MBA SEMESTER 3

Integrated Case Study Project

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1. Introduction

In the worldwide economic slump’s wake, there could have been incremented great concerns about the external financing’s availability, the gaps created by the market, products and operations, and change management for existing businesses, particularly small and medium sized enterprises (Reinhart, 2011; Burke et al., 2014; Drezner, 2014; Garcia-Beneau, Sierra-Garcia and Zorio, 2013; Grigor’ev and Salikhov, 2009). A large number of companies seem to experience various challenges throughout their life cycle created by the implementation of change and the gaps created in the market by the products, operations due to the fact that competitors seem to be well established in the marketplace and have good reputation.

In the same line, The Sterling Group Limited has experienced challenges caused by the external environment which could affect the volume of the institution’s supply and demand and its costs, and the internal environment which could ensure the efficiency of the opportunities’ and threats’ management in the marketing framework whilst referring to the institution’s strengths and weaknesses (case study). The company could have utilised the effective offensive strategic framework to identify its opportunities and establish the strength of the company to make it grow and could have also utilised the effective defensive strategic framework to resist when the competitors are causing threats to the company due to the weaknesses of the company. The company seems to also experience another challenge related to the fact that the family wants the business to remain the same.

In this paper, first of all, corporate appraisal will be made by critically examining the external environment and the internal environment. Secondly, the direct competitive analysis and indirect competitive analysis will be critically examined. Thirdly, to critically evaluate the market, important marketing tools will be utilised such as Ansoff’s matrix, Boston Consulting Group and Product Life Cycle. Fourthly, concerning the gap analysis, the perceived market gap, perceived product gap and perceived operational gap will be critically analysed. Fifthly, the factors linked to strategy canvas such as elimination, reduction, increase and creation will be examined. Sixthly, concerning change management, problems related to gap analysis will be identified, solutions will be proposed, challenges linked to change implementation will be identified, and a management of change implementation will be proposed followed by the sustainability practices. Seventhly, a vision, challenges, control measures and corrective actions will be proposed and lastly a brief summary of the report will be given.

2. Main body

2.1 Corporate appraisal

One essential rationale for establishing the strategy of marketing seems to be for the preparation of the interaction betwixt the conglomerate and the environment which seems to be changing. The significance of foreseeing the reshape of the environment seems to be implicitly undertaken in the years that are yet to come. The evaluation of the internal culture of the enterprise so that it can be ready for the interaction with the external environment seems to be another approach of corporate appraisal. Corporate appraisal will be made by examining the external environment and the internal environment. Concerning the external environment, the political, technological, economic, legal, social and environmental factors will be critically analysed. Concerning the internal environment, the manpower, materials, money, methods and machinery will be critically analysed.

2.1.1 External environment

In examining the external environment of a firm, it seems to be of importance to enumerate the determinants that could impact a proportion of essential variables which could affect the volume of the institution’s supply and demand and its costs (Navarro-Garcia, Arenas-Gaitan and Rondan-Cataluna, 2014; Pal, 2010; Ford, Evans and Matthews, 2004; Chang et al., 2011; Pagell and Krause, 2004). To envisage how to make plans of contingency for threats and to take opportunities as an advantage, the outcomes of the examination could be utilised. In the following, the political, technological, economic, legal, social and environmental factors will be critically analysed.

Political factors

The laws created by the authority seem to affect all the existing companies at a certain degree. The laws of local traffic which are the ones restricting the travel’s allowance on roads taken by vans that deliver products (Wu and Chan, 2011). These laws can have a negative impact on the company when vans are making deliveries in the sense that by taking another road, the deliveries can be delayed (Wu and Chan, 2011). This will contradict the hypothesis that the company deliveries are within twenty four hours of the order’s receipt. Therefore, these laws seem to be a threat for the company (King, 1987).

New tax measures adopted by the British authorities in 2011 could affect the existing companies. In order to increment the governmental profits by almost 12 billion a year, the VAT rate which was at 17.5% could have been incremented to 20% (BBC, 2011). According to some theories, when the VAT rate increases, the consumer’s buying power decreases (Crossley et al., 2009). Therefore, an accretion of the VAT rate will be a threat for the company because the profits of the company will decrease (Christandl, Fetchenhauer and Hoelzl, 2011; Giesecke and Tran, 2012; Bergman and Nevarez, 2006).

The laws regarding employers and subalterns which are the English and European laws referring to the employment legislation. The Equal Treatment Directive 1975 which claims that the employment or dismissal of people must not depend on their sex, sexual orientation or marital status (Samuels, 2004). This law seems to be a threat for the company because they will be obliged to employ people without making any discrimination of age or sex (Hand, 2008). The discrimination about the way of paying workers according to the sex, claimed by the Equal Pay Directive 1975 can be a threat for the company in the sense that the company will be obliged to pay its workers without discrimination of sex (Fulcher and Bamford, 1996). The laws concerning the equal treatment of citizens without regarding their race or ethnicity claimed by the EU Race Directive 1976 can be a threat for the company because it is compulsory for the company to employ people without taking into account their ethnicity (Ellis, 2002; Guliyeva, 2010). The laws regarding the customer’s rights could propel the company to exercise the practices of safety to protect people on their premises and the law regarding the accurate descriptive of the customer’s offer can be a threat for the company in the sense the company must not make a mistake when a deliveries are proceeding.

United Kingdom could have announced new regulations and the governmental policy such as the intervention in the economy, concerning the raw materials, the utilisation and the policy of recycling. The policies of taxation and the verdict about the incrementing prices could have impacted the company’s market because the buying power does not remain the same. The government decisions could have affected the pivotal sectors of the business, by its nature, the workforce’s training and the personnel’s background. The restrictions of European trade and the tariffs could have not affected the business because they seem to be based only in the United Kingdom but some decisions taken by the government seem to be a threat for the business.

Economic factors

Companies seem to be affected by the economy. The higher the buying power of customer is, the higher the revenues of the companies are (Agarwal, S., 2012; Ushakov and Arkhipov, 2014). The increase in the governmental taxes can create an increase in the company’s costs. Therefore, the company should know the prices of energy and salaries which seem to be the economic variables.

Concerning the pay levels, statistically, more 60% of the corporate management costs can derive from the wages (Brown, Sturman and Simmering, 2003; Gardner, Dyne and Pierce, 2004). Thus, the costs’ control seems to be important. The bills of salaries can be a threat for the company in this sense that if they are more than 51% of the company’s revenue; the company can fall in bankruptcy.

Since 2001, British companies have been affected by the wind of globalisation (Evans, 2004). The arrival of India and China which seem to be massive economies could have a significant impact on the market. Those competing economies utilising the strategy of Blue Ocean which is to provide high quality of goods at low price, could have made their competitors based in United Kingdom be under pressure. Globalisation can be a threat for the company because they can lose their market and they can be propelled to change their strategy based on focused differentiation.

