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Question 1

1.1 SWOT analysis is a simple but powerful tool for sizing up a company's resource capabilities and deficiencies, its market opportunities, and external threats to its future well-being (Thompson, 2014). it evaluates the company's overall strengths (S), weaknesses (W), opportunities (O) and threats (T).

Strengths	Weaknesses
• The company traditions include: quality, nutrition, accountability which were well established for +85 years since the company was in operation • Greek yogurt recipe remains unchanged since its origination in Athens, Greece in 1926. The product is authentic and provides an authentic Greek experience. • Extremely consistent branding and packaging since 1975, resulting in easy recognition. • Bacterial strains unique to the company create a flavour distinct only to FAGE. • Generally, FAGE users are exceptionally loyal as mentioned in the case study, once they try the Fage brand they never go to other brands.	• Products are expensive, Fage is the most expensive Greek yogurt on the market. • Graphics and visual are plain. While many consumers are aware of the Greek yogurt category, FAGE has relatively low levels of awareness, especially in comparison to its competitor Chobani. • Declining market share in Greece as consumers shift to cheaper private label options • Fage has a significant asset concentration in Greece and this may pose a political risk • Fage is limited in variety of flavors as compared to competitors. • There is low consumer engagements and interactivity. A survey done by Bisa, Carpenter, Worthey, Yu Survey shows that while many consumers are aware of the Greek yogurt category, Fage has relatively low levels of awareness

	(45%), especially in comparison to competitor Chobani (73%). The survey done also shows that Fage product is limited in available varieties and flavours, which consumers prefer in their yogurt products. 33% of consumers polled ranked flavor or variety as the most important factor in their Greek yogurt purchases, but only 7% of consumers prefer the flavors available with Fage (Bisa, Carpenter, Worthey, Yu Survey). • Fage makes very little use of social media or interactive online marketing strategies, focusing most of their advertising in magazine publications. This results in low consumer engagements and interactivity.
Opportunities • With the Greek yogurt market still growing, FAGE has room to regain the market share. They have potential to improve word-of-mouth and recommendation-based communication by using more interactivity to engage with consumers.	Threats • As more Greek yogurt brands continue to enter the market, the overall Greek yogurt market is approaching a saturation point, making it difficult to capture consumer attention. Sale of Greek yogurt is often dependent on the sales, coupon, discount at a specific store. The only 100% authentic

• Fage also has potential to convert consumers who are not loyal to any particular Greek yogurt brand into the typical devoted FAGE user via loyalist programs. • There is much room and potential for Fage to grow into new markets, including men (MRI index of 55) and the South and West regions of the United States (MRI indices of 44 and 47, respectively • There is significant continued room for global expansion. • Potential to increase social media and online presence • Offer direct mail delivery option for busy customers • Add local production facilities across emerging markets e.g. Europe • Introduce new product like cross-sell Fage cheese and dairy product to loyal Fage customers	Greek yogurt. Committed to preserving a genuine Greek experience by using only the simplest and highest-quality ingredients in a traditional recipe from 1926. • Values: family-oriented, authentic, high-quality, reliability. The only Greek yogurt from Greece. • Chobani's overwhelming awareness and popularity eclipses Fage in the Greek yogurt category. Of consumers polled, 73% were aware of Chobani, 71% had tried Chobani, and 48% preferred Chobani, compared to 73%, 46%, and 27% respectively for Fage (Bisa, Carpenter, Worthey, Yu Survey). • With the entrance of even more Greek yogurt brands into the market, including The Greek Gods, Athenos, Alpena, and Dannon Oikos, the Greek yogurt market is approaching a saturation point, making it difficult to capture consumer attention. • Many yogurt consumers are easily swayed by promotions which impedes brand loyalty • Low barriers to entry as the market is saturated

1.2 Strategic Options available to Fage

Option 1:

The Five Generic Competitive Strategies Thompson et al. (2006:134) identifies five generic competitive strategies:

1. A low-cost leadership strategy: appealing to a broad spectrum of customers based on being the overall low-cost provider of a product or service.

