

## **Business Strategy Development Report**

**Module:** Business Strategy

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**Company Analysed:** Greencore Group plc

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**Submission Date: 20 December 2025**

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## **1. Executive Summary**

The research investigates Greencore Group plc which operates as a convenience food manufacturer based in Ireland while maintaining its main production facilities in the UK and Ireland. The external strategy consultants aim to evaluate Greencore's present strategic standing through this report which will determine its best future strategic path based on market forces and internal resources.

The external analysis based on PESTEL framework and Porter's Five Forces model shows Greencore operates in a competitive market with low profit margins. The market power of dominant supermarket retailers creates high buyer power which limits companies from changing their prices while rising production expenses and environmental standards and regulatory changes and sustainability needs threaten their profit margins. The Irish market offers business opportunities because of its solid economic base and ongoing customer need for convenient food products yet the market remains highly competitive and companies face restrictions when trying to create unique products.

The internal analysis using SWOT and VRIO and Value Chain frameworks shows Greencore possesses multiple vital organizational advantages. These include its scale of operations, long-standing retailer relationships, integrated supply chain, innovation capability, and strong sustainability focus under its Better Future Plan. The system operates through three core functions which unite to achieve operational efficiency while following regulations and safeguarding customer relationships. The company faces multiple strategic limitations because its high operating expenses and complex operations and food safety vulnerabilities and restricted market reach make it more vulnerable to outside disruptions.

The external and internal findings show a distinct strategic problem which needs to be addressed. A buyer-dominated market requires cost efficiency for competitiveness yet a strategy based only on cost leadership will not protect the company from long-term challenges. The market allows businesses to create health-oriented sustainable products which they can differentiate but these opportunities remain restricted because retailers control prices and have established business agreements.

The SAF framework evaluation of different strategic options leads the report to advise Greencore should adopt a hybrid strategic approach. The company implements this method to reach operational excellence and cost management targets but it selects strategic acquisition management to create distinctions between its products and services. The suggested method helps Greencore protect its profit margins during the current period while building its ability to compete and adapt and enhance value for all stakeholders.

The proposed strategy offers Greencore Group plc its most sustainable approach because it matches company strengths with market conditions to build enduring value in a difficult competitive market.

## **2. Introduction**

This report has been prepared by an external strategy consulting team for the Board of Directors of Greencore Group plc, a leading convenience food manufacturer operating in Ireland and the United Kingdom. The research evaluates Greencore's current strategic position through an analysis of its internal capabilities and external market elements to determine its optimal path for future growth.

The convenience food industry faces intense market competition while major supermarket retailers maintain strong control over buyers and the industry faces growing expenses and rising environmental and social standards. Greencore needs to run its operations efficiently while developing unique product strategies to protect its profit margins and establish lasting market dominance.

### **2.1 Objectives**

The main goals of this report include:

External environment of Greencore Group plc requires analysis to discover its main trends together with its potential opportunities and existing threats.

Organization needs to assess its current strategic competencies which exist within the organization and its ability to compete against external market competition.

Research data from external and internal analyses need to be combined to determine which strategic problems require immediate attention.

Company Greencore needs to evaluate all its current strategic options.

Organization needs to create a strategic approach which will create sustainable market dominance to drive continuous business expansion.

### **2.2 Scope and Limitations**

The research investigates Greencore Group plc's operational activities which generate most of their revenue from Ireland and the United Kingdom. The research depends mainly on secondary information which includes annual reports from companies and sustainability reports and industry publications and trustworthy media outlets.

The report depends on public data but lacks permission to review company internal documents which remain private. The analysis depends on specific assumptions which describe how operations perform and what costs organizations have and their strategic focus.

## **2.3 Methodology**

The analysis applies established strategic management frameworks to ensure academic rigour and practical relevance. Organizations use PESTEL analysis and Porter's Five Forces to study their external environment which helps them identify patterns in the macro environment and market dynamics of their industry. The research investigates internal strategic capability through SWOT analysis and VRIO framework and Value Chain analysis.

The research data allows the SAF framework to create strategic options which will determine Greencore's most suitable future strategic direction.

## **2.4 Key Findings**

The analysis indicates that Greencore operates in a highly competitive, low-margin industry with very high buyer power and increasing cost and regulatory pressures. The company achieves benefits from its large size and its strong connections with retailers and its established sustainability program yet its operational difficulties and food safety threats limit its ability to make strategic changes. The research results demonstrate that organizations need to develop a strategic approach which unites operational efficiency with targeted market differentiation and controlled business expansion.

