Week 1 Case Study

Anthony Meunier

DeVry University

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## General Description of Company

Staples, Inc. is an office supply chain store based in the United States. The company was founded in 1986 and is headquartered in Framingham, Massachusetts. Today, Staples has over 2,000 stores worldwide and operates in 26 countries. As a company, Staples prides itself on offering a wide diversity of products and many of its advertising campaigns and slogans over the years have focused on highlighting this in addition to a focus on making things “easy” via its popular “that was easy” and “Easy Button” campaigns. In addition to offering a wide range of products in-store to suit all of a business’s needs, the company is also currently the 3rd online retailer behind only Amazon and Apple and carries many millions more products online in addition to its in-store offerings. Currently the company sits in a firm position as the leading dedicated office supply chain in the United States due to its impending merger with former rival Office Depot.

## S.W.O.T. Analysis

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| Strengths | 1. Presently has over 2,000 stores across the world which establishes lasting presence as company 2. Wide variety of products and services made available both online and in-store 3. ‘Staples Advantage’ conducts enterprise business and also operates as subsidiaries in some foreign countries 4. Large number of worldwide employees 5. Strong brand presence by way of creative advertising campaigns |
| Weaknesses | 1. Does not have a presence in developing countries and economies 2. Wide range of competition (office stores, big box retailers, electronic stores) gives company only a small share of each market |
| Opportunities | 1. Expand business further worldwide by capitalizing on opportunities to develop in emerging markets 2. Incorporating recycled materials into products, such as paper, will help distinguish from competitors and helps community/environment 3. Further enhancing focus on customer will help build loyalty and gain repeat customers and business |
| Threats | 1. Focus on expansion such as in foreign markets may detract from key components that have built the business 2. Stiff competition from online retailers and retail chains who also offer wide variety of products 3. Government policies and challenges with merger/acquisition of Office Depot |

## Porter’s Analysis

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| Threat of New Entrants | Low to Moderate   * Staples has built its own brand via smart marketing and this distinguishes it from competitors when otherwise it would easy and low cost for customers to switch companies * Any new competitors would be at a disadvantage due to Staples’ brand image and established online and global presence |
| Bargaining Power of Suppliers | Moderate to High   * There are many other retailers in related product industries since Staples diversifies its product offerings (tech, office supplies, furniture) * Suppliers have much more access and choice due to production in low cost economies such as China * Power of suppliers is reduced due to “own brand” products, which Staples emphasizes heavily * Volume is important to suppliers, and if companies use tactics to reduce overhead (such as offering online) it is not good for suppliers |
| Bargaining Power of Customers | Very High   * Little to no cost associated with customers switching suppliers so there is no risk or loss for them to do so * Customers do not exhibit high loyalty in retail sector * Many stores offer similar products (one stop shops) therefore customers are not limited in choice |
| Threat of Substitutes | Moderate   * Products themselves are numerous and interchangeable; simply need to be in stock * Movement of products to online (email, forms, storage) presents a challenge to selling physical products |
| Competitive Rivalry With the Industry | Moderate to High   * Stiff competition from other non-office supply stores * Internet makes cost comparisons easy and more transparent * The products and related economic markets of retail chains are developed by this point * Distribution network is set in place and offers a variety of options (three channels) |

## Value Chain Analysis

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| **Activity** | **Implementation by Staples** |
| Research and Development | * Ecommerce and engineering efforts * Seattle development center which is conducive to technology-focused approach |
| Production | Just-in-time (JIT) process – consumers can purchase online, in-store, or via catalog. This helps lower on hand inventory and saves costs as well as reduces overhead. Staples is always “in stock” for the customer, just may be via one of these methods. |
| Marketing and Sales | * “Easy Button” and “Make More Happen” create strong brand image * Three sales channels for consumers * Customer experience is key |
| Distribution | Three channels are: in store, website, and catalog. Provides most convenient customer service experience possible. Product overhead is kept at a minimum and customer experience is fulfilled. |
| Customer Service | * In store experience focused on “walk to product” and engagement * 24/7 online and phone service * Staples rewards program encourages customer loyalty |