The recovery sign from the economic downturn shown by the British economy seems to be positive. After the downturn, the forecasting of the rate of economic growth and products could have been positive; amounting to 2.6% and this figure seems to be higher than it was during the crisis (BBC, 2014). This will be an opportunity for the company because this will leads to the development in the market industry in which the company seems to operate.

The economic recession can be a threat for the company. During the recession, there will be an increase in the unemployment rate and this will leads to a decrease in the disposal income in citizens’ hands. Hence, there will be an increase in the purchasing of products of a lower price and a decrease in the buying power of consumers (Mankiw, 2012).

The economic growth of the company seems to be positive and its prospective seems to be normal. The strong currency of United Kingdom could have had no impact on the business and the prices of the products in terms of foreign currencies could have not impacted the business because they seem neither to import manufactures nor to export office supplies products. The exchange rates could have had no impact on the business because they seem to have no intention to expand their business international but they are focused on United Kingdom. The programming and consultancy of computers could have continued, with a turnover increasing. Therefore, the economic climate could have not affected the business adversely and this seems to be an opportunity to gain field.

Social factors

The fact that there could be a change in the structure of the populace and the socially behavioural patterns seems to have an effect companies. There seems to be an increase in the number of elderly citizens in the United Kingdom and statistics have shown that that number can be evaluated at least 54% and it will increase in the years that are yet to come (Tuck and Crick, 2003). The ageing population seems to be a threat for the company in the sense that there could be an increase in the shortages of labour (Nicholas and Keith, 2009). Therefore, the company may be propelled to increase the salaries in order to facilitate the labour’s attraction. The increase in the elderly can create an increase in the governmental taxes and contributions of National Insurance so that the older people can be supported.

They could have obviously brought new strategy with a new idea which is an ecommerce and this could have significantly impacted the sales, amounting at 28% per volume. This could have clearly been positive for the company and could have been an opportunity for the company to increase its sales. The fact the company seems not to believe in media advertising such as radio, television and social media could have been a threat for the company because through these one, they could have maximised its sales and reduced the risk of volatility. Therefore, the legal systems in operation could have had no significant impact on the range of product fields.

Technological factors

The technological advancements could be an opportunity for the company. The manufacturers seem to develop products that tend to be difficult to imitate and the Sterling Group has utilised this trends to have a competitive advantage. Because of the rapid growth in technological, consumers can order their products online. The rapid development of technology could have affected the company and the enhancement in technology seems to change the operating activities of the company (case study). The changing environment in technology could have created a requirement to react rapidly in furtherance of maintaining the competing environment while offering the similar innovative service. The products’ distribution whilst utilising technology, for instance, the CRM (Customer Relationship Management), the ERP (Enterprise Resource Planning) and the MIS (Marketing Information Systems) which could have helped for the computerised purchasing, the control of inventory, the maintenance of the relationships between the company and the suppliers, and relationships between the company and the customers (case study). This could be a threat for the company to develop its information system. Therefore, changes happening in the technologies could have significantly impacted the product policies and the pace of products development (Pae, J.H. and Hyun, J.S., 2002).

Disruptive technologies can be a threat for the company (Obal, 2013). This one seems to target small sized enterprises which have adopted disruptive technologies to improve their business. The paradoxical approach seems to be the fact that the company is the leader on quality and seems to react rapidly to technological advancements (case study). Disruptive technology which seems to be valuable for small sized enterprises can create a niche in the marketplace.

Environmental factors

The variations in temperature seem to be a threat and could have impacted the company (Lerner and Haber, 2001). The climate variations caused by the global warming and the greater awareness of the environment could have become a significant issue for the company to examine. Due to the fact that the protection of the environment seems to become a growing desire and the fact that a large number of people seems to have interest in recycled products, Sterling Group Limited seems not to be directly based upon company activities (case study). However, this seems to be a good step for the company to be adapted to environmentally friendly products which could affect the demand and create opportunities.

Legal factors

A large number of legal changes could have been adopted by the United Kingdom which could have a significant effect on the behaviour of the company (Pope and Bambra, 2005). The integration of disability discrimination legislation and age discrimination and the need for the company to adopt recycled products could have significantly impacted the actions of the company. Legal factors could have affected the costs of the company. The data protection and the confidentiality of the customers’ information should be kept safely. The data protection act1998 could have been elaborated by the United Kingdom’s parliament in order to ensure the procedures of information on identifiable people. Therefore, this seems to be a threat for the company if the customers’ data are displayed without their consent.

|  |  |
| --- | --- |
| Opportunities | Threats |
| Economic factors | Political factors  Economic factors  Social factors  Technological factors  Environmental factors  Legal factors |

* + 1. Internal environment

The materialisation of the strategy of marketing could be considered as an enhancement of remote future plans of actions which could ensure the efficiency of the opportunities’ and threats’ management in the marketing framework whilst referring to the institution’s strengths and weaknesses (Broto and Sushil, 2012). Rentable manufacturing could be based upon the efficiency of the 5M’s which tends to be the acronym for Manpower, Machinery, Methods, Money and Material. The evaluation of manufacturing’s problems that could help to identify the root of inefficiency could be made through the utilisation of the 5M’s. In the following, the manpower, money, machinery, methods, material will be critically analysed.

Manpower

The requirement for highly educated and highly experienced people will never be annihilated, although the automation of manufacturing has been established (Mutingi and Mbohwa, 2012). The size of the board could have been made of highly experienced workers to perform complex tasks. The company could have maintained their workforce’s efficiency in order to increment the production. The workers could have been employed according to their years of experience, their expertise and their ambition to increase production through efficient management tools and production management systems (case study). This category of workers could have considered as strength for the company and this seems to be one of the reasons why they are market leaders on quality.

Materials

A great proportion of elements could determine the material’s quality, by its nature, the environmental efficiency, the quality, the performance and the cleanliness (Martinez-Olvera, 2012). The company could have bought from manufactures that have adopted all these criteria to increment the sales of products (case study). The fact that they sell recycled products to maintain a healthy and clean environment and the fact that its products are environmentally friendly could have boosted the company’s sales. They are market leaders of quality which means that its products are of good quality (case study). Therefore, the loyalty of customers seems to be retained. This can be seen to be a company’s strength.

Machinery

Durable and precise systems could have been designed, installed, consulted and maintained to accomplish an organisational and people development to solve an issue as soon as changes are perceived to allow the growth of the business and its expansion (Rodriguez et al., 2011). The fact that all the systems could have been clearly designed with sustainability, accuracy and precision could have been seen to be a company’s strength because they could help to provide an extreme efficiency when processing a task. The Information Technology systems could have been enhanced so that the integration of systems and the development of software are completed (case study). This seems to be strength of the company.