2. A broad differentiation strategy: seeking to differentiate the company's product offering from rivals' in ways that will appeal to a broad spectrum of buyers.

3. A best-cost provider strategy: giving customers more value for the money by combining an emphasis on low-cost with an emphasis on upscale differentiation; the target is to have the best (lowest) costs and prices relative to producers of products with comparable quality and features.

4. A focused or market niche strategy based on lower cost: concentrating on a narrower buyer segment and out-competing rivals by serving niche members at a lower cost than rivals.

5. A focused or market niche strategy based on differentiation: concentrating on a narrow buyer segment and out-competing rivals by offering niche members a customised product or service that meets their tastes and requirements better than rivals' offerings.

Option 2:

Red oceans Strategy option:

Red oceans are existing market spaces, with known products, strategies and competitors. Low-price and quality are some of the factors that the competition is based-on. The market is overcrowded and the goal is to acquire more market shares every year. All actors' positions are well-known and it is almost impossible for new entrants to settle and compete. Profit and growth are limited due to the strong competition.

Option 3:

Blue Ocean Strategy option:

To create a blue ocean is a necessity for companies who want to ‘move on’. Several factors as globalisation, technology, innovation, prices, and market shares are factors leading companies to choose their best solution: a blue ocean strategy. The strategy is to create a new demand and head in another direction from competition.

All these steps will help for formulating the blue ocean strategy by reconstructing the market boundaries.

The first step indicates that value innovation can be done between alternative industries. Indeed, opportunities will be created due to products and services, different forms but serving a shared goal.

The second step suggests that the creation of a blue ocean is possible by proposing a common key factor from all strategic groups. The third step points out that a blue ocean can be created by challenging established thoughts about who are the buyers and users.

The fourth step underlines the fact that companies need to find a complete solution for their products or services. For example, a restaurant can open a crèche for customer’s kids. The fifth step suggests adding emotion to products or services. The sixth step recommends identifying issues, trying to find solutions and forecast them

In order to develop a company’s strategic canvas, leaders will have to: a) Share their vision and make it understandable for all employees. Employees need to know the situation of the company, and its position in the marketplace. They need to share the vision in order to feel as a part of a bigger plan. b) Know their customers. A company must know their customers habits. This results in competitive advantage, since leaders will know the pros and cons of every product. c) Ask employee’s for their inputs into strategic decisions. This will assist in attaining ‘the buy-in’ of the strategy by employees, since they have a say in the direction it may pursue. d) Communicate with all services. A leader must keep his teams informed. A company operating a blue ocean should have two main goals about users: to keep their customers, but more importantly, to reach their non-customers. e) To reach beyond existing demand is one of the key components of achieving value innovation. To succeed, companies have to focus on existing customers and non-customers in order to maximise the size of the blue ocean.

According to Kim and Mauborgne (2005), “non-customers can be classified into three different tiers”:

The first tier, “Soon-to-be,” represents ‘future customers’ who are in search of improved or better products. Some factors may make these individuals reluctant to buy the initial product, but with some minor modifications to the product, customers will buy the revised product. This category also includes non-regular customers who choose your product since there is nothing better on the market. Companies should try to find out what customers want, so that their needs will be satisfied by newly adapted products, which in turn, may also attract new customers. A blue ocean will be created from this intervention. Additionally, non-customers provide better product feedback than existing customers.

The second tier, “Refusing,” represents non-customers who are of the opinion that the products companies offer is unaffordable or not adapted to their demands. The goal here is to address these concerns in order to expand the market.

The third tier, “Unexplored,” represents non-customers who have never used or explored your product or service. Indeed, their needs are fulfilled by other markets.

Best option for Fage

Based on the three options proposed above, the Blue Ocean Strategy will be the best option for the Fage company. By implementing the strategies proposed, Fage will be able to increase their market base, they will be able to retain and get new customers. Being able to get continual feedback will assist Fage to improve their product in order to satisfy their customers.