## **2.5 Structure of the Report**

The report starts with an introduction which leads to an evaluation of Greencore's external environment and its internal strategic capabilities. The findings from both analyses are then synthesised to identify key strategic issues. The report evaluates different strategic choices before it presents particular recommendations which will lead Greencore toward its future strategic path.

## **3. EXTERNAL ANALYSIS**

Greencore Group plc was founded in 1991 following the takeover of Irish Sugar. They supplied chilled, frozen, and natural products to supermarkets in the UK and Ireland.

Greencore Group plc produces ready made meals and grocery items. Greencore main office is located in Dublin, Ireland. (Sources: Greencore (2024), DCF Modeling (2021)).

### **Operations**

1. **Headquarters:** Dublin, Ireland (Greencore (2024)).
2. **Revenue:** £1.86 billion (FY2024).
3. **Customer Base:** Majorly UK and the Irish Market.
4. **Operation in Ireland:** Manufacturing and distribution presence

## Findings

1. **Strong competition among rivals:** There are strong rivalry between Dawn Meats, DMC Foods/Fit Foods, Kepak Group, and Valeo Foods. (GrowJo (2023), LeadIQ (2025), DMC Foods (2024), Ibec (2025)).
2. **Major issues on cost inflation:** For instance, the minimum wage is €13.50, raw materials are 76% expected to grow, and food inflation is 4.8%. (HR Team Services (2025), Ibec (2025), Trading Economics (2025), ThinkBusiness (2025)).
3. **Very High Buyer Power:** Dominance of Irish supermarkets (they're top 5. controlling 93%) drastically reduces power over pricing (CCPC (2025)).
4. **Good economic foundations:** MDD growth of 4.1% and GDP growth of 9.1% in Ireland supports domestic demand. (RTÉ (2025), Central Bank of Ireland (2025), Bank of Ireland (2024), ESRI (2024)).

## PESTEL ANALYSIS

FACTOR	SPECIFIC AREA OF INTEREST	OPPORTUNITY OR THREAT	EVIDENCE/SOURCE
<b>Political</b>	Coalition government stability until 2029	<b>Opportunity:</b> Political stability enabling long-term planning and investment	Aiken PR (2024), European Movement Ireland (2025)
	Corporate tax: 12.5% standard rate, 15% for larger companies under global reforms	<b>Opportunity:</b> Pro-enterprise tax environment supporting competitiveness and job creation	Trading Economics (2025), PwC (2023)
	Food Safety Authority of Ireland Act 1998 regulatory framework	<b>Opportunity:</b> Strong regulatory framework providing market stability and consumer trust	FSAI 2024, Irish Statute Book (2025)
	Programme for Government 2025: infrastructure & enterprise support commitments	<b>Opportunity:</b> Government support for infrastructure, enterprise development and 300,000 jobs by 2030	Government of Ireland (2025)
	US tariff threats (10 15% on EU goods) affecting food exports	<b>Threat:</b> Trade uncertainty and potential 10 15% tariffs reducing export competitiveness	ThinkBusiness (2025)
	Government investment in fishing industry (360 million Euros commitment)	<b>Opportunity:</b> Government commitment supporting supply chain stability	Government of Ireland (2025)

	Potential corporate tax revenue volatility from concentrated base	<b>Threat:</b> Fiscal vulnerability from concentrated corporate tax base (3 firms equals 38% of revenue)	Reuters (2025), Irish Fiscal Advisory Council (2025)
<b>Economic</b>	GDP growth forecast: 9.1% (IMF 2025), Modified Domestic Demand(MDD) growth: 4.1%	<b>Opportunity:</b> Strong economic growth supporting consumer spending +3% (forecast 2025)	Central Bank of Ireland (2025) Bank of Ireland (2024), RTÉ (2025)
	Food inflation: 4.8% (July 2025), above EU average (3.6%)	<b>Threat:</b> High food inflation creating cost pressures and margin compression	Trading Economics (2025), ThinkBusiness (2025)
	Minimum wage increased to 13.50 Euros per hour (January 2025), moving toward 14 to 15 Euros living wage	<b>Threat:</b> Wage inflation increasing operational costs (71% of businesses)	HR Team Services (2025), Action HR Services (2025), Corporate HR Ireland (2025)
	Real wage growth: 4.5% nominal Vs 2% inflation	<b>Opportunity:</b> Real wage growth boosting household purchasing power and consumer confidence	Bank of Ireland (2024), EY (2025)
	Unemployment: (minus 4%) which is near historic low	<b>Opportunity:</b> Strong labor market supporting economic stability and consumer demand	ESRI (2024), EY (2025)
	76% of food businesses expecting raw material cost increases	<b>Threat:</b> Raw material cost increases threatening profitability across food sector	Ibec (2025)
<b>Social</b>	Population: 5.14 million (2025), growing at 0.7% annually.	<b>Opportunity:</b> Growing population expanding domestic consumer base	Population of Ireland (2025), Trading Economics (2025)
	Urbanization: there is 66.4% urban population	<b>Opportunity:</b> Urban concentration aligning with convenience food demand	Population of Ireland (2025), Worldometers (2025)