Money

The statistics could have been precisely measured in the machines to give feedback about the performance of the systems and to ensure that the devices perform at their peak (Pederson, J.L. and Tressler, C., 2012). Some devices have been put in place to detect the optimal level of the systems. These ones could help to appraise the capacity of the equipments and this could make the company have a view about how the activities could be impacted by the machinery, the material and the manpower. The maintenance of the optimal level of efficiency seems to be made throughout the monitoring of the analyses’ trends (case study). The fact that the company does not have enough money can be a threat.

Methods

The supply chain management throughout the procurement, the computerised purchasing and the control of inventory could have been designed to maximise the efficiency of the operations which are performed (Zheng Zhou and Bingxin Li, 2012). This seems to be a pivotal key for the efficient management of the working capital of the company. This could have allowed a good profit margin to be fulfilled in spite of the service’s high cost and the costs carried by the inventory. The development and the support of the methods could have been made through the development of the machinery. These methods could be considered to be strength for the company.

|  |  |
| --- | --- |
| Strengths | Weaknesses |
| Manpower  Materials  Materials  Methods | Money |

* 1. Competitive analysis

An appraisal of the weaknesses and strengths of the targeted and current competitors in the market seems to be an effective, defensive and offensive strategy framework utilised to identify the companies’ threats and opportunities. The effective offensive strategic framework could have been utilised by the company to identify its opportunities and establish the strength of the company to make it grow. The effective defensive strategic framework could have been exploited to resist when the competitors are caused threats to the company due to the weaknesses of the company. In the following, the direct competitive analysis and indirect competitive analysis will be examined. Concerning the direct competitive analysis, the potential and current competitors, the analysis based on the industry, the analysis based on the market, the assessment of the attractiveness based on the market and the five forces will be critically analysed. Concerning the indirect competitive analysis, the power of indirect competitors will be critically analysed.

* + 1. Direct

Potential and current competitors

The potential and current competitors can be identified by a company while utilising a marketing perspective and an industrial perspective (Tang and Tang, 2012). The industrial perspective will be mingled on the internal structure of the company and the products of the competitors in the market. The marketing perspective seems to be based on the requirements of the customers and the satisfaction of those requirements by the companies. Therefore, this will give the company a shade of their potential and current competitors. The current and potential direct competitors of The Sterling Group Ltd seem to be Express, Phoenix, Atlas, Ideal and Swift (case study).

These companies seem to compete in the similar product, utilise similar technology and target the similar market and they seem to operate in different regions with unrelated products and same products (case study). The companies can be based on the similar market and they seem to have the similar operating blueprint (case study). The range of products on which they seem to compete, are general stationery, paper, data products, office furniture and computer peripherals (case study).

Analysis based on the industry

A cluster of companies whose services and products can be closely substituted to each other can be identified as an industry (Hamm, 2012). In consonance with the gravity of product differentiation and the amount of sellers, the primary classification of industries can be done. The industries in the case study seem to be classified as a differentiated oligopoly. The differentiation seems to be focused on quality and certain characteristics. The sterling Group Ltd seems to have a distinctive advantage over their direct competitors because they could have incorporated the design and print service (case study). They are known for their reputation and they seem to be identified as market leaders on quality (case study).

Analysis based on the market

From a marketing approach, The Sterling Group Ltd seems not only to pay attention about all the companies that could sell the similar products but they could also target the competitors that seem to satisfy the similar requirements of consumers (case study). The company seem to experience the competition of brand, industry, form and generic and this seems to be based on the gravity of product’s substitution (case study). The sterling Group Ltd will take into account the companies selling the similar class of products (case study).

Assessment of the attractiveness of the market

The company could have assessed the attractiveness of the market before moving to Slough in the South of England (case study). Michael Porter will be utilised to assess the attractiveness of the market identified by the threats and opportunities caused by the rivals, the buyers, the threat of entrants, the threat of substitutes and the suppliers (Driver, 2012). It seems to be an important tool marketing tool to assess the attractiveness of the market.

Five forces

Rivals

The company seems to be under pressure of a large number of rivals which can be Express, Phoenix, Atlas, Ideal and Swift (case study).

Threats of entrants

The company can use their brand image and its image as a barrier for new companies such as Ideal and Swift.

The threats of substitutes

The substitutes seem to be the products as changes in technology occur (case study).

The power of suppliers

The company’s suppliers can be the retailers or wholesalers such as Mayne, Sharpe, Imperial, Swift and Lorama (case study).

The power of buyers

The company’s buyers seem to be the customers and they can be considered to be the power of the company because of their loyalty (case study).

Radar plot

Brand image

Express threat of product substitutes

Low high

Loyalty of customers Imperial

Express can be considered to be the most powerful competitor of The Sterling Group Ltd and they seem to have an excellent capacity of production (case study). They seem to introduce a large range of new products and that seems to be one of the reasons why The Sterling Group Ltd is constantly under pressure to take the opportunities and gain new markets (case study).The brand image and the company image seem to be a barrier for competitors. The complexity of pricing decisions could have made the company use an approach of cost plus pricing but the accretion of the competition and the innovations of technology can make the profit and price decrease (case study).

