

Case study – sunshine food inc.

Food & Diet



Abstract

SunshineFoodInc. is one of the leading food processing companies in the U. S. Since inception 127 years ago, Sunshine Food, Inc., has sought to market its products by customer satisfaction. With over 30 food processing plants, Sunshine Food, Inc. has been specializing in canned and frozen foods of all kinds. With a multiproduct line policy, Sunshine Food, Inc, prepares, packages and sells canned and frozen foods such as fruits, pickles, condiments and vegetables and many more. In the beginning and for many years, Sunshine Food, Inc. had excelled in quality of products and profitability, however, in recent years there has been a decline in profitability, a challenge that the new management needs to face and work out.

Case Study - Sunshine Food, Inc**Present situation**

As a 127 year old California-based food processing company, Sunshine Food, Inc. has seen its days of high performance and profitability as well as competition and low profit challenges. Sunshine Food, Inc.'s current situation of decreasing profitability and competition in the food processing industry has led to changes in its management so as to better face recent challenges of competition and decreasing profitability. Current objectives and strategies are mainly to ensure that competitiveness is regained and profits are driven up. With this in mind, the new company president is reaching out to longer serving staff such as the Vic-president of sales, Peter Holmes, for reasons of the purported " low sales and failure of the sales department" and ways to make a turnaround for the company.

Experience in the food processing market through its years of operation, skilled staff, widely accepted products and record though challenged leading position in the industry are the main strengths Sunshine Food, Inc. has had. Stability of these strengths is, however, challenged by weaknesses such as lack of focus in margins as well as lack of a stable supply chain with the small retailers whom other competitors are using. With the new management, opportunities to be explored include exploration of growing their own raw materials, making their own packing materials and reviewing its line-forcing policy to incorporate small retailers in the company's supply chain who would in turn lead to increased sales and profitability. Threats to Sunshine Food, Inc.'s growth in business and profitability include industry competitors, slow growth of the processed food market size as well as seemingly low brand loyalty from clients who are pressed by time, aren't selective and are out just for products with the lowest price.

Impact of Sunshine Food, Inc.'s main stakeholder, its parent company, has been enormous since Sunshine Food, Inc. adopted the parent company's policies and used its management. However, the apparent adaptation of the parent company's ways of business may downplay Sunshine Food, Inc.'s growth potential. This then means that Sunshine Food, Inc.'s new management may have to alter some policies and seek slightly different management and business styles that would suit the company's goals, objectives and continued competitiveness.

Recommendations

In order to achieve growth objectives and regain its profitability, Sunshine Food, Inc.'s management may have to seek input from longer serving staff,

adapt to the market/customer trends and borrow from the competitors strategies of non-use of the line-forcing strategy and usage