	Aging population	<b>Threat:</b> Aging population increasing healthcare costs and shifting consumption patterns	Population of Ireland (2025), Social Justice Ireland (2023), Worldometers (2025)
	67% of Irish consumers prefer locally sourced food products	<b>Opportunity:</b> Local sourcing preference creating differentiation and provenance opportunities	The Sterling Choice (2024)
	57% extremely concerned about processed food health risks.	<b>Threat:</b> Health concerns about processed foods threatening category fundamentals	PwC Ireland (2025)
	63% switching brands for better value	<b>Threat:</b> Price sensitivity and brand switching reducing loyalty and pricing power	PwC Ireland (2025)
<b>Technological</b>	National Digital & AI Strategy 2025 update	<b>Opportunity:</b> Digital transformation enabling operational efficiency and supply chain optimization	Government of Ireland (2025)
	Ireland as EU digital regulation hub attracting innovation investment	<b>Opportunity:</b> Technology hub status attracting talent and innovation investment	Ibec (2025)
	Technology sector as significant economic contributor	<b>Opportunity:</b> Smart manufacturing and automation improving productivity and cost competitiveness	Government of Ireland (2025), Ibec (2025)
	AI adoption in public services and enterprise	<b>Opportunity:</b> AI enhancing forecasting, inventory management, and customer insights	Government of Ireland (2025), Ibec (2025)
	Digital skills gap and cybersecurity compliance requirements	<b>Threat:</b> Continuous technology investment requirements and cybersecurity compliance costs	Ibec (2025)

<b>Environmental</b>	Climate Action Plan 2025: 51% emissions reduction target by 2030 (vs 2018 baseline)	<b>Threat:</b> Stringent emissions targets requiring substantial investment	Government of Ireland (2025)
	EPA projections: Ireland off track (23% actual vs 51% target)	<b>Threat:</b> Off track performance signaling likely stricter regulations	Environmental Protection Agency Ireland (2025)
	Transport & food sectors furthest from emission ceilings	<b>Threat:</b> Food sector identified as furthest from targets facing specific regulatory pressure	William Fry (2025), Environmental Protection Agency Ireland (2025)
	37% of consumers willing to pay more for environmentally supportive food	<b>Opportunity:</b> Sustainability positioning enabling premium pricing	PwC Ireland (2025)
	Climate neutrality target by 2050	<b>Opportunity:</b> Renewable energy investment reducing costs and carbon footprint	Government of Ireland (2025)
	Need for substantial sustainability investment (76% expecting costs)	<b>Threat:</b> Sustainability investment costs impacting margins	Ibec (2025)
<b>Legal</b>	FSAI Act 1998 with penalties up to 3 million Euros	<b>Threat:</b> Severe penalties for non compliance creating operational risk	All Safety Ireland (2024), FSAI (2024)
	Auto-enrollment pension scheme (September 2025) employer contributions from 1.5% to 6% over 10 years	<b>Threat:</b> Employers struggle by rising pension contributions.	Corporate HR Ireland (2025), Addleshaw Goddard (2025)
	Gender pay gap reporting expanding to smaller firms	<b>Threat:</b> Reporting requirements adding compliance complexity and reputational risk	Corporate HR Ireland (2025), Addleshaw Goddard (2025)

	FSAI 2025-29 strategy: intensified enforcement & potential hygiene ratings	<b>Threat:</b> Increased scrutiny and potential ratings impacting operations	FSAI (2024)
	Mandatory traceability requirements across entire supply chain	<b>Threat:</b> Traceability systems investment increasing operational costs	Food Guard (2024), All Safety Ireland (2024)

## PESTEL Summary

Ireland has good basics for business but rising costs are a big worry. Politics help with stable government until 2029, low company taxes (12.5-15%), and plans for better roads and 300,000 new jobs by 2030. Economy is strong with 9.1% GDP growth, wages up more than prices (4.5% vs 2% inflation), and very low unemployment. People factors fit well: 5.14 million population growing 0.7% a year, 66% live in cities wanting quick meals, and 67% like local food.