2.2.2 Indirect

Indirect competitors can be identified as a manufacturer or wholesaler that can provide products or services to others companies (Dimov, Chambers and Lockhart, 2008). The sterling Group Ltd seems to be surrounded by a large number of indirect competitors which are Mayne, Sharpe, Imperial, Swift and Lorama (case study). These indirect competitors can provide the ranges of products such as general stationery, paper, data products, and office furniture and computer peripherals (case study). Mayne seems to be the most powerful and indirect competitor followed by Sharpe (case study). Because of the establishment of its reputation, they seem to have advantage over their rivals (case study).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| List of competitors | Prices | Features | Services | Products |
| Mayne | The prices levels are slightly different depending on the market segments. | Competes in the similar product, utilise similar technology and target the similar market and seems to operate in different regions with unrelated products and same products.  Their products are of good quality.  The brand image is very recognised.  They have an excellent reputation. | Based on the requirements of the customers and the satisfaction of those requirements. | General stationery,  Paper,  Data products,  And Office furniture. |
| Sharpe | The prices levels are slightly different depending on the market segments. | Competes in the similar product, utilise similar technology and target the similar market and seems to operate in different regions with unrelated products and same products.  Their products are of good quality.  The brand image is very recognised.  They have an excellent reputation. | Based on the requirements of the customers and the satisfaction of those requirements. | General stationery,  Paper,  Data products,  Office furniture,  And Computerperipherals. |
| Imperial | The prices levels are slightly different depending on the market segments. | Competes in the similar product, utilise similar technology and target the similar market and seems to operate in different regions with unrelated products and same products.  Their products are of good quality.  The brand image is very recognised.  They have an excellent reputation. | Based on the requirements of the customers and the satisfaction of those requirements. | General stationery,  Paper,  Data products,  And Computer peripherals. |
| Express | The prices levels are slightly different depending on the market segments. | Competes in the similar product, utilise similar technology and target the similar market and seems to operate in different regions with unrelated products and same products.  Their products are of good quality.  The brand image is very recognised.  They have an excellent reputation. | Based on the requirements of the customers and the satisfaction of those requirements. | General stationery,  Paper,  And Data products. |
| Phoenix | The prices levels are slightly different depending on the market segments. | Competes in the similar product, utilise similar technology and target the similar market and seems to operate in different regions with unrelated products and same products.  Their products are of good quality.  The brand image is very recognised.  They have an excellent reputation. | Based on the requirements of the customers and the satisfaction of those requirements. | General stationery,  Paper,  Data products,  And Office furniture. |
| Atlas | The prices levels are slightly different depending on the market segments. | Competes in the similar product, utilise similar technology and target the similar market and seems to operate in different regions with unrelated products and same products.  Their products are of good quality.  The brand image is very recognised.  They have an excellent reputation. | Based on the requirements of the customers and the satisfaction of those requirements. | General stationery,  Paper,  And Data products. |
| Ideal | The prices levels are slightly different depending on the market segments. | Competes in the similar product, utilise similar technology and target the similar market and seems to operate in different regions with unrelated products and same products.  Their products are of low quality.  The brand image is not very recognised.  They have a mediocre reputation. | Based on the requirements of the customers and the satisfaction of those requirements. | General stationery,  Paper,  Data products,  And office furniture. |
| Swift | The prices levels are slightly different depending on the market segments. | Competes in the similar product, utilise similar technology and target the similar market and seems to operate in different regions with unrelated products and same products.  Their products are of low quality.  The brand image is not very recognised.  They have a mediocre reputation. | Based on the requirements of the customers and the satisfaction of those requirements. | General stationery,  Paper,  And Data products. |
| Lorama | The prices levels are slightly different depending on the market segments. | Competes in the similar product, utilise similar technology and target the similar market and seems to operate in different regions with unrelated products and same products.  Their products are of low quality.  The brand image is not very recognised.  They have a mediocre reputation. | Based on the requirements of the customers and the satisfaction of those requirements. | General stationery,  Paper,  Data products,  And Computer peripherals. |

2.3 Market evaluation

To evaluate the market, important marketing tools will be utilised such as Ansoff’s matrix, Boston Consulting Group and Product Life Cycle. Concerning Ansoff matrix, the stages of market penetration, product development, market development and diversification will be critically analysed. Concerning Boston Consulting Group, the stages of Question Mark, Cash Cows, Stars and Dogs will be critically analysed. Concerning the Product Life Cycle, the stages of introduction, growth, maturity and decline will be critically analysed.

2.3.1 Ansoff’s matrix

Ansoff’s matrix can be identified as a matrix that can exhibit the growth of the market and the growth of the product (Finch and Geiger, 2011). This can be a pivotal marketing instrument to determine the growth of the market and the growth of products. It can be based on the existing or new products and/or the existing or new markets. The matrix can be divided into four parts which are the product development, the diversification, the market penetration and the market development.

Market penetration

There seems not to be a market penetration because it seems to be an existing company with an existing customer base (case study). The company has been established and they seem to have a worldwide reputation because of the scientific, mechanical and geographical depictions that are published (case study). The headquarters foundry and centre of distribution of the company seem to be located in forty miles west of London (case study). It is an existing company that could have acquired by merger the Admiral Design and Print Ltd and could have rebranded this one to strengthen its existing customer base (case study). Their core activity seems to be to design and print the posters of billboard and the materials of sales promotion (case study).

Product development

The company could have envisaged to introduce new products in the existing area where could have been successful to make its rivals in the industrial office supply compete (case study). Apart from selling general stationery, paper, data products, and office furniture and computer peripherals, they could have intended to sell office personnel (case study). This tends to be a right strategy to compete and have distinctive advantage over rivals (Barczak and Kahn, 2012; Brattstrom, Lofsten and Richtner, 2012). Introducing new products will be advantageous in the sense that a large number of consumers will be attracted. Therefore, the existing customer base will be enlarged.

Market development

The company could have envisaged to be integrated in new markets in furtherance of invading the United Kingdom and make their brand known all around the United Kingdom (case study). Their idea seems clearly to be to enlarge their market opportunities and to enhance the company’s growth and its profitability (case study). They could have intended to develop its market by looking at new buyers or new consumers that could purchase their existing products (case study). This could evidently be a good strategy to snatch all the buyers served by the rivals (Marino et al., 2011; Islam and Mozumdar, 2007).

Diversification

There is no diversification because the company want to remain the same (case study). They could have no intention to introduce new products to make its rivals in the industrial office supply compete and at the same time to be integrated in new markets to strength their reputation and make their name known all over the United Kingdom (case study). This seems not to be a good strategy because of some reasons that will be detailed (Chen and Chang, 2012). It seems to be an absurdity; a contradiction of the company’s hypothesises because the company wants to be adapted when changes in technology will occur. Before the occurrences of environmental changes, the company should introduce a proactive management to counter attack the needs of changes occurring.

* + 1. Boston Consulting Group

The Boston Consulting Group Matrix seems to be an essential tool to determine the evolution of the portfolio of products and it can also give a good snapshot of the products’ comportment (Yeh, Chen and Lai, 2010). It seems to be a good chart generated to help companies do the analyses of their range of products. A couple of levels seem to be utilised to evaluate the portfolio of products. It could give a view about the degree of market growth and could appraise the degree of market share of the products in consonance with the most powerful rivals. A critical analysis of the stages of Question Mark, Stars, Cash Cow and Dogs will be established.

Question mark

Managing all the products seems to be difficult. The products seem to grow increasingly in the market but their market share seems not to be high; so the market share is low (case study). New products have been introduced in the market such as the paper data products, computer peripherals and data products (case study). A large number of competitors seem to sell the same products and they seem to have the same suppliers (case study). Another reason can be that there is a lack of those products and the company’s competitors could have bought a large amount from the suppliers. Investment should be done by the company to reach the phase of star (Smith, 2002).

Stars

The products such as computer peripherals seem to increasingly grow in the market and these ranges of products can be considered to be the products leading the market (case study). A great amount of investment could have been done over these products so that they can retain first in the queue and have a favourable position for the support of the growth and the maintenance of their leads over products in the competition (case study). The computer peripherals seem to create a large amount of profit because their strength in the market (case study). Managing the portfolio of products seems to become a problem because the company does not know whether the assets are sensitive to the market movement or not (case study). Because their market share could have remained high, there could have been a drop in the growth of the market (case study).