1.3

Recommendation

A strategy is a course of action to which valuable resources (including one’s own energies) will be committed (. Based on the SWOT analysis done the following were identified as Strength, Weaknesses, Opportunities and Threats and recommendations are made for each factor identified:

Strength:

Fage is a market leader using original nutritious recipe originated since its inception. Its grown since the years and increased their market. Blue Ocean strategy of looking at customers and non-customers will have to be implemented to ensure Fage retains its loyal customers through continual feedback from its customers. By knowing what its customers need Fage will be able to provide for its customers. Understanding what satisfies its customers and being able to introduce new products will attract new customers.

Weaknesses:

Fage has poor brand awareness and poor marketing strategy. Their product is more expensive as compared to its competitors. Declining market share in Greece as consumers shift to cheaper private label options.

Recommendation

A best-cost provider strategy: which implies giving customers more value for the money by combining an emphasis on low-cost with an emphasis on upscale differentiation will be the best option to address the weakness identified. The target is to have the lowest costs and prices relative to producers of products with comparable quality and features like Chobani and big brands entering the yogurt market. Fage will also need to encourage innovation amongst its employees to ensure that new ideas are brought in into the company in the form of marketing its product. A clear vision of the company will need to be communicated with its employees to ensure good marketing of Fage products. It's through innovation that a company is able to have good brand awareness and market its products

Opportunities:

Greek yogurt market is experiencing exceptional growth with potential global expansion. Convert new customer to be Fage loyalties through programs. Blue ocean strategy of looking into customers and non-customers can best be implemented for globalisation and increase share market for Fage. Through understanding customer needs, being able to satisfy the need, will help attract new customers as the brand grows.

Threats:

There are low barriers to entry into an already saturated market. Yogurt customers prefer promotions. To address this Fage will have to use social and online marketing strategy to offer its promotions to new and old customers. A loyalty program can be introduced by Fage as a form of appreciation to their loyal customers. They will also need to implement a method of getting feedback from their customers to ensure customer satisfaction through a market niche strategy.

Question 2

2.1

Strategy as positioning	Strategy as direction
Where are we competing? Tough Mudder hosts 10 to 12 mile endurance obstacle runs which participants complete in teams. The company operates in a range of different locations in 9 different countries. The company designs, runs and markets its own events but partners with a number of other organizations to supplement its resources and capabilities and to generate revenue.	*What do we want to become?* A 'household brand name' which retains an 'unconventional and edgy' image
How are we competing? The 'endurance sports' market is very competitive and has relatively low barriers to entry. Tough Mudder endeavours to build and sustain competitive advantage by differentiating itself from its rivals in terms of its: • strategic positioning • brand name and reputation • product design • the quality of the customer experience it offers based on meticulous operational planning, highly effective staff recruitment and selection processes, sophisticated marketing and design, a strong corporate culture and continuous innovation.	*What do we want to achieve?* To create 'life-changing experiences for participants'.
	How will we get there?
	By retaining a strong focus and sense of corporate identity. By engaging in a process of continuous innovation

	By partnering with other organization that complement the brand

Why has the strategy been successful?

Tough Mudder's rapid growth both in terms of number of participants and number of events as a good indication that their strategy is a success. The company is one of the market leaders and has built a loyal customer base. The company has consistent long term goals outlined in the case study. The case study emphasises the founders' focus and their recognition of the need for a clear mission and brand. The company's core values guide the action and behaviour of the management team. The leaders of the company have a profound understanding of the competitive environment they are in. The management team clearly recognises the threat that competition poses and pays close attention to customer feedback in order to improve the customer experience and strives to continuous update and improve the design of its obstacle courses. Objective appraisal of resources- while the company seeks to build its resources and capabilities internally through the recruitment of knowledgeable, committed and enthusiastic individuals, it also recognises the advantages of partnering with other organizations.

