear opportunity for healthier food options within the millennial market. Heinz has already begun investing in this market by investing in a vegan mozzarella cheese start-up on 21 September, but this needs to be at a larger scale.

## 2.2 PESTLE Table

<b>Political</b> <ul style="list-style-type: none"> <li>• Employs a government legal team to maintain affairs</li> <li>• Government dictates on pay and employer protections</li> <li>• Clarity over pricing and selling policies</li> </ul>	<b>Economic</b> <ul style="list-style-type: none"> <li>• understand impact of fluctuations on the exchange market to price better</li> <li>• Account for inflation in pricing</li> <li>• Compete with other firms by pushing prices down and promotion</li> </ul>	<b>Social</b> <ul style="list-style-type: none"> <li>• Ensure fair trade</li> <li>• Understand local attitude towards food and religious restrictions</li> <li>• Maintain customer expectations</li> </ul>
<b>Technological</b> <ul style="list-style-type: none"> <li>• Invest in better machinery to most output</li> <li>• Consider AI to replace workers and increase production</li> <li>• Follow a continuous chain of production to be quick and efficient</li> </ul>	<b>Legal</b> <ul style="list-style-type: none"> <li>• Increase transparency within the finances and labour to build trust with legal teams and governments</li> <li>• Ensure labelling matches with the country's standards</li> </ul>	<b>Environmental</b> <ul style="list-style-type: none"> <li>• Use recyclable packaging</li> <li>• Use energy from sustainable sources</li> </ul>

This table explores the different factors within specific categories like technology and environment, which affect Heinz's capabilities and reputation with the public. The factors generated here can be used later to identify weaknesses and threats for scenario conception, where we can use this to construct SWOT matrices.

## 2.3 Rich Picture



This detailed, rich picture explores the relationships between different sectors in Heinz and what their basic logistic scheme appears to be. We can see how Heinz maintains its relations with its clients, interests, and local government.

## 2.3 Business Model Canvas

<b>Key partners</b> <ul style="list-style-type: none"><li>• Retailers- Tesco/Costco/Sainsbury's</li><li>• Fast food restaurants e.g. Burger King</li></ul>	<b>Key activities</b> <ul style="list-style-type: none"><li>• Selling to retailers</li><li>• Food production</li></ul>	<b>Value proposition</b> <ul style="list-style-type: none"><li>• Low cost, high quality</li><li>• Customer First</li><li>• Innovation</li></ul>	<b>Customer relationships</b> <ul style="list-style-type: none"><li>• Customer loyalty</li><li>• Well reputed name</li></ul>	<b>Customer segments</b> <ul style="list-style-type: none"><li>• Budget</li><li>• Students</li><li>• Condiments</li></ul>
	<b>Key competencies</b> <ul style="list-style-type: none"><li>• Nestle</li><li>• Nescafe</li><li>• Lots- Heinz very diverse range of products</li><li>• Think of location, space</li></ul>		<b>Channels</b> <ul style="list-style-type: none"><li>• Retail</li><li>• Restaurants/Fast Food</li></ul>	
	<b>Key resources</b> <ul style="list-style-type: none"><li>• Receipe</li><li>• Factories</li><li>• Offices</li><li>• Labour</li></ul>			
<b>Cost structure</b> <ul style="list-style-type: none"><li>• 83 offices (rent, salary)</li><li>• Salaries- 38,000 employees</li><li>• 42,000 factories globally</li><li>• Raw products eg tomatoes, eggs etc</li></ul>		<b>Advertising</b> <b>Logistics</b>	<b>Revenue streams</b> <ul style="list-style-type: none"><li>• 200 household brands under Kraft-Heinz</li><li>• Shareholders</li></ul>	

This table provides us Heinz's primary business model canvas created as a group project. We contained vital details within each component of the canvas, which outlines their priorities and values within the company. This data will be useful when brainstorming factors, scenarios, and strategies.

### 3.Resources and Capabilities

This is a table which clarifies Heinz's assets and analyses strengths and weaknesses for each factor/department. This was created in coalition with fellow members of my team.

Financial resources	Explanation	Strength (S) / Weakness (W) identified
Market Capital	\$32.4 bn	Attractive to investors (S) Limited growth rate (W)
Revenue	\$6.4 bn	Good cost structure (S) Low spending efficiency (W) Uneven market share across its products (W) Fall in revenue (W)
Cash	\$1.1 bn	Good cash flow (S) Low current ratio (W)
Shareholders, Bankers	1.2 billion shares in circulation with price of \$30	Large capital base (S) Stock market volatility (W)
<b>Physical resources:</b>		
Factories	86 factories in more than 15 countries	High automation (S) Significant proportion of rented property (W)
Offices	61 offices across 22 countries	Significant proportion of rented property (W)
Production equipment	Includes all types of machines, which are involved in production and packaging process	High quality equipment (S)
Production capacity	The volume of products or services that can be produced by an enterprise using current resources	High production capacity (S)
<b>Human resources:</b>		
Employees	38 000 employees worldwide	Disloyal workforce (W) Little investment in employee training (W) Diverse and skilled workforce (S) Low work morale (W)