Cash cows

That seems to be the phase where the similar range of products does not need the similar degree of support (Pearce, 2014). Because there is no pressure in the competition and the growth of the market is low, the position of products such as general stationery, paper and data products seems to be dominant in the market (case study). That is one of the reasons why there seems to have scale economies (case study). Despite the fact that those products tend to make the company accumulate a great amount of profit does not ensure the company to rely on it (Pearce, 2014).

Dogs

The range of products identified as a dog seems to be the general stationery, office furniture and computer peripherals whose market share and the growth of the market seem to be low (case study). This range of products seems to make the company lose a great amount of money and the products such as paper and data products seem to generate a small amount of profit (case study). For instance, the office furniture and computer peripherals seem to make the company lose a large amount of money (case study). Therefore, the profit could have decreased and it seems to have an impact on time of management and the resources of management (case study). The administrators seem to be thinking about investing on the range of products which will make the company accumulate a great proportion of profits (case study).

* + 1. Product Life Cycle

The product life cycle can be a good marketing tool in the sense that it can describe the products’ stages from their entrance in the market to their removal in the market (Nepal, Murat and Babu Chinnam, 2012). In this cycle, the final stage cannot be reached by all the products in the portfolio because some line of products will be extended. Some ranges of products will continuously grow in the market and after reaching the stage of maturity, they will drop. Their drop will mean that they are in the stage of decline in the market. An analysis of the stages of introduction, growth, maturity and decline will be established.

Extension of products

Introduction growth maturity decline

Introduction

New ranges of products such as paper, data products and computer peripherals could have been introduced in the market and the level of sales seems not to be high (case study). The company seems to be unable to utilise their capacity and they seem to experience the problem of teething because the cost of unit tends to be high (case study). The nature of cash flow seems to be negative and the company seems to be multiplying a large number of sales promotion to make their products known in the place where they has been established (case study).

Growth

The company tends to expand its market all over the United Kingdom despite the arrival of new rivals such as Ideal and Swift (case study). There could have been a drastic increase in the sales and the company seems to be able to manage its capacity (case study). For instance, the nature of cash flow could have become positive due to the market acceptance gain of products line (case study). Because of the growth in the market, there seems to be an increase in the profits (case study). Therefore, the attractiveness of the market can create the entrance of new rivals in the market.

Maturity

The growth of sales could have lowered because of the entrance of new rivals in the market (case study). The company seems to be under pressure of rivals but the way of utilising their capacity tends to remain the same; the degree seems to be high (case study). The nature of cash flow could have reached a good standard which is positive because of the weaknesses of rivals which could not afford to continuously compete (case study). Therefore, they could have left the marketplace because of the competitiveness based on price and the promotion focused on differentiation of products line (case study). There could have been a drop in the profit and prices.

Decline

In this stage, the sales of products could have dropped and the market seems to be saturated by competitors (case study). There seem to be a profits’ decrease and the cash flow tend to become weaker compared to the previous stage because of the cutting of price to maintain the competition (case study). A large number of rivals could have left the marketplace and the way that the company will utilise its capacity will decrease. Therefore, the company will be switching its capabilities to the portfolio of products (case study).

2.4 Gap analysis

A gap analysis seems to be a way of comparing the actual efficiency with the desired efficiency (Kujala et al., 2011). The misuse of the current capabilities of a conglomerate can make its performance decrease compared to the previous performance. It seems to be a way of comparing the current environmental situations of a firm in furtherance of identifying all the gaps and enhancing all the areas that seem not to be well managed to reach the relevant level. It seems to be a method that can allow a firm to determine all the ways to be considered in order to move forward and reach the forecasted results. Analysing the gap of a company will lead to analyse the market gap, product gap and operational gap. In the following the perceived market gap, perceived product gap and perceived operational gap will be critically analysed.

2.4.1 Perceived market gap

When a conglomerate grows, a large number of consistent challenges about the investment decisions making appears. They could be tempted to create new business in order to make the competition relevant and the expansion of their geographical markets seems to be important. The analysis of the perceived market gap seems to be a systematic way to assess the opportunities of sales where the market supply seems to be less than demand (Hellmann, 2007). In the area of Business to Customer market, this approach could have been excessively utilised. The identification, quantification and selection of new market segments can be done throughout that technique.

The reinforcement of existing business base and the provision of diversification linked to the domain of publishing specialty could have been needed. Sterling publishers seem to be the ones who publish books and their specialty seems to be based on technical and scientific text. They seemed to be well known in 1906 because of their reputation as the ones who publish geological and geographic books.The acquisition by merger of Admiral Design and Print Ltd, a firm specialised in the commercial printing and the graphic design, in 1961 by Sterling Publishers seemed to be a good approach to sustain their existing business base because they could have acquired all the assets and liabilities of the company acquired. This could have filled the gap in the printing of books.

The exploitation of the light industry light development and the items of computer stationery and the strategic position, particularly in England ‘silicone valley’ in Slough in 1975 were needed (case study). After the World War II, potential suppliers of office stationery to a large number of conglomerates such as Sterling Office Supplies were created.In 1975, the move of the company from London to Slough in Berkshire was operated (case study). Their move seemed to have a good impact on the company because it could have increased their reputation (case study).

The market seems to be based only in the United Kingdom (case study). No exportation and importation of products of office supplies has been planned by SOS (case study). The distribution of their products seems to be made only in the United Kingdom and the purchasing of products from wholesalers and manufacturers seems to be direct (case study). They could have ventured into new areas to develop new businesses such as in the North and the North London and the Midlands (case study). The fact their business seems to be based only in the United Kingdom can be a bad strategy because expanding their business internationally could have created new opportunities and made the company have a one-of-a-kind reputation (Frasquet, Dawson and Molla, 2013). Therefore, they could have been leaders of quality not only in the United Kingdom but also in the world.

2.4.2 Perceived product gap

A number of companies seem to analyse their stock of products by determining an existing gap between the way of managing their products and the way of developing new products. The perceived product gap analysis seems a crucial practice utilised by companies’ superintendents to notify the needs, the problems and have an idea about how they will analyse those needs and bring solutions to the key problems (Brun and Pero, 2012). The way of managing the product seems to be based on the consumers and the market. The way of designing the products seems to be based on the expectancies of consumers.

The company that could have been projected to be the complete solution for the supplies of office seems to be SOS \*case study). The commercial stationery purchasing could have accomplished more than four-fifth of business by value (case study). All sorts of office products could have been provided by the conglomerate, from the office furnishings to the paper clips (case study). The satisfaction of the requirements of the complete office of the nation should be enabled throughout diversification which seems to be the corporate plan of that conglomerate (case study). The company could have the intention to enlarge their products line from the office personnel to the paper clips (case study). This corporate plan seems not be applicable because that conglomerate wants to remain the same (case study). This could also be a paradoxical approach because the company is entering new markets and because of technological changes, they could need diversification (case study).