But problems are growing. Food prices up 4.8% (higher than EU's 3.6%), minimum wage now €13.50 an hour and heading to €14-15, and 76% of food companies see higher raw material costs. US tariffs could hit 10-15% on exports, 57% of people worry about health risks from processed food, and 63% switch brands for better prices. On environment, Ireland must cut emissions 51% by 2030 but only hit 23% so far, food industry is worst off, needing big spending. Tech like AI helps cut costs but needs security money; laws add costs with €3m fines for food safety breaks, pension payments rising from 1.5% to 6%, and new tracking rules.

## Porter's Five Forces

Forces	Intensity	Key Factors	Impact on Greencore	Sources/Evidence
<b>Competitive Rivalry</b>	<b>High</b>	- Greencore operates in Irish convenience food & ready meals market. - Valeo Foods (1.2 billion Euros), Kepak (1.75 billion Euros), DMC Foods/Fit Foods, Dawn Meats. - Slow growth (1-2% annually). - High fixed costs.	- Margins compressed by intense competition - Innovation, quality, service critical - Scale aids cost leadership	Greencore (2024), Ibec (2025), GrowJo (2023), DMC Foods (2024), CCPC (2025)
<b>Supplier Power</b>	<b>Moderate</b>	- Domestic suppliers: farms, processors, bakeries, growers. - CAP 3 billion Euros support stabilizing supply. - Commodity price volatility (grain, dairy, meat). - Multiple EU/UK suppliers.	- Scale provides negotiation leverage. - CAP funding reduces supplier power. - Volatility necessitates hedging.	ESRI (2024), DCF Modeling (2022), Agriland (2025), Frampton Worldwide (2023), Browne Jacobson (2025)

<b>Buyer Power</b>	<b>Very High</b>	<ul style="list-style-type: none"> <li>- Retail concentration: Dunnes (24-25%), Tesco (23-24%), SuperValu (20%), Lidl (12-14%), Aldi (11-12%).</li> <li>- Private label margins are tight.</li> <li>- Retailers dictate pricing, quality, shelf space.</li> </ul>	<ul style="list-style-type: none"> <li>- Critical profitability impact.</li> <li>- Limited pricing power.</li> <li>- Must excel operationally to retain contracts</li> </ul>	Shelf Life (2025a,b), Checkout (2024), Kantar (2025), CCPC (2025), Ibec (2025), University of Oxford Law (no date)
<b>Threat of Substitute</b>	<b>Moderate High</b>	<ul style="list-style-type: none"> <li>Irish foodservice: cafés, delis, bars.</li> <li>- Meal kits, home cooking.</li> <li>- Urban café culture (Dublin, Cork, Galway).</li> <li>- Health trends favor fresh, local over processed.</li> </ul>	<ul style="list-style-type: none"> <li>- Alternative meal options threaten market share.</li> <li>- Must invest in health-focused, premium, innovative lines.</li> </ul>	Population of Ireland (2025), Social Justice Ireland (2023), PwC Ireland (2025), LinkedIn (2024)
<b>Threat of New Entrants</b>	<b>Low Moderate</b>	<ul style="list-style-type: none"> <li>-High capital requirements (facilities, cold chain, distribution).</li> <li>- FSAI/HACCP compliance, penalties up to 3 million Euros.</li> <li>- Established retail relationships defy new players.</li> <li>- Scale essential for cost competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>- Significant barriers protect incumbents.</li> <li>- Niche entrants limited impact.</li> <li>- Ongoing investment needed.</li> </ul>	All Safety Ireland (2024), NSAI (2008), Food Guard (2024), Ireland Safety Training (2025)

### Porter's Five Forces Summary

The industry is tough with low profits and hard fights. Buyers have lots of power: top 5 supermarkets control 93% of sales, pushing for low prices and their own brands so costs can't be passed on. Competition is fierce between big players like Valeo (€1.2bn sales), Kepak (€1.75bn), and others in a market growing just 1-2% a year with high fixed costs and similar products. Other choices like meal kits, eating out, or fresh food pull customers away, especially with health trends. Suppliers have okay power: €3bn farm aid spreads them out, but world price swings mean need for smart buying. New companies face high walls like big startup costs (€100m+), strict food rules with fines and checks, and tight ties with shops. In short, Greencore has growth chances but must fight cost rises, strong buyers, and new rules. Success means tight cost control, new ideas, and meeting green rules to keep making money.