		Performance appraisal is not done in a systematic way (W)
Customers		Not consumer-centric (recently) (W) Brand loyalty (S)
Leadership	CEO Miguel Patricio, leadership at other large companies e.g. Coca Cola	Experienced leadership (S) Highly centralised decision making (W) Limited expansion in adjacent product segments due to rigid organisational structure. (W)
Communication and IT systems		Little investment in new technologies (W)
Process management		Strong ability to avoid supply chain bottlenecking (S)
<b>Intellectual resources:</b>		
+200 household brands		Robust and wide brand portfolio (S) Gaps in the product range (W)
Intellectual properties		Strong ability to avoid supply chain bottlenecking (S)
Cooperation with retailers		Robust distribution network (S) Strong relationship with retailers (S)
Organisational awareness and concern for the social and environmental context		High brand awareness (S) Effective CSR in the field of energy usage, water conservation, reduction of greenhouse gases, etc. (S)
Patents	Over 200 hundred patents overall	Unique characteristics within the production process (S)

Capability	Explanation	Strength (S) / Weakness (W) identified
Production		Frequent product recalls (W) High production capacity (S)
Packaging		Innovative packaging (S)
Delivering to the distributors		Advanced logistics technology from Four Kites (S)
Product development		Frequent developments of current products (S) Reducing the number of innovations (W) Slow in developing new products (W)
Marketing		High brand awareness (S) Decreased spending on marketing (W)
Financial managing	Managed by CFO Paulo Basilio and his teams	Increased visibility within operations (S)  Significant decrease in the major financial indicators (W)
Government relations	A team focused on government affairs	All employees must receive approval in advance from the Global Head of Government Affairs before making any political contributions from corporate funds (S)
Committing M&A		Very experienced in the M&A field. (S) High level of successfully closed deals. (S) High level of attention towards the internal development, while spending less attention on development in new directions. (W)
R&D		High expenditure on R & D (S)

We split up critical units within Heinz and put them under microscopic assessment to identify the considerable meaningful strengths and weaknesses of Kraft Heinz. This method was fruitful as we identified plentiful strengths and weaknesses within Heinz.

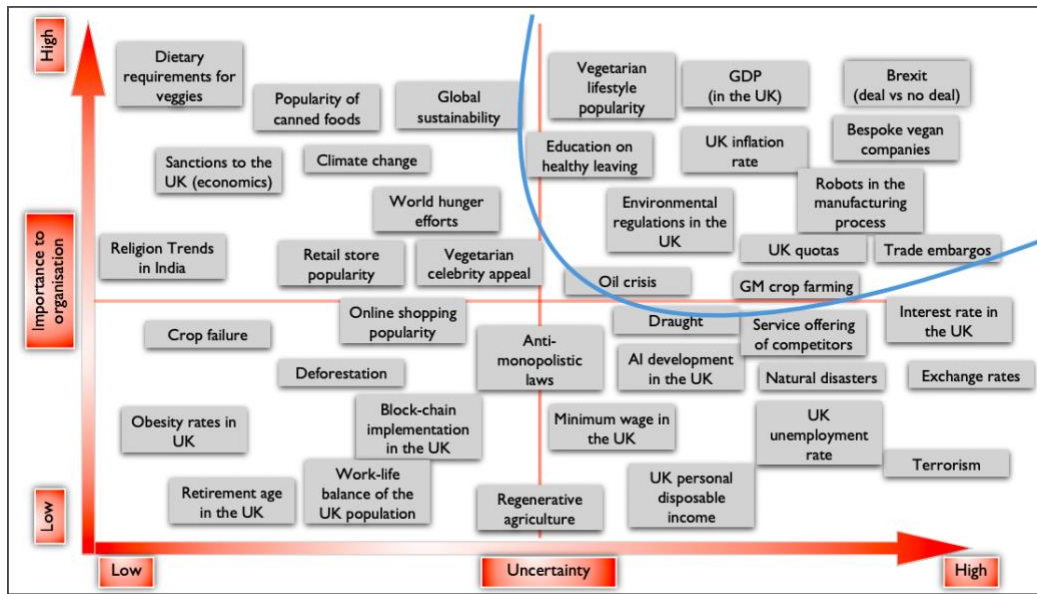
As a group, we identified 25 strengths and 22 weaknesses within Kraft Heinz's resources and its capabilities, as shown in tables previously. For my SWOT Matrix, I will only select the most crucial and appropriate factors for my strategies.



## 4. Scenario Conception

### 4.1 Factor Generation and clustering factors into Importance/Uncertainty matrix

In collaboration with my group, we came up with multiple factors that affect the company's potentials. We then ranked them according to importance and uncertainty of the elements and plotted them on a graph. Afterward, we split the figure into quarters and highlighted the top right section, which are factors we considered would have the highest significance to the firm. Three further factors outside the region were chosen to give us a variety.



We then picked the three main factors which we believe are the most critical factors for a vegan company may face. First is UK trade regulations because some products are imported, and their prices and availability will be hit by tariffs/regulations. Next is bespoke vegan companies because, for a firm looking to enter the market, it is crucial to understand competition and whether it is profitable to enter the market and compete. Last is vegan popularity, which is an essential factor because the more popular a product is, the higher the demand and profit for the company. My team decided to use a systematic approach to theme generation to come up with scenarios, as shown below. This involved using the three factors as a framework to develop scenario themes.