The proportion of SOS own brands growth could have been foreseen at one-tenth in the next two years.The value of SOS own brands sales could be approximately 15% (case study). The introduction of the company’s brand could have integrated in the line of products to create a bridge and for the utilisation of the ranges of products of high volume (case study). The adaption betwixt the technological changes and the product policy could have established and one line product could contain more than one dominant brand (case study). Brand competition seems to be avoided (case study).The introduction of the brand recognition seems to be a good idea from the company because the consumers will be pulled to buy a great proportion of items from the company (case study). The fact that there will be no competition of brands betwixt similar items of commercial stationery seems not be a good approach because it can reduce the sales of products (Bajwa, 2012).

The substantial accretion of the company’s website seems to be expected (case study). The significance of the effect of the company ecommerce on sales seems to be amounting at 28% per volume (case study). Below-the-line activities seem to be the policy of promotion (case study). Nowadays, they seem to have no incentive to introduce the media advertising (case study). The promotional policy seems not be good because it seems to be a direct advertising where brochures and leaflets are distributed (Kaynak et al., 2013). This seems to be a delicate and slow way of advertising and it seems not to be the best way of promoting products because the sales’ increase can be made rapidly by utilising social marketing media, radio and television.

2.4.3 Perceived operational gap

The perceived operational gap analysis seems to be an essential method to determine what can be needed to reinforce the system of operations that could allow the transformation of inputs to obtain the outputs (Sharafi et al., 2012). This could be made throughout an operational channel that needs to be established. In the marketplace, it is the inputs that could determine the outputs and the outputs are not well done; it means a mistake occurred during the process due to the misuse of inputs.

The next financial years’ sales revenues seem to be predicted to significantly increase.SOS has been a successful company and the previous years, the turnover accretion could have been substantial due to the manpower (case study). Telesales could have supplemented the activities of sales in the area (case study). The marketing competitive channel utilised seems to be a good approach in the sense that it will fasten the sales it will reduce the costs of supply chain and customer search (Yan and Ghose, 2010).

The company’s mission and statements seem to be the dependency, reliability and quickness of the service provided by the maintenance of the consumers’ loyalty and degree of quality service.No intermediaries could have utilised to sell products to the United Kingdom Offices and the purchasing seems to be direct from wholesales and manufacturers (case study). The order and delivery of stocks to an office seems to be made within 24 hours of the order’s receipt (case study). The time seems not to be efficient because the order and delivery could be time-consuming and could take up to one day. The direct marketing seems to be a good approach because it will reinforce the brand loyalty and discounts will be made to customers (Coussement, K. and Buckinx, W., 2011). This seems also not to be a good idea because of the privacy intrusion that cannot be appreciated by consumers (Coussement and Buckinx, 2011).

The company’s systems will be built upon the Customer Relationship Management (CRM) and Enterprise Resource Planning (ERP) (case study). The company is currently developing a new Information System (case study). To establish and maintain the relationship with consumers, an Information System could have been developed to keep track of the relationship with the suppliers (case study). The upgrade of the systems has taken place and the development and systems integration of the software has been completed (case study). The ERP systems seem to be a good approach in the sense that the workflow will be coherent and automated and the procedures visibility will be strengthened (Choi, Chow and Liu, 2013). However, the ERP systems seem to be very expensive because of the time-consuming deployments. The CRM systems seem also to be a good approach in the sense that it will reinforce customer’s loyalty (Khodakarami and Chan, 2014). However, it seems not to be easy to implement because of the tools’ choice.

The need of IT systems efficiency and the company system will be also built upon Just in Time Inventory System (case study). Maintaining a four week stock by autonomous wholesalers or manufacturers seems to be their policy of inventory (case study). The inventory system seems to be based on end to end integration which could integrate at the beginning a supplier and at the end, an end user (Paterson, Teunter and Glazebrook, 2012). The linkage of suppliers through the Just in Time system has been established, fifteen vans are available and they could deliver subcontracts only beyond seventy miles radius of Slough (case study). The maintenance of the service promise could be made by the utilisation of courier companies. The Just in Time Inventory system seems to be a good idea because it could be helpful for the subalterns (Howton, Higgins and Biggart, 2000). However, the management of the activities could be very complicated.

The conglomerate believes that happy subalterns equal happy customers (case study). The employees could have been encouraged and motivated by the mangers and could have options of shares in the enterprise (case study). In furtherance of accomplishing the increase of sales, the subalterns has been put in first place by the superintendents so that their high commitment and motivation will be achieved and the consumers have also been put in first place by the subalterns (case study). According to Maslow’s hierarchy of needs, this tends not to be a good belief because less than 10% of individuals are fully self-actualised and their motivation seems to be embedded on self-esteem (Thielke et al., 2012).

2.5 Strategy canvas

Strategy canvas can be a tool of diagnosis and an instrument of action that could have been established to create the blue ocean blueprint (Perez, Gonzalez-Cruz and Pastor-Ferrando, 2010). A couple of goals can be generated from this one. The first one could be the capture of the current play state in the rialto slot which seems to be known and that will help to the understanding of the current competitive investment, the determinants on which the competition could have been done such as the delivery, the service or products and the favour that the consumers could have received in the existing market. The factors such as elimination, reduction, increase and creation will be examined.

2.5.1 Elimination

The existing market based only in the United Kingdom and the company’s motto based on no importation and exportation should be eliminated. The company’s strategy based on market penetration, new markets development and new products development should eliminated. The policy of promotion which seems to be below-the-line activities and direct advertising where brochures and leaflets can be distributed should be eliminated. The statement whereby an order and delivery of stocks to an office seems to be made within 24 hours of the order’s receipt and the approach based on direct marketing should be eliminated.

2.5.2 Reduction

The expansion of their market domestically and the distribution of its products only in the United Kingdom should be reduced. The purchasing of products from wholesalers and manufacturers should be reduced. The advertisement of the company’s products only throughout the websites should be dwindled. The supply chain and customers search should be reduced.

2.5.3 Increase

The reinforcement of existing business base and the provision of diversification linked to the domain of publishing specialty should be increased. The increase of acquisitions by merger of conglomerates specialised in the commercial printing and the graphic design should be important. Their reputation should be increased by increasing their move from one place to another. The expansion of their market internationallyand brand recognition should be increased. The advertisement of the company’s products throughout social media, televisions and radios and the manpower should be increased.

The maintenance of the consumers’ loyalty and degree of quality service should be increased.