2.2

Tough Mudder is experiencing strong competition from established rivals and the barriers to entry into this market are relatively low which means there is a potential threat from new entrants. In recent years endurance sports and military style fitness activities have increased in popularity (this is *an opportunity*) but the fitness industry, like many others, is subject to the vagaries of changing fads and fashion (this is *a challenge*). It seems reasonable to suggest that endurance sports might be income elastic; that is to say expenditure on this kind of activity is discretionary and something that individual and firms may choose to cut back on if they feel that "money is tight" (*a challenge*) or engage in when disposable incomes are rising (*an opportunity*). The obstacle courses are designed to present teams with physical and mental challenges but that is not without risk. Although the company has very well developed health and safety procedures, there is always a risk that a participant may injure themselves severely and that the company's reputation could be damaged (*a challenge*). Social media is a doubleedged sword – while the company has used it to great effect to develop its business, any shortcoming on its part would be disseminated very quickly.

The company strategy is to differentiate itself from its competitors not only in terms of the design of its obstacle courses, its events and its customer service but also in terms of its values and its connection with purpose and people. Having a distinctive 'identity' gives it a slight edge in an increasingly competitive market place and is one way of meeting the challenge of competition. Other suggestions might include: drawing on its brand image and distinctive capabilities to move into adjacent markets e.g. other types of team building, risk assessment for third parties, events management.

2.3

Strategic leadership is defined as the ability to anticipate, envision, maintain flexibility and to empower others to create strategic change as necessary (Hitt, Ireland and Hoskission, cited in Ehlers and Lazenby, 2007:217). Strategic leadership involves managing through others and influencing human behaviour in order to achieve goals. Strategic leadership is about leading entire organisations; it is about understanding entire organisations and the environments within which they operate and using this understanding to create strategic change through other people so as to position organisations in the environment for both short-term stability and long-term viability.

The key responsibilities of a strategic leader are:

• Developing an appropriate vision or strategic direction for the organisation

• Communicating the vision and strategic direction to all the employees

• Inspiring and motivating the employees to achieve the strategic objectives

• Designing appropriate reward systems and organizational structures

• Developing and maintaining an effective organizational culture. (Ehlers and Lazenby, 2007:223)

Key characteristics of good strategic leaders exercised by Will Dean

1. Vision, eloquence and consistency give a clear sense of direction; a clear and compelling vision of where the organisation should go. Eloquence to communicate the vision and energise people. Consistently articulate their vision until it becomes part of the culture.

2. Articulation of a business model Ability to identify and articulate the business model the company will use to attain its vision. A business model is the conception of how the various strategies that the company pursues fit together into a congruent whole.

3. Commitment Strong leaders demonstrate their commitment to their vision and business model by actions and words and often lead by example.

4. Being well informed Develop a network of formal and informal sources who keep them well informed about what is going on. Using informal and unconventional ways to gather information is wise because formal channels can be captured by special interests or by gatekeepers who may misrepresent the true state of affairs.

5. Willingness to delegate and empower Unless they delegate, leaders can become overloaded with responsibilities. Empowering subordinates is a good motivation tool. However, astute leaders recognise the need to maintain control over certain key decisions.

6. The astute use of power comes from control over important resources: budgets, capital, positions, information and knowledge. Astute leaders use these resources to acquire another critical resource – critically placed allies who can help attain strategic objectives. Strategic leaders must play the power game with skill and attempt to build consensus for their ideas rather than use their authority to force ideas through; they must act as members of a coalition or its democratic leaders rather than as dictators.

7. Emotional intelligence A bundle of psychological attributes – self-awareness, self-regulation, motivation, empathy and social skills.

As stated in the case study, Will Dean focuses upon key priorities as a leader. He believes in two things which is culture and strategy. Will Dean states the importance of having a vision which is known by his employees as are an important resource in the organisation. It is important in their organisation to know where they are going as a company and how they getting there by communicating the vision and long-term strategy of the company and ensuring that the employees are well glued on this. As a CEO, Will Dean also focuses on ensuring that his employees are motivated all the time and exercise the important of being responsible for the company and thus encouraging ownership which is important in every business as this allows employees to go an extra mile and make a success of tasks given.