### Implications for Future Strategy

The external analysis shows that Greencore faces competition in a market with restricted profit potential because buyers control the market and rising material costs and workforce expenses and environmental and regulatory costs continue to increase. The Irish economy shows positive fundamentals and people increasingly want convenient food products yet the company faces two major challenges because it cannot set prices effectively and retailers maintain complete market control. The company needs to focus on operational efficiency and cost control and strategic differentiation to stay competitive in its future operations. These implications are further assessed through an evaluation of the company's internal strategic capabilities in the following section.

## 4. Internal Analysis

Greencore Group plc exhibits strong internal capabilities built on scale, retailer partnerships, and sustainability focus. Its leading position in the UK and Irish convenience food market and close relationships with major retailers provide stability and market access (Greencore, 2023; 2024). Innovation and data-driven insights support product alignment with health and sustainability trends (Greencore, 2023). However, high costs, operational complexity, and food safety risks—highlighted by the 2024 product recall (The Guardian, 2024)—expose vulnerabilities, while limited geographic reach reduces resilience. The VRIO and Value Chain analyses show that Greencore's customer integration, analytics, and ESG credentials can yield sustained advantage if fully leveraged, though its operational scale is easily matched by rivals. Overall, strong ESG alignment and partnerships position Greencore to exploit opportunities like automation and acquisitions (Reuters, 2025), but continued investment in efficiency, culture, and risk management is crucial for long-term competitiveness.

Strengths	Weaknesses
<p>1. Strong position in the UK / Ireland convenience foods market, supplying chilled, ambient and frozen products to major retailers (Greencore, 2023, p. 6) (<a href="#">Greencore</a>)</p> <p>2. Deep, long-standing customer relationships and integrated supply chain with major retailers (Greencore, 2023, p. 6) (<a href="#">Greencore</a>)</p> <p>3. Capability in product innovation, consumer insight and analytics (Greencore, 2023 Sustainability Report) (<a href="#">Greencore</a>)</p> <p>4. Commitment to sustainability via its “Better Future Plan” (Greencore, 2023; 2024) (<a href="#">Greencore</a>)</p> <p>5. Clear strategic framework (growth, relevance, differentiation) aligned with ESG and performance targets (Greencore, 2024, p. 16) (<a href="#">Greencore</a>)</p>	<p>1. High operating cost structure, including labour, energy, and logistics in perishable goods manufacturing (Greencore, 2024, p. 8) (<a href="#">Greencore</a>)</p> <p>2. Operational complexity from multiple plants, cold-chain constraints and perishability (Greencore, 2024, pp. 14–15) (<a href="#">Greencore</a>)</p> <p>3. Vulnerability to supply chain risk and raw material price volatility (Greencore, 2023 Sustainability Report, p. 11) (<a href="#">Greencore</a>)</p> <p>4. Reputational / food safety risk: voluntary recall of many products in 2024 following E. coli concerns (The Guardian, 2024) (<a href="#">The Guardian</a>)</p> <p>5. Limited geographic diversification; heavy reliance on UK / Ireland markets (Greencore, 2023, p. 6) (<a href="#">Greencore</a>)</p>

Opportunities	Threats
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<p>1. Growth by acquisition / consolidation: for example, the agreed acquisition of Bakkavor in 2025 (Reuters, 2025) (<a href="#">Reuters</a>)</p> <p>2. Rising demand for healthier, sustainable, clean-label foods aligning with consumer trends (Greencore, 2023, <i>Better Future Plan</i>) (<a href="#">Greencore</a>)</p> <p>3. Use of automation, digital supply chains and analytics to reduce cost and increase flexibility (Greencore, 2024, p. 22; Greencore, 2025, CMD Transcript, pp. 11–12) (Greencore)</p> <p>4. Expansion into adjacent foodservice or geographic markets (Greencore, 2024, p. 8; Greencore, 2025, CMD Transcript, p. 12) (<a href="#">Greencore</a>)</p>	<p>1. Intensifying competitive pressure from low-cost producers and discount operators (IBISWorld, 2024) (IBISWorld)</p> <p>2. Regulatory risk (food safety, packaging, environmental) (UK FSA, 2024) (UK FSA)</p> <p>3. Input price volatility (raw materials, energy, transportation) (ONS, 2024; Greencore, 2024, p. 14) (<a href="#">ONS</a>)</p> <p>4. Disruption from changes in dietary trends, or negative regulatory/public health events (The Guardian, 2024) (<a href="#">The Guardian</a>)</p>
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## Interpretation