## 4.2 Systematic approach to scenario theme selection

Scenario/ Factor	1 Outbreak	2 Divided	3	4 Hectic	5 Emerging	6	7	8
UK Trade regulations	Lenient	Strict	Lenient	Lenient	Lenient	Strict	Strict	Strict
Bespoke vegan companies	Monopolistic	Perfect competition	Perfect Competition	Perfect competition	Monopolistic	Perfect competition	Monopolistic	Monopolistic
Veggie lifestyle popularity	Sparsely spread	Widely spread	Sparsely spread	Widely spread	Widely spread	Sparsely spread	Sparsely spread	Widely spread

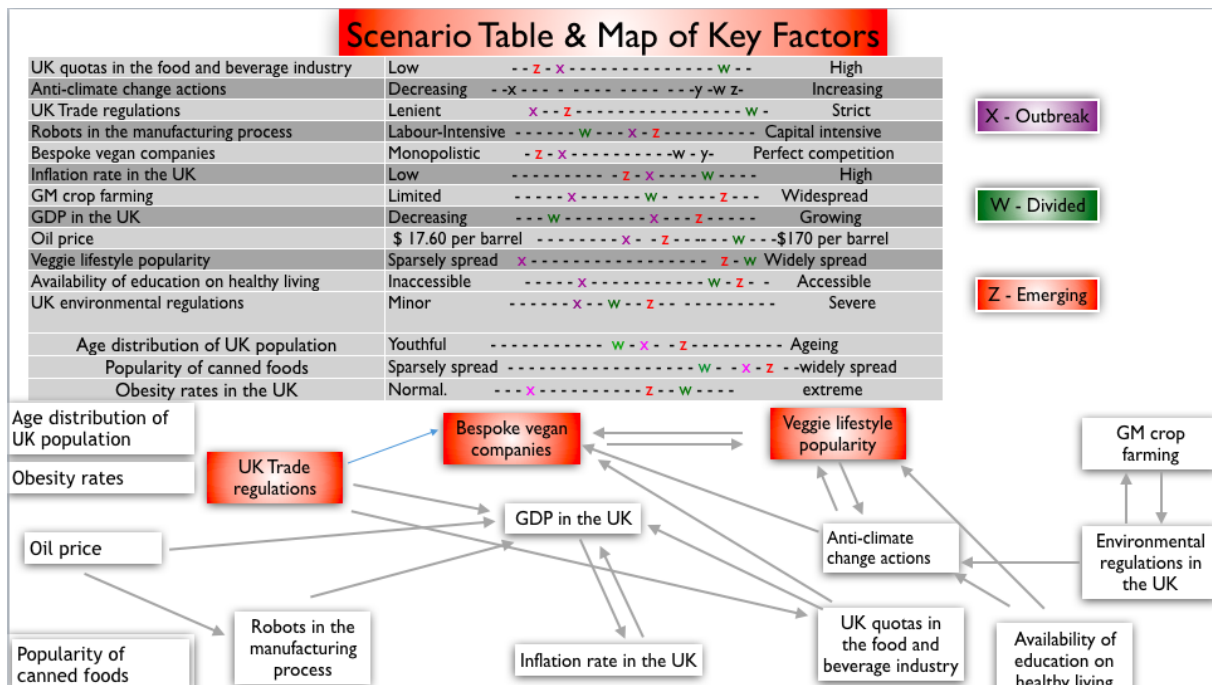
In this article I will only be considering the following scenarios:

Scenario 1: Outbreak of disease on vegan products cause its popularity to decline and fewer companies are investing into this market

Scenario 2: Divided, to strict trade regulations many UK start-ups in vegan industry boomed.

Scenario 3 – Emerging, huge opportunity to invest into the market as vegan popularity is at an all-time high

## 4.3 Factor ranges and interconnection



As shown above we gave each of our factors a range and then plotted where each scenario would be at each of the ranges. This allows us to review how clear our labels are and helps understand what changes in each scenario for the factors. We also interconnected the factors for robustness checking and understand the way that changes may unfold within your industry environment and what change combinations are plausible. This helps in writing the scenario narratives.

# GREEN PLANET

## EMERGING SCENARIO: THE UNSTOPPABLE RISE OF VEGANISM AND HEALTHY LIVING

### More people going vegan

#### GROUP 7

Today marks the 85th anniversary of the vegan society, a day to celebrate cruelty-free food. First started by the British animal rights advocate Donald Watson and his associates who seek to advise the population of sustainable living and increase the availability of education of healthy living, health, and eco-conscious millennials became the driving force behind the upward trend. Since then a quarter of the British population currently, adopt meat-free values. Plant-based meat now is worth over 140 billion dollars. This has led to more start-up companies focusing on vegan dietary.

Currently 25 in every 100 people in the UK are vegan and this value changes to 35 in 100, for those aged under 30. Companies have begun to realise that there is more to veganism than it being another consumer fad. According to behavioural professors from Warwick, there is more to being vegan than eating vegan. For example, the choice of being vegan for some consumers is primarily led by animal rights cause. This makes their motivation for consumption of vegan products even stronger. This rather unique aspect of veganism, compared to other trends, means it is probably here to stay for the next few generations. This is evident by more people trying to prevent climate change and animal consumption plays a big part in carbon dioxide emissions. From the words of Greta Thunberg "we must act now to save our planet", more people are encouraged to consume vegan products. There is also a trend, living healthy has lowered obesity rates from 2010 by 30%. To help promote veganism in the older generations of the UK population, vegan foods are now cheaper than their meat counterparts and there are leaflets going around informing the public about it.



Vegan Living is on the rise

After the departure of the UK from EU with a deal, it is easier for start-ups to sell products in the UK because they do not have to follow EU certification laws for food which can take years to get approval for the product. Because vegetarianism and vegan products benefit the environment, there are not many regulations for their trade. Furthermore, after the historic agreement between the UK and China, staples like tofu flooded the UK food market making it cheaper to consume meat-free products. Looking back 10 years after the Brexit saga and a deal achieved by both parties and stable inflation, less imported meat has been consumed by the British and the UK exports 370 tonnes of plant-based food every year globally. This has boosted the value of the UK's GDP by an estimation of 0.05% from the previous year.