2.5.4 Creation

They could be tempted to create new business in order to make the competition relevant and the expansion of their geographical markets seems to be important. The company should start creating a structure of products’ manufacturing. A strategy based on diversification and competition of brand should be created. The policy of promotion which seems to be above-the-line activities and a large proportion of market competitive channel should be created.

|  |  |  |  |
| --- | --- | --- | --- |
| Elimination | Reduction | Increase | Creation |
| The motto of the company based on no exportation and no importation  The strategy based only on new markets development and new products development  Promotional policy based on below the-line activities  The approach based on direct marketing | The expansion of their market domestically  The distribution of their products only in the United Kingdom  The advertisement of the company’s products only throughout websites. | The reinforcement of the existing business base  Acquisitions or mergers  Brand recognition  The advertisement of their products throughout social media and social networks  The customers’ loyalty  The degree of quality service | New businesses  The geographical expansion of their market  A strategy based on diversification  Competition of brand  Promotional policy based on above the-line activities  Market competitive channel |

2.6 Change management

Change management seems to be a concept utilised by a large proportion of organisations which have the strong desire to change their way of managing. Lewin (1950) could have added that to implement a change, an organisation should experience three stages which are: unfreezing, change and freezing. In the following, problems related to gap analysis will be identified, solutions will be proposed, challenges linked to change implementation will be identified, and a management of change implementation will be proposed followed by the sustainability practices.

* + 1. Problem recognition

The competitive strategy utilised by the company seems not to be effective because by utilising, the company can only compete in the United Kingdom (case study). The competitive strategies such as the new market development and the new products development seems not to be very advantageous if the company wants to be leaders of quality internationally (Frasquet, Dawson and Molla, 2013). The new market development, for instance, seems to be a strategy based only on existing products and new markets (case study). Moreover, new products development seems to be a strategy based only on existing markets and new products (Barczak and Kahn, 2012; Brattstrom, Lofsten and Richtner, 2012). The company can rapidly lose their competing advantage by adopting these blueprints because huge competitors such Chinese businesses are invading the world.

The company has projected to be the complete solution for the supplies of office which can be enabled throughout diversification (case study). This seems to be a paradoxical approach because the conglomerate wants to remains the same (case study). This is a problem because this corporate approach seems not be applicable (case study). The way of advertising seems to be a problem because it is only based upon the distribution of brochures and leaflets (Kaynak et al., 2013). This means that they are only focused on direct advertising which is a slow way of promoting.

The company has recognised the weaknesses of its Information Technology systems (case study). The company systems were unable to keep the track of the relationship between the company and the suppliers, and between the company and the customers (case study). The systems used by the company were not up-to-date and this seems to be one of the reasons why the company’s workflow was not coherent and their automation systems visibility, weakness (case study). The company recognised that their Information Technology systems were not efficient because they were based upon Just in Time Inventory systems (case study). This way of management seems to be very complicated because it can be time-consuming and the increasing demands of the products can createlate deliveries. The company’s belief which is “happy subalterns equal happy customers seems to be a problem for the company because according to Maslow’s hierarchy of needs, less than 10% of individuals are fully self-actualised and their motivation seems to be embedded on self-esteem (Thielke et al., 2012).

2.6.2 Proposed solution

To solve the issue related to the ineffectiveness of the competitive strategy of the company which seems to create some limitations of the company and slow their recognition internationally and also the issue caused by the pressure of huge businesses such Indian enterprises and Chinese companies, the company should implement the strategy of diversification which seems to be based on new markets and new products (Chen and Chang, 2012).

The company has experienced a problem linked to the fact that they want to remain the same (case study). This means that their operating structure will remain the same but a proposed solution to that problem is to implement a new strategy of operation, for instance, diversification (Chen and Chang, 2012). By diversifying their products they can attain their objective which is the enlargement of its products line. A proposed solution to the promotional policy based on direct advertisement can be ‘above the-line activities which is an indirect way of advertising based on the use of social media, social networks, radio and television (Kulik, 2014).

A proposed solution to the weaknesses of Information System systems seems to be the conception of Customer Relationship systems and Enterprise Resource Planning systems which will keep track of the relationships between the customer and the company, relationships between the company and the suppliers (Choi, Chow and Liu, 2013; Khodakarami and Chan, 2014). These will strengthen the coherence of the workflow and the automation procedures and visibility.

2.6.3 Change implementation challenges

The company seems to achieve shareholder’s value throughout the value of consumers which can be accomplished by valorising the subalterns (case study). The company have experienced a large number of change implementation challenges which are:

* Where can the innovations of value be attained?
* Where canthe costs be contained?
* Where can consistent returns on shareholder be maintained?

2.6.4 Change implementation management

Change management blueprints for implementation of thriving ERP, CRM and other Information Technology systems could be fulfilled by collecting the response to internal consumers which seems to be crucial for an enterprise to avoid the issues related to these changes (Ronnenberg, Graham and Mahmoodi, 2011). A conceptual, process-oriented and integrated approach such as the formulation of knowledge, implementation of the strategy and evaluation of status can be suggested.

The first stage is the formulation of knowledge which can be done by identifying and evaluating the users’ attitudes (Schwartz, 2002; Drucker, 2012). Determining their needs, beliefs and values, and interests can be a good step to identifying the workers resistance source to the ERP, CRM and other Information Technology systems. The second stage is the implementation of strategy which can be fulfilled by utilising the ideas from previous stages from usersand communicating with the stakeholders about the implementation. The last stage is the evaluation of status which consists of the monitoring and appraisal of blueprints of change management which should be approved by the top managers so that they can be able to control the resistance and anxiety of subalterns.

The implementation of the international strategy seems to be based upon the drivers of internationalisation (Johnson, Scholes and Whittington, 2008). To expand their business internationally, the company should identify the drivers of the market such as the consumers’ needs, global consumers and transferable marketing, the drivers of costs such as economies of scales, specific differences of countries and favourable logistics, the government drivers such as the trade policies, technical standards and host government policies, and the drivers of competition such as interdependence between countries and global strategies of competitors.

To implement diversification, the company should understand the needs of consumers in new markets and sell products according those requirements (Drucker, 2012).

Time 1 Time N

Formulation of knowledge: Implementation of strategy Evaluation of status

-Prepare

Change management strategy

-Measure change management strategy

-Identify

Adoption strategy

Adoption strategy

Feeling strategy

Feelings strategy

Awareness strategy

Awareness strategy

2.6.5 Sustainability practices

To sustain the change management, a customer value creation seems to be important and the mission of the company should not be based upon the maximisation of profits and employment (Drucker, 2012). The effective accomplishment of the approach based on innovations and productivity seems to be very important for the expansion of the business internationally and domestically (Drucker, 2012). They should stop applying this self-destructive and disruptive approach based on the maximisation of profit.