Greencore's strengths (especially customer relationships, scale, and sustainability commitment) provide a solid foundation to compete in its sector, while its weaknesses (cost structure, complexity, and risk exposure) limit flexibility and margin resilience. The opportunities in consolidation and sustainability trends align well with its strategic strengths; the threats from regulation, cost volatility, and reputational risk amplify the need for robust internal controls and investment in differentiated capabilities

## VRIO Framework Assessment

Resource / Capability	Valuable	Rare	Costly to Imitate	Exploited by Organization	Strategic Implication
<b>Strong retailer / customer relationships</b>	Yes — provide stable demand and bargaining advantage; Greencore supplies all major UK retailers (Tesco, Sainsbury's, Co-op, M&S, Asda) generating c.90% of revenue (Greencore, 2024, p. 6)	Moderately rare — competitors supply retailers too, but Greencore's co-location and embedded logistics give depth	Moderately hard — trust, scale and integration with customer systems are complex to replicate	Yes — Greencore has “deep, strategic customer relationships” and dedicated commercial teams (Greencore, 2024, p. 12) ([Greencore][1])	<b>Sustained advantage if relationships are maintained</b>
<b>Consumer insight / analytics / innovation</b>	Yes — enables targeted product development and market relevance through analytics and shopper insight (Greencore, 2023, p. 14)	Somewhat rare — few convenience food peers have comparable data-driven NPD capability	Hard — requires data, systems, and culture aligned to innovation	Yes — Greencore invests in “embedding insight and innovation capabilities” and leverages analytics in R&D (Greencore, 2023, p. 15) ([Greencore][2])	<b>Potential for sustained competitive advantage</b>
<b>Operational scale in convenience foods</b>	Yes — 16 UK manufacturing sites, high volume throughput, and integrated chilled distribution network = (Greencore, 2024, p. 4)	Not rare — other large food manufacturers (e.g. Bakkavor, Samworth) also have scale	Moderately hard — capital, expertise, and infrastructure barriers	Yes — Greencore’s business model is structured to leverage national scale and cost synergies (Greencore, 2024, pp. 8–9) ([Greencore][1])	<b>Competitive parity or short-term advantage</b>

<b>Sustainability / ESG credentials</b>	Increasingly valuable as customers and regulators demand net-zero supply chains (Greencore, 2023, p. 7)	Fairly rare — smaller suppliers lack comparable ESG investment	Medium — requires long-term investment, systems, and supply-chain collaboration	Yes — “Our Better Future Plan” integrates ESG into all strategic priorities (Greencore, 2023, pp. 10–12) ([Greencore][3])	<b>Emerging differentiator</b>
<b>Culture / continuous improvement orientation</b>	Yes — supports adaptability, employee engagement, and performance improvement (Greencore, 2023, p. 20)	Hard to assess externally	Hard to imitate — cultural systems are deeply embedded and evolve over time	Moderately — “The Greencore Way” emphasises learning, collaboration, and continuous improvement (Greencore, 2023, p. 21) ([Greencore][2])	<b>Could be a sustained source of advantage if nurtured</b>

### Summary from VRIO

- Some capabilities (scale, customer relations) yield competitive parity or temporary advantages unless continuously defended.
- Others (consumer insight/analytics, ESG integration, culture) show more promise as sustained sources of differentiation, provided the organization supports them fully.
- The critical test is whether the organization *also* has processes, systems, incentives, and governance to exploit those resources fully — i.e. the “O” of VRIO.