Question 3

3.1

The four criteria used:

Criteria 1

Exploration Phase The key activities here concern the organisation exploring and deciding whether it wants to make specific changes in its operations thereby committing the requisite resources. Key Change Management Processes: Creating an awareness of the need for change. Searching for outside assistance (consultants/facilitators) to assist with planning and implementation of the change programme. Establishing and defining terms of reference with the consultants/ facilitators.

Exploration-a clear perception of need:

Nokia was in difficulty at the end of 2010. It was losing market share at both ends of the mobile telephone market. At the top end, the share loss was to Apple's iPhone and to smartphones using Google's android open software system. At the bottom end, low-cost mobile telephones from China were much cheaper than similar Nokia telephones. All this was in spite of the company increasing its research and development (R & D) expenditure and its total number of employees. Nokia's strategy was in deep trouble, through review done by Stephen Elop.

Criteria 2

Planning Phase: This involves the efforts to understand and tackle the organisation's problem(s). Some of the discussions will revolve around understanding competitive trends and reactions of the respective organisational units. This may also involve systematic information gathering through research, networking and perusing related industry publications and other literature.

Planning - a way forward:

Stephen Elop after joining the company in 2010, spent the first few months reviewing the company's position, talking to managers and employees. He concluded that there was a lack of accountability in many parts of the organisation. There needed to be simplified decision making with less reference back to headquarters before decisions were taken. The culture needed to be performance-based and less time serving. From a strategy perspective, Elop decided that radical strategic change was required as the strategy was in deep trouble. The difficulty was that any admission of problems would potentially harm Nokia"s business and reduce morale within the company

Criteria 3

Action Phase: this stage involves the implementation of the changes flowing from the Planning phase. The changes may involve alterations in the way things are done. This could result in the installation of computerised operational processes as well as changes in the organisational structure, among others.

Action -the capability to change

Elop and his senior colleagues developed future strategies. Nokia first made two strategic decisions and then followed this up with the implications in terms of a strategic change programme. The first strategic decision was to go ahead with Microsoft mobile software and get out of the Symbian software that had been the backbone of Nokia for many years. The second related strategic decision was that around 4 000 Nokia employees would be made redundant and another transferred to an outside company that would look after Symbian while it was still being used by customers.

Criteria 4

Integration Phase: this process follows the successful implementation of the intended changes. It focuses on consolidating and stabilising the adopted changes. Key Change Management Process: Reinforcing new behaviours through positive feedback and reward systems. Reduction of reliance on consultants. Diffusion of the successful aspects of the change process throughout the organisation. Training managers and employees to constantly monitor the change and to improve upon it.

Integration- commitment.

Elop showed commitment for change by sending out the "doomsday memo" as a first step. This was to be followed by an announcement of the new link with Microsoft several days later. On 7 February 2011, the well-constructed memorandum was sent as an email to senior managers. Elop made a joint presentation with Steve Bulmer, chief executive of Microsoft on part of the Nokia way forward. It had chosen Microsoft's Windows & mobile platform. A few weeks later, a full deal was signed with Microsoft and, shortly afterwards, the announcement was made about the job losses. Nokia also announced a new senior management structure. It included a change taskforce that would be disbanded once the goals had been achieved. The taskforce covered the following areas:

 Work with Microsoft to produce the new smartphones to regain market leadership. Work on the low-end telephone market by expanding web access and applications that would deliver new uses for such telephones. Build new software systems that will deliver a complete smartphone experience to Nokia users. Develop closer co-operation between the various parts of Nokia to ensure that sales, production and marketing were fully aligned. Redevelop the Nokia management and governance structures to improve the effectiveness and speed of company practices and processes Develop a new and effective on-site R&D strategy. Set up a programme office to lead change management overall Instigate a culture change programme to embed the right values, mind-sets and behaviours

3.2

In my view, there is nothing wrong with the memorandum sent and the new strategies in the memorandum. Elop should have allowed an internal announcement by senior managers to the employees before sending it out as this leaked and was not well received by the employees especially knowing that they were going to lose their jobs. The employees should have been briefed by each line manager. Each senior manager should have allowed the employees to suggest ideas and also coming up with a strategy as they are people on the ground, they deal with Nokia customers and are also exposed to the latest technologies and would know what will work best. Getting feedback from employees would have given them a clear picture of customer needs. Nokia as a brand has managed to retain its customer base, they shouldn't have completely changed their brand and adopt Microsoft completely and loose the brand. They should have continued with the Nokia brand but operating with a different software.