Thanks to Artificial Intelligence capabilities we can now recreate the texture of meat with plant-based products and improve the quality of genetically modified crops. For example, we can now use genetically modified crops to create allergy-free food which contains more nutrition than its normal counterpart boosting healthier living. The UK has adapted to a shortage of labour by introducing more machinery in the production of goods and nutrition companies followed the same progression. This improves output and cuts costs for the companies making it attractive for investment. In UK due to Brexit there has been a shortage of workers in the farming industry and to rectify this, farmers began a push five years ago for more technological advancement in this sector. This has boosted output.

The source of carbon footprint attained by vegan companies is the usage of energy in the manufacturing and transportation operations. With prices of oil increasing, scientists are looking for alternative sources such as shale oil and renewable sources as a stand-in for oil. A vegetarian diet greatly reduces an individual's carbon footprint, for example, replacing all meat consumption by vegan alternatives is estimated to cut by a quarter of the emissions. Less animals are bred for livestock, it is estimated that the population of chickens have decreased by 10 percent and cows by 30%. Firms are now pushing for lab meat which through scientific breakthroughs, provides a cheaper alternative in this age. This has persuaded the government to pass a legislation to lower livestock in the coming years. The prices for vegan food have come close to reaching the cheaper alternative for meat. Due to the popularity of canned food, companies have started to produce vegan soups, sausages and sauces, but materials such as aluminium are becoming scarce so production costs are increasing.

With the UK setting the world an example and leading the green revolution it is important to influence the next generations the benefits of healthier and sustainable living and continue to save the planet. Veganism is here to stay.

Opportunities	Threats
<b>Growth in AI to replace workers completely</b> → Cut costs → More profit	<b>Machines take over farming jobs</b> → Higher levels of unemployment → Decreased social welfare → People prefer cheaper meat alternatives to the vegetarian food.
<b>Lab growth meat becoming a trend</b> → Cheaper and sustainable way to produce meat → Cuts costs, more profit.	<b>Overpopulation in the current livestock</b> → Animal population grow exponentially → Meat becomes cheaper because of the unwanted animal population → People consume more meat products than vegan products.
<b>Stable economy and inflation</b> → Businesses are attracted to invest in UK → More jobs and products and competition in market.	<b>Veganism may just be a trend</b> → Decrease demand so less sales → Products are pulled out.
<b>Growing vegan market</b> → Increased demand for vegan food → Companies in this market make more revenue.	<b>Unstable inflation/ hyperinflation</b> → Prices increase exponentially → People can't afford vegan food.
Celebrities endorse vegan products → <b>Popularity of vegan products increases</b> → more vegan products consumed	<b>Materials for packaging starts to run out</b> → prices increase for vegan food → less vegan food consumed



## ***Divided Scenario: Stopping Climate Change Through Healthy Eating***

**Host:** Welcome to UK Healthy Life Radio's Stopping Climate Change Through Healthy Eating programme on 14 December 2030. Today we have the pleasure of speaking to John McCarthy, economist and founder of London's first vegan restaurant: The Vegan Food Factory. So John, how did it all start?

**John:** It was quite a long time ago when my brother and I realised that there was a business opportunity in the restaurant industry. To be exact it, we opened our doors on the 12 January 2000. Fortunately, we have been able to successfully service our clients for 30 years now, thanks to the fact that the vegan lifestyle popularity has been spreading widely year after year. I think that making dishes using the foods that we grow in our farms has also attracted many people.

**Host:** Wow! Not many restaurants manage to remain open for this long. How have you managed to keep up with this increasing demand for vegan dishes?

**John:** Well, most farmers including The Vegan Food Factory's farmers have had to use genetically modified crop farming to cope with the increasing demand, especially in the last 10 years even though the UK's GDP has been experiencing a slight decrease each year since the no-deal Brexit and inflation has been increasing by 0.2% on average since 2025.

**Host:** The production process in nearly all vegan restaurants is becoming less automated. Is The Vegan Food Factory one of them?

**John:** Yes, we are now employing fewer robots in the manufacturing process, and so it's currently more labour-intensive. This is mainly due to the current situation. UK businesses (including The Vegan Food Factory) are a bit concerned about the oil crisis in Iran as it has increased the oil price to \$100 per barrel now and therefore the cost of energy has raised which presents issues when automating the process.

**Host:** The number of anti-climate change protests in the UK has increased by 40% since 2015, which clearly shows that people are more concerned about the environment. Has this persuaded more people to go vegan, in your opinion?

**John:** Yes, definitely. I am pleased to see that more people decide to go vegan as a way of reducing contamination. This could not have been possible if the government had not made education on healthy eating and living more accessible. I was thrilled to hear that Climate Change is now a compulsory subject in schools.

**Host:** While the UK population are being more conscious about the environment, UK environmental regulations have been quite severe during the last 15 years. Has it affected The Vegan Food Factory?

**John:** Not at all. Being an eco-friendly company has been one of our values from the very beginning. For example, we were one of the first London firms to use electric lorries to carry the food from our farms to our restaurants.

**Host:** The popularity of canned foods is still quite high. Why do think this is still happening? Do you think this contradicts studies which show that the UK population is more conscious about healthy eating and living?