2.7 5 years forecast

In this part, a vision, challenges, control measures and corrective actions will be proposed.

2.7.1 Vision

Reinforcing the existing business base throughout mergers or acquisitions in order to increase the brand recognition. Utilising social media or social networks to advertise the company’s products and providing a service of one-a-kind quality in order to maintain the customers’ loyalty.Creating new businesses in order to expand the company’s market geographically. Creating a competition of brand, market competitive channel and promotional policy based on above the-line activities, and adopting a strategy based on diversification.

2.7.2 Challenges

There seem to be a large number of challenges that could have an impact on the vision. The first challenge seems to be related to the innovations of value which must be attained. The second one seems to be linked to the cost which must be contained. The last one seems to be in consonance with the shareholders’ returns which must be maintained. Huge businesses such as Chinese companies and Indian companies seems to be well established and dominate the market.

2.7.3 Control measures

To attain the innovative value, contain the cost and maintain the returns on shareholders, the company should apply the strategy based on the innovations and productivity and stop applying the self-destructive and disruptive approach based on maximisation of profit (Drucker, 2012). To expand the company’s business rapidly in the international market, the mode of entry should be mergers of acquisitions because acquisition will allow the company to acquire at least 51% of the assets and liabilities of the acquiring companies, and mergers will allow the company to acquire all the assets and liabilities of the acquiring companies (Johnson, Scholes and Whittington, 2008).

2.7.4 Corrective actions

The strategy of Kaizen will be utilised to successfully manage the company. This blueprint will be utilised to enhance the organisational processes and to gain enhancements on an individual level (Smadi, 2009). It will help reinforce the reliance on teamwork, valorise the opinions of employees and managers, involve the employees and managers to actively participate to suggestions in order to continuously enhance the company’s performance and the adequate functioning of the system.

2.8 Summary

2.8.1 Perceived gaps

The competitive strategy utilised by the company seems not to be effective because by utilising, the company can only compete in the United Kingdom (case study). The competitive strategies such as the new market development and the new products development seems not to be very advantageous if the company wants to be leaders of quality internationally (Frasquet, Dawson and Molla, 2013). The new market development, for instance, seems to be a strategy based only on existing products and new markets (case study). Moreover, new products development seems to be a strategy based only on existing markets and new products (Barczak and Kahn, 2012; Brattstrom, Lofsten and Richtner, 2012). The company can rapidly lose their competing advantage by adopting these blueprints because huge competitors such Chinese businesses are invading the world.

The company has projected to be the complete solution for the supplies of office which can be enabled throughout diversification (case study). This seems to be a paradoxical approach because the conglomerate wants to remains the same (case study). This is a problem because this corporate approach seems not be applicable (case study). The way of advertising seems to be a problem because it is only based upon the distribution of brochures and leaflets (Kaynak et al., 2013). This means that they are only focused on direct advertising which is a slow way of promoting.

The company has recognised the weaknesses of its Information Technology systems (case study). The company systems were unable to keep the track of the relationship between the company and the suppliers, and between the company and the customers (case study). The systems used by the company were not up-to-date and this seems to be one of the reasons why the company’s workflow was not coherent and their automation systems visibility, weakness (case study). The company recognised that their Information Technology systems were not efficient because they were based upon Just in Time Inventory systems (case study). This way of management seems to be very complicated because it can be time-consuming and the increasing demands of the products can createlate deliveries. The company’s belief which is “happy subalterns equal happy customers seems to be a problem for the company because according to Maslow’s hierarchy of needs, less than 10% of individuals are fully self-actualised and their motivation seems to be embedded on self-esteem (Thielke et al., 2012).

2.8.2 Proposed solutions

To solve the issue related to the ineffectiveness of the competitive strategy of the company which seems to create some limitations of the company and slow their recognition internationally and also the issue caused by the pressure of huge businesses such Indian enterprises and Chinese companies, the company should implement the strategy of diversification which seems to be based on new markets and new products (Chen and Chang, 2012).

The company has experienced a problem linked to the fact that they want to remain the same (case study). This means that their operating structure will remain the same but a proposed solution to that problem is to implement a new strategy of operation, for instance, diversification (Chen and Chang, 2012). By diversifying their products they can attain their objective which is the enlargement of its products line. A proposed solution to the promotional policy based on direct advertisement can be ‘above the-line activities which is an indirect way of advertising based on the use of social media, social networks, radio and television (Kulik, 2014).

A proposed solution to the weaknesses of Information System systems seems to be the conception of Customer Relationship systems and Enterprise Resource Planning systems which will keep track of the relationships between the customer and the company, relationships between the company and the suppliers (Choi, Chow and Liu, 2013; Khodakarami and Chan, 2014). These will strengthen the coherence of the workflow and the automation procedures and visibility.

2.8.3 Potential threats

The political, economic, environmental, legal, technological and social factors seem to be threats for the company.

2.8.4 Potential challenges

The company seems to achieve shareholder’s value throughout the value of consumers which can be accomplished by valorising the subalterns (case study). The company have experienced a large number of change implementation challenges which are:

* Where can the innovations of value be attained?
* Where can the costs be contained?
* Where can consistent returns on shareholder be maintained?

2.8.5 Action plans

The strategy of Kaizen will be utilised to successfully manage the company. This blueprint will be utilised to enhance the organisational processes and to gain enhancements on an individual level (Smadi, 2009). It will help reinforce the reliance on teamwork, valorise the opinions of employees and managers, involve the employees and managers to actively participate to suggestions in order to continuously enhance the company’s performance and the adequate functioning of the system.

2.8.6 Control measures

To attain the innovative value, contain the cost and maintain the returns on shareholders, the company should apply the strategy based on the innovations and productivity and stop applying the self-destructive and disruptive approach based on maximisation of profit (Drucker, 2012). To expand the company’s business rapidly in the international market, the mode of entry should be mergers of acquisitions because acquisition will allow the company to acquire at least 51% of the assets and liabilities of the acquiring companies, and mergers will allow the company to acquire all the assets and liabilities of the acquiring companies (Johnson, Scholes and Whittington, 2008).

3. Conclusion

The aim of this integrated case study was, first of all, to critically examine the external environment and the internal environment, secondly critically examine the direct competitive analysis and indirect competitive analysis, thirdly critically evaluate the market, important marketing tools will be utilised such as Ansoff’s matrix, Boston Consulting Group and Product Life Cycle, fourthly critically analyse the perceived market gap, perceived product gap and perceived operational gap, fifthly examine the factors linked to strategy canvas such as elimination, reduction, increase and creation, sixthly identify problems related to gap analysis, propose solutions, to identify challenges linked to change implementation and propose a management of change implementation followed by the sustainability practices, seventhly propose a vision, challenges, control measures and corrective actions and lastly give a brief summary of the report.

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