3.3

Schein (1990:111) provides one of the most widely quoted definitions of organisation culture as "(a) a pattern of basic assumptions, (b) invented, discovered, or developed by a given group, (c) as it learns to cope with its problems of external adaptation and internal integration, (d) that has worked well enough to be considered valid and, therefore (e) is to be taught to new members as the (f) correct way to perceive, think, and feel in relation to those problems."

Bhattacharyya (2011: 268 - 269) emphasizes the following organisational culture change process: ƒ Identify the core values and beliefs ƒ Consider the subcultures within the organisation ƒ List out the incongruence ƒ Establish new behavioural norms ƒ Repeat these steps over a long period of time.

Models of Organisational Change Kanter et al (1992) identified the following themes as the basic assumptions of most change models and/or frameworks:

Awakening the organisation to a new reality and disengaging it from the past. Recognising that the old way of doing things is no longer acceptable. The need to create and embrace a new vision of the future by the organisation. The need to unite behind the steps necessary to achieve the stated vision. The need to solidify' or 'refreeze' the new attitudes, practices and policies. There are as many models of change as the attempts that have been undertaken to change organisations over the years.

Manifestations of Culture Schein 1990) identified three fundamental levels at which the culture manifests itself:

1. the observable artefacts: including the physical layout, dress code, manner of address, the smell and feel of the place, its emotional intensity, company records, products, statements of philosophy, and annual reports;

2. the values: including norms, ideologies, charters, philosophies, why certain observed phenomena happen the way they do;

3. the unconscious assumptions: the taken-for-granted, underlying, and usually unconscious assumptions that determine perceptions, thought processes, feelings, and behaviour.

Culture refers to beliefs, values and attitude held by management and their employees (Passenheim, 2010). Any business like Nokia may have inherent attitudes which do not support change. A change of strategy, structure and technology make it necessary for people (employees) to change their knowledge, behaviour and attitudes. If this is not implemented correctly this can inhibit cultural change in an organisation. Through better training on strategic changes to be implemented in an organisation and allowing employees to accept and adopt to the changes can help facilitate change in an organisation. There are steps to be followed when it comes to approaching cultural changes to avoid obstacles (Passenheim, 2010):

- Analyze the cultural situation
- Accept the cultural barrier, do not ignore it
- Work against it with a communication mechanism or integration methods.

Cultural change facilitators: Communication the need for change is important. This can be done by developing a business case outlining the reasons for change. Evaluate the readiness for change in the organisation. Ensuring that people support the change, understand the change and are involved in the plans for change. Better communication between the different stakeholders affected by the change. This can be done face to face or in groups to ensure everyone understands. Review the change by putting control measure to check the progress on changes made, areas of improvement.

Cultural change inhibitors

Insufficient problem awareness: this is the reasoning behind any change in an organisation. There are triggers for change processes which are extensively discussed with the management. Awareness arises of existing problems and the necessity to make changes. Workers/employees must have transparent view of the situation of the company, must be informed of the problems and planned changes

Insufficient communication: miscommunication can be a cultural inhibitor in that people like to gain influence regarding their surroundings and have control. Restructing plans for an example in an organisation if not communicated properly can cause chaos.

Bad style: it’s a behaviour that is practised in an organisation where employees are not involved, they are just tod about the changes.

Unprofessional stakeholder management: stakeholders have different interests and numerous persons are affected by the changes.

Workload and speed: involves adoption to change. Normally with changes there is increased workload and time to catch-up to competitors may not be favourable to meet new targets.

Lack of control: if a change process is initiated, one should pay attention to the sustainability of the targeted changes.

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