**John:** I guess it has to do with the fact that the age distribution of UK population is ageing. I mean, older people are more reluctant to change their diet to a more healthy one since the popularity of canned foods has always been high and a big part of elderly's diet especially the ones who lived the Second World War so it's kind of difficult for canned foods not form part of their dinner anymore. I strongly believe that this does not contradict the studies which show that the UK population is more conscious about healthy eating because most of the canned food consumption comes from Maturists and Baby Boomers. It's Generations Y and Z the ones actually going vegan and pursuing a more healthy lifestyle. Also, if the studies were not accurate then it's difficult to explain the decrease in obesity rates in the UK as it is now just 25%.

**Host:** Are you concerned about your competitors?

**John:** No, not really, we've been able to maintain our local customer base for many years now, and our heritage, our accessible prices and our delicious food are some of the things that differentiates us from our competitors. However, this is not to say that the vegan restaurants' sector in the UK is not competitive as there are so many bespoke vegan restaurants that the market is nearly perfectly competitive.

Host: The number of vegan restaurants in London has increased by approximately 46% since your establishment. Would you say that the UK is the number one European country regarding vegan food?

John: Not at all. In fact, that's one of the reasons why we began to operate in other European countries like Sweden when the UK was part of the European Union as economists predicted that UK trade regulations were going to be strict and quotas were going to be high for the food and beverage industry which is now a reality after Brexit.

Host: Thank you, John McCarthy, economist and founder of London's first vegan restaurant: The Vegan Food Factory, for talking to us about your beginnings and how the sector has changed over the years. On next week's Stopping Climate Change Through Healthy Eating programme, we are delighted to welcome another entrepreneurial individual, Ben Chester, one of the Heads of delegations of the United Nations Climate Change conferences, which will share some of his latest ideas on what you can do daily to stop global warming. Are you ready to help stop climate change? Well, that's the end of today's programme. Thank you for listening. We hope you enjoy your week. Now it's Samantha with the most recent weather forecast.

Opportunities	Threats
<b>Vegan lifestyle popularity has been spreading</b> → higher demand for vegan food.	Strict UK trade regulations → High UK quotas in the food and beverage industry → <b>decrease the amount of imported vegetarian goods</b> → decreased revenue.
Education on healthy eating is more accessible → <b>increase vegan population</b> → more anti-climate change actions (reduces contamination).	Vegan lifestyle popularity has been spreading → <b>UK market is nearly perfectly competitive.</b>
GM crop farming more widely spread → <b>increased production capabilities.</b>	<b>Oil price increase</b> → manufacturing process is less automated (more labour intensive) → greater cost of production.
High popularity of canned food -> high sales for traditional food -> <b>can invest more in vegan product lines</b>	Strict UK environmental regulations → More anti-climate change actions required → <b>increased manufacturing costs.</b>
<b>Advancement in production machines</b> -> cuts costs and increases output which then increases revenue	Relatively stable GDP and inflation -> businesses are attracted to invest in the UK -> <b>higher competition</b>

# Scenario Outbreak

19th November 2030 10 days before the 2030 Agenda for Sustainable development, my fears have now been realised and we can see that targets set in 2018 have not been met. Here I am, sat in a world where people fear becoming vegetarian and vegan, due to my catastrophic mistake- which has left me and millions of others badly ill.

A rise in the popularity of healthy eating and veganism (through increased availability of education on healthy living and the UK meeting necessary quotas in the food and beverage industry) was set to improve our global climate, but now global warming now poses an irreversible threat to our world, despite reduced anti-climate change actions. This failure to meet targets has been due to a variety of reasons- both on a personal and global scale. My personal failure stemmed from October 10, 2019- when 14 global cities committed to the C40 Good Food Cities Declaration, in order to promote and preserve the health of citizens and the health of the planet. I saw this as an opportunity to create a start-up vegan company, but only did so once a Brexit deal was finalised, on the 31st January 2020.

Over the next 10 years, my company grew to become the largest vegan company in the world and despite the rise of other bespoke vegan companies, I managed to monopolise the vegan market. Even though there is an ageing population in the UK, social media influence has had a large effect on young people- which is the demographic I decided to target. Young people enjoy 'junk' food (as shown by obesity rates) which is often a limitation in vegan food. I developed healthy junk food, vegan sauces and vegan meat alternatives. These came in a variety of packaging, ranging from tinned food to healthy ready meals. Furthermore, this was aided by lenient UK trade deals and regulations post-Brexit, which allowed me to rapidly expand. These trade deals allowed for many large companies to have impressive revenues and financial positions. Headquartered in the UK, I looked to outsource labour for various reasons such as: meeting UK environmental regulations, oil price becoming relatively expensive (\$80/barrel) due to the oil crisis in 2024 and the employment of efficient robots in the manufacturing process overseas. The efficient production process of my business had significant impact on the GDP in the UK and at its peak- even effected the inflation rate due to a temporary demand shock. GM crop farming became more expensive and proved to be inefficient in my business plan, which is another reason I outsourced my labour. This proved to be my fatal mistake, when harvesting crops in India earlier this year- a bacteria called Compound Z manifested itself into our crops and was taken into the UK, where it rapidly divided- causing widespread illness and disruption. It was later found that the ill-discipline of my company caused the outbreak- permanently scaring off the public from veganism, in case a situation like this arose again. Consequently, the popularity of vegan lifestyle opportunities and vegetarianism is so sparsely spread today.

I hope Veganity's actions have not put the vegan lifestyle at total jeopardy for future generations.