## **Value Chain Analysis**

### **Primary Activities**

#### **1. Inbound Logistics**

- Sourcing ingredients, packaging, coordinating suppliers
- Ensuring quality, traceability, and sustainable sourcing
- Cold-chain management and logistics

#### **2. Operations / Manufacturing**

- Cooking, processing, assembly, packaging
- Quality assurance, food safety systems, yield / waste control
- Efficiency, continuous improvement

#### **3. Outbound Logistics / Distribution**

- Warehousing, refrigerated transport to retail & foodservice
- Route planning, coordination, shelf delivery

#### **4. Marketing & Sales / Customer Relations**

- Account management with supermarkets / foodservice
- Category insight, innovation pipeline, co-development
- Branding (for private label or co-brand)

#### **5. After-sales / Support**

- Customer service, handling complaints / recalls
- Quality feedback loops, safety tracking

## Support Activities

- Procurement (supplier contracts, sustainable sourcing)
- R&D / Technology / Process innovation
- HR / Talent management (food technologists, operations staff)
- Firm infrastructure: planning, finance, risk & compliance, governance

## Key Value Drivers & Weaknesses

- Food safety and quality is critical — a failure in operations or logistics can damage reputation (as seen in 2024 recall)
- Operational efficiency and waste reduction are essential for margin in a tight-margin industry
- Supply chain resilience — diversified, ethical, and traceable sourcing gives buffer against volatility
- Speed and agility in innovation and new product roll-out
- Distribution / cold chain excellence — spoilage is a cost; logistics optimization matters

Weaknesses appear in complexity, perishability, tight margins, and exposure to supplier / logistic disruptions.

## How Strengths & Weaknesses Affect Responsiveness to External Trends

Trend / Pressure	How Strengths Assist	How Weaknesses Constrain
Sustainability / ESG demands	Their Better Future Plan, existing sustainability commitments, and stakeholder credibility provide legitimacy (Greencore, 2023) ( <a href="#">Greencore</a> )	These initiatives require continuous capital and managerial focus; cost pressures may squeeze ESG investment
Rising input costs / inflation	Their operational excellence and scale allow some buffering and negotiation leverage	High fixed costs, multiple plants, and complexity reduce agility to cut costs quickly
Regulatory tightening (food safety, packaging, carbon)	The existing ESG structure, governance and traceability systems position them to comply	Risk of noncompliance, costly retrofits, or lagging behind more agile

	more readily	competitors
Competitive pressure / consolidation	Their ability to acquire (e.g. Bakkavor deal) gives them strategic flexibility (Reuters, 2025) ( <a href="#">Reuters</a> )	Integration risk, cultural mismatch, regulatory scrutiny (CMA investigating deal) may hamper synergies (Reuters, 2025) ( <a href="#">Reuters</a> )
Supply chain disruptions / food safety events	Their capability in supplier management, quality systems, and risk governance can help absorb shocks	Perishability and complexity give little slack; recall events like 2024 demonstrate vulnerability (Guardian, 2024) ( <a href="#">The Guardian</a> )

## 5. Summary of Key Findings

The external and internal analysis results show that Greencore Group plc functions in a competitive market for convenience foods which operates with minimal profit margins while facing strong customer market control and rising production expenses and workforce costs and mounting environmental and regulatory requirements. The dominant position of supermarket retailers outside the company creates external constraints which prevent Greencore from using price leadership or pure differentiation strategies because they control both product prices and specifications and contract conditions.

The company benefits from its large operation size and established relationships with retailers and its complete supply chain management system and its Better Future Plan sustainability initiative. The system delivers operational efficiency through its built-in capabilities which also fulfill all necessary regulatory and environmental social governance requirements. The company faces several strategic limitations because its high operating expenses and complex operations and food safety concerns and restricted market reach reduce its ability to adapt and maintain profit margins.

The research demonstrates an obvious conflict between strategic objectives. A buyer-dominated market forces businesses to stay competitive through low costs and optimal operations yet operational excellence alone does not lead to enduring business success. The market allows businesses to create health-focused sustainable innovative products but retailers maintain control over product prices.

The research results indicate Greencore needs to create a business strategy which demands immediate cost reduction measures and particular product development and strategic business expansion initiatives. The strategic environment determines how we should assess the different strategic choices which will be discussed in the next section.

## 6. Strategic Options

Based on the analysis, three realistic strategic options are available to Greencore group plc

**Option 1:** Cost leadership through operational excellence and automation This strategy focuses on strengthening cost efficiency through increased automation, lean manufacturing, digital supply chain optimisation, and waste reduction. Given the high buyer power of supermarkets and intense rivalry, cost competitiveness is essential for maintaining contracts and volumes.

Key actions would include: ·

Accelerated investment in automation and robotics · Optimisation of plant networks and logistics routes ·

Enhances data driven demand forecasting and waste reduction

This option aligns with Greencore's scale and operational expertise but risks strategic vulnerability if competitors replicate efficiency gains.