Luke Hope.

opportunities	threats
<b>Proven market of vegetarian food</b> → consumers enjoyed the products → potential for a 'bounce back' for the market in future.	Risk Averse Consumers → <b>Hard to gain public trust after outbreak of vegetarian caused disease</b> → trend not likely to return.
<b>Large revenue in overall sales</b> → can invest in R&D for example, in their own, private crop fields → lower likelihood of disease from crops → promise safer products to consumers, revolutionising trend → more attractive.	<b>Increased numbers of competitors</b> → other companies have seen trend thrive → likely to be developing similar products.
<b>Increased education on healthy living</b> → could employ marketing strategies providing transparency → consumers know it is beneficial, firms could capitalise	<b>Increased strictness of trades and imports regulations into the UK</b> → hindering further growth for the vegan market.
<b>First mover advantage</b> → gap in market, still vegans in need of specialised products → If first to provide solution to demographic → further reputed name in market (customer loyalty)	Social media influence → <b>persuading young people/ other demographics to avoid vegan/vegetarian food</b> → large capital required for marketing and in R&D to re encourage public.
<b>Fall in cost of vegan/ vegetarian suppliers and resources</b> → Reanimation of the industry is cheaper and more achievable → Promises greater product from clean suppliers.	<b>Repetition of disease</b> -> disease kills plant stock -> no supply for vegan products forcing companies to discontinue it.



## 6.1 SWOT Matrices

Outbreak	Strengths	Weaknesses
	<p>Attractive to investors</p> <p>High Automation</p> <p>Strong relationship with retailers</p> <p>High brand awareness and loyalty</p> <p>Effective CSR in the field of energy usage, water conservation, reduction of greenhouse gases, etc.</p>	<p>Little investment in new technologies</p> <p>Decreased spending on marketing</p> <p>Increasing raw material costs</p> <p>Stock market volatility</p> <p>Slow in developing new products</p>
<p><b>Opportunities</b></p> <ol style="list-style-type: none"> <li>1. Proven market of vegetarian food</li> <li>2. Increased education on healthy living</li> <li>3. Fall in cost of vegan/vegetarian suppliers</li> <li>4. First mover advantage</li> <li>5. Positive social media influence on veganism</li> </ol>	<p>Develop environmentally friendly products through innovation, at a low cost so that they could be sold at a low price.</p> <p>Increase awareness of veganism through use of marketing, advertising and its social media. They can promote themselves as vegan dedicated to attracting customers towards its products.</p>	<p>Market products at low prices by offering discounts. This would help increase sales in volumes and is feasible due to low inflation and cost.</p>
<p><b>Threats</b></p> <ol style="list-style-type: none"> <li>1. Risk Averse Consumers</li> <li>2. Increased numbers of competitors</li> <li>3. Increased strictness of trades and imports regulations into the UK</li> <li>4. persuading young people/ other demographics to avoid vegan/vegetarian food</li> <li>5. repetition of disease</li> </ol>	<p>Encourage “healthy” farming by good sanitation processes to prevent another outbreak</p>	<p>Find out what customers want before making critical decisions</p> <p>Develop environmentally friendly products through innovation, at a low cost so that they could be sold at a low price.</p>

Emerging	Strengths	Weaknesses
	<p>Attractive to investors</p> <p>High Automation</p> <p>Strong relationship with retailers</p> <p>High brand awareness and loyalty</p> <p>Effective CSR in the field of energy usage, water conservation, reduction of greenhouse gases, etc.</p>	<p>Little investment in new technologies</p> <p>Decreased spending on marketing</p> <p>Increasing raw material costs</p> <p>Stock market volatility</p> <p>Slow in developing new products</p>
<p><b>Opportunities</b></p> <ol style="list-style-type: none"> <li>1. Growth in AI to replace workers completely</li> <li>2. Lab growth meat becoming a trend</li> <li>3. Stable economy and inflation</li> <li>4. Growing vegan market</li> <li>5. Celebrities endorse vegan products</li> </ol>	<p>Rely on AI machinery to cut production costs to make vegan products cheaper to match increased demand.</p>	<p>Market products at low prices by offering discounts. This would help increase sales in volumes and is feasible due to low inflation and cost.</p>
<p><b>Threats</b></p> <ol style="list-style-type: none"> <li>1. threats Machines take over farming jobs</li> <li>2. Overpopulation in the current livestock</li> <li>3. Veganism may just be a trend that passes with time</li> <li>4. Unstable inflation/ hyperinflation</li> <li>5. Materials for packaging starts to run out</li> </ol>	<p>Develop environmentally friendly products through innovation, at a low cost with alternative packaging materials so that they could be sold at a low price.</p>	<p>Find out what customers want before making critical decisions</p> <p>Keep veganism trending with celeb endorsement and promotion through social media.</p>

Divided	Strengths	Weaknesses
	<p>Attractive to investors</p> <p>High Automation</p> <p>Strong relationship with retailers</p> <p>High brand awareness and loyalty</p> <p>Effective CSR in the field of energy usage, water, greenhouse gases reduction, etc.</p>	<p>Little investment in new technologies</p> <p>Decreased spending on marketing</p> <p>Increasing raw material costs</p> <p>Stock market volatility</p> <p>Slow in developing new products</p>
<p><b>Opportunities</b></p> <ol style="list-style-type: none"> <li>1. Vegan lifestyle popularity has been spreading</li> <li>2. Increased vegan population due to vegan education</li> <li>3. GM farming boosting yield and output</li> <li>4. Advancement in production machines</li> <li>5. Popularity of canned food increased</li> </ol>	<p>Increase funding into GM crop farming to increase supply and also lower costs, and to provide more nutrients to promote is as a healthy product.</p> <p>Endorse Celebrities to promote Heinz's vegan products and healthy living</p>	<p>Invest in its current brands and provide vegan alternative to those.</p> <p>Improve its quality of canned food and offer vegan alternatives to its current canned products</p>
<p><b>Threats</b></p> <ol style="list-style-type: none"> <li>1. Decreased amounts of imported vegetarian food</li> <li>2. UK market is perfectly competitive due to popularism of veganism</li> <li>3. Oil prices increase</li> <li>4. Increased manufacturing costs</li> <li>5. More competition due to stable GDP and inflation</li> </ol>	<p>Use Heinz's relationship with its retailers to promote their own range of products to gain advantage over other firms.</p> <p>Look to use alternate sources of energy other than crude oil to attain further credits in their CSR.</p>	<p>Seek loans to invest in newer technologies which can help cut costs and boost output.</p>

## 6.2 Evaluation of strategies, stakeholder analysis and Vision alignment

It is clear from the SWOT matrices that strategies that offer discounts and developing environmentally friendly products at low costs are the most frequent of the policies formed. Strategies for cutting costs are also recurrent, and the leading procedure for this is to increase the quality and quantity of automation employed by Kraft Heinz.

We also agreed that Heinz needs more investment in new technologies and into AI. Given their planned scale of expansion and different geographies Kraft Heinz is planning to expand into, Kraft Heinz needs to invest more into technology and machinery to integrate the processes across the board and cut costs that Heinz seems to be focusing on currently to boost profit levels. Right now, the investment in technologies is not at par with the vision of the company.

For marketing where Heinz publicly admits they are investing too much into, they need to find cheaper methods to promote their products, and the best possible step is to use social media and endorse vegan celebrities to promote the vegan goods to their followers and encourage healthy living. They should also promote their products and brands by modernizing them to attract newer millennial individuals. Heinz is one of the biggest food industries in the world that have some of the biggest companies in the world, such as KFC as their clients. They can use these connections to persuade them to use more of their products over other competitors at a lower price.

This SWOT matrix will also aid Kraft Heinz to reach their environmental goals. Strategies such as healthy farming to fertilize the fields with nutrients and compost will help plant growth, health, and achieve a better taste. This strategy can also be implemented by using a safe pesticide and prevent soil desertification by planting more crops; one of the biggest causes of desertification if the grazing of animals, and this effect can be lowered by advertising vegan to reduce livestock. Another strategy is to use recyclable packaging, which in recent times is becoming cheaper by time.

GM farming is a compelling case that can potentially bore consequences. It is a proven method to produce healthier, more nutritious, and more extensive stock; however, it reduces the genetic diversity pool, meaning it becomes easier for an outbreak-like scenario actually to happen killing of all plant-life with the modified genes.

Going back to the vision statement for Kraft Heinz, it is possible to conclude that all these strategies will help it grow into a more successful establishment while they are also promoting a "better world" with my vegan and healthy living focal issue and the need for environmental packaging to become more sustainable. We supported vegan and healthy living through-out, which matches the focal theme and vision.

## **7 Critical Reflection and Critical Review of additional tools**

Our objective was to conduct the appropriate research and construct scenarios and strategies for Kraft Heinz. This task took place over ten weeks. The participants in the group were all from different backgrounds (British, Spanish, Russian, Chinese), were completing different degrees, and the vast majority of the group had never met before. We split the project into multiple tasks, and we set up regular meetings, as evidenced in the appendix.

We decided we were going to use google docs and drive to produce and store all our work to make it easier for everyone to access continually updating data. We then built a shared folder in google drive to share all the research and presentations created by the group. We organized the data using an outline that we used to separate content by the stages and scenarios. For the presentation, we agreed to use keynote, which we believed was superior to powerpoint.

For communication within the group, we relied on WhatsApp. We then used it to organize sessions where all group members would meet up and contribute towards the assignments and for discussion regarding the project and any individual works completed by the members of the group.

For the first two weeks, we focused on creating a Business Model Canvas and Rich picture, identify our focal issue, and generate factors and themes using the brainstorming method. I became more comfortable with the team as time went on and became an active participant. There was a case of a couple not participating enough vocally, but when they were set a job, they did an outstanding job. It was decided that if each one of us had a specific role, there would be more of an incentive to work.

A group of 4 of us worked on each scenario narrative and opportunities and threats for those scenarios individually with input from fellow members. We did the same when creating resources and capabilities table where we identified strengths and weaknesses. At the end of every stage and every weakness/ opportunity identified, we applied a peer review system where someone checks the work and makes sure it is relevant and correct to the objective and focal issue. We set deadlines for any work completed individually by before the meeting scheduled.

After a presentation to our heads about our progress and ideas, we received feedback where we were told to add a few more factors and change our scenarios. Initially disheartened, we set about fixing our scripts in long group sessions. I was pleased with the group response and their dedication; everyone made it to most of the meetings, even those conducted on the weekends.

We then created our SWOT matrices and came up with the appropriate strategies.

Overall, I found this to be an engaging experience and learned that group work is not simple; it requires time management, setting our roles, and the importance of having a leader who is to keep everyone organized. I have been highlighted on aspects of my weaknesses, such as vocal presentation skills, and the organization of my work, and I intend to resolve on those. This project helped me gain a massive boost in confidence when working with an unfamiliar group and given me an insight into how this process will work when I may do something similar with my future employer.