**Options 2:** Selective Differentiation through health, sustainability and innovation Under this option, Greencore would pursue targeted differentiation focused on healthier, cleaner labels and more sustainable convenience food offerings. Rather than broad brand differentiation, this approach leverages Greencore's insight, innovation and ESG capabilities to add value within retailer-controlled categories.

Key actions would include: ·

Expanding health focused and sustainable product ranges ·

Deepening collaboration with retailers on category innovation ·

Strengthening ESG performance and traceability systems

This option supports long term relevance and aligns with external consumer and regulatory trends, though differentiation is constrained by retailer pricing power.

**Option 3:** Hybrid Strategy with disciplined acquisition led growth This strategy combines cost efficiency and selective differentiation with targeted acquisitions to enhance scale, capabilities or market access. The proposed acquisition of Bakkavor exemplifies this approach by strengthening Greencore's position in the convenience food sector.

Key actions would include: ·

Pursuing acquisitions that deliver operational synergies or capability enhancement ·

Maintaining strict governance, food safety and integration controls ·

Using increased scale to improve bargaining power and cost efficiency

This option offers the greatest strategic flexibility but carries integration, regulatory and execution risks

Strategic Option	Core Focus	Key reason	Main Risks
Option 1: Cost leadership through operational excellence	Automation, lean manufacturing, cost reduction	Necessary to compete in a low margin, high buyer power industry	Easily replicated by competitors; limited long-term differentiation
Option 2: Selective differentiation through health & sustainability	Innovation in healthier, clear label, ESG aligned products	Aligns with consumer trends & regulatory pressure; strengthens retailer relationships	Retailer pricing control limits value capture; higher investment costs
Options 3: Hybrid strategy with acquisition led growth	Combine efficiency, differentiation, and scale via M&A	Enhances capabilities, bargaining power, and market position	Integration risk, regulatory scrutiny, food safety governance complexity

## 7.Evaluation of Strategic Options

Option 1 (Cost leadership) is highly feasible in the short term and necessary to remain competitive in a low margin industry. However, it offers limited long-term differentiation, as efficiency improvements are relatively easy for competitors to imitate.

Option 2 supports sustainable competitive advantage by leveraging Greencore's ESG, innovation and insight capabilities. While constrained by retailer dominance, this option enhances strategic resilience and aligns with long term market and regulatory trends. The main risk lies in balancing differentiation investment with cost pressures.

Option 3 provides the most accurate strategic response by combining efficiency, differentiation and scale. If executed effectively, acquisition led growth can strengthen Greencore's market position and capability base. However, this option carries the highest risk, particularly regarding integration complexity, cultural fit, food safety governance & regulatory approval.

## 8.Conclusion and Recommendations

The research assesses Greencore Group plc's strategic standing by studying both its external market environment and its internal strategic abilities. The research shows that Greencore operates in a competitive market with limited profit opportunities because customers control the market and businesses must deal with rising costs and strict sustainability and regulatory standards.

The research shows operational efficiency and cost leadership form the base for market competition but a pricing strategy by itself does not create stability which companies need to achieve lasting success. The strategy which only focuses on differentiation becomes limited because retailers maintain control over the market and stores have restricted ability to adjust prices.

The company needs to create a hybrid business model which achieves operational excellence through efficient operations and maintains separate product differentiation for healthy and sustainable items and achieves controlled growth through strategic acquisition methods. The company employs this method to protect its profit margins during the present time while it develops its competitive abilities and market flexibility for upcoming success.

The system requires continuous financial support to develop automated systems while maintaining supply chain operations and food safety measures and organizational abilities to manage integration problems and follow regulatory requirements. The recommended strategy allows Greencore to achieve sustainable growth through its most effective method which involves balanced operational management.

## 9. References

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## **10. Appendix 1 – Evidence of Teamwork**

<b>Member</b>	<b>Contribution</b>	<b>Estimated Hours</b>
Eren Kurtulus	<b>Introduction, executive summary, report compilation and final editing</b>	<b>14</b>
Olawale Gabriel Mimiko	<b>External analysis (PESTEL &amp; Porter's Five Forces)</b>	<b>12</b>
Sharkesh Raja	<b>Internal analysis (SWOT, VRIO &amp; Value Chain)</b>	<b>12</b>
Pushmita Kharat	<b>Strategic options, TOWS matrix and SAF evaluation</b>	<b>15</b>
Subasri Nandakumar	<b>References, visuals, PPT preparation, proofreading and formatting</b>	<b>12</b>