## 8 Scenario Planning Judgement

Scenario planning helps us understand today better by imagining tomorrow; it is good to help organizations deal with the future uncertainties to reduce risk and keep the businesses alive and prepare contingencies. With an uncertain macro-outlook due to events like Brexit and the US-China trade war, Heinz must forecast scenarios that could potentially harm its capacities.

The main advantages of SWOT matrices include that we can identify strategies to counter threats and protect Heinz Craft's assets. SWOT will help our firm gain an edge over other competitors in the market.

Potential drawbacks include that scenario analysis may require a lot of resources and time, they are ever-changing with age, and it is difficult to measure the effectiveness of the prepared strategies for each of the scenarios. It is also erring to assume that we have considered all scenarios within this group project, and to consider all scenarios is near improbable as new dilemmas take place over time. Heinz also would have to anticipate the economic situation in the future, such as inflation, interest levels, and exchange rates for changes in costs over time. A SWOT analysis may lead the firm to overemphasize a single internal or external factor in formulating strategies. Moreover, certain elements were both threats and opportunities such as economy where when the economy is booming, it is more attractive to invest, and when the economy is doing poorly, then it is a risk. For example, changing environmental regulations can be both a threat to the company; it can also be an opportunity in the sense that it will enable the company to be on a level playing field or at an advantage to competitors if it is able to develop the products faster than the competitors.

In my reflection, the swot matrix and scenario conception are only the starting point; it does not give us a detailed analysis of how strategies can be implemented. Advantageously, we are identifying threats and opportunities, but in case the events do not occur, we are effectively wasting resources and effort. A method to improve our model would be to expand the scope of our research by encompassing a broader, global perspective in our news and business research to achieve greater awareness of possible threats and opportunities. It would also be insightful to contemplate the company's and the market's history on previous threats to see how the company or other companies reacted and review the most successful methods and implement it should another previous situation arise. Another possible implementation would be to consider a weighted swot matrix where we give two scores on the severity of impact (positive or negative) and the probability of strengths, weaknesses, opportunities, and threats and add the two to get a total score. This is useful as we can measure risk and isolate critical areas of focus so we can target the most threatening and frequent dilemmas and identify favorable circumstances.

## 9. Appendix and References

<https://edition.cnn.com/2019/02/22/investing/kraft-heinz-stock-strategy/index.html>

<https://www.bbc.co.uk/news/business-50726619>

Evidence of group meetings:

Target Date	Agenda	Contact Medium
10/10/2019	Independent research of Kraft Heinz and report back to group	Staying after the seminar, WhatsApp
24/10/2019	Generate more factors and report back to group	Whatsapp
24/10/2019	Complete the uncertainty-importance matrix	Met in the library, Whatsapp
24/10/2019	Description and narratives for scenarios to be written	Whatsapp, Google docs
03/10/2019	Create presentation slides	Met in library
07/11/2019	Practice presentation	Met outside lecture theatre
07/11/2019	Present presentation	Lecture theatre
21/11/2019	Improve upon presentation feedback	In class
28/11/2019	Complete resources and capabilities	Met in library, Whatsapp

## Evidence of word in google Documents

**KraftHeinz - ORSP** ☆

File Edit View Insert Format Tools Add-ons Help All changes saved in Drive

100% Heading 2 Arial 12 B I U A

**Outline**

- Operational Research for Strategi...
- Evidence of Group Meetings
- Business Model Canvas
- Rich Picture
- Vision Statement Benchmarking**
- Scenario Exercise
- Focal Issue
- Scenarios
  - Hectic Scenario: A conversati...
  - Hectic Scenario - Opportuniti...
  - Emerging Scenario - The unst...
  - Emerging Scenario - Opportu...
  - Divided Scenario: Stopping Cl...

### Vision Statement Benchmarking

ORSP Vision benchmarking exercise

	Rank	Score	Company
A vision statement should ...	10-High, 1-Low	5-Excellent, 1-Poor	Kraft Heinz
Expresses organisational values	8	3	
Clarify the organisation's direction	3	3	
Incorporate the mission statement	10	2	
Be unique	2	1	
Be future-oriented	5	8	
Use vivid imagery	4	2	
Focus on identity / excellence	6	5	
Multistakeholder behaviour (change)	9	1	
Incorporate key stakeholders	7	2	
Be expressed in actionable concepts	3	2	

Overall Vision Quality: 131

### Scenario Exercise

#### Heinz Accepting the "Global Sustainability Award" 2025

Vision statement: TO BE THE BEST FOOD COMPANY, GROWING A BETTER WORLD.

Altered vision statement: Promote and implement sustainable practices whilst diminishing world hunger and contributing towards the fight against climate change.

Heinz are awarded this for:

## Evidence of communication on Whatsapp

06:43

Harry: maenia, savely - +44 7814 926777...

Harry: Gail got pushed back- are you guys still there?

Maenia: No

Harry: kushal

Harry: Okay cool

Harry: So tomorrow- what's the plan?

Maenia: Tonight, I'll have a look at the table we were doing today and try and finish it off. Then tomorrow is just constructing the presentation?

Maenia: Yeah I've added quite a few strengths and weaknesses now to the resources table. The capabilities table is still incomplete though. The plan for tomorrow is to plot the resources and capabilities in the strength-importance matrix and then create the TOWS table for each scenario.

1 DECEMBER 2019

Maenia: what time are we meeting today

Maenia: 14:30

Savely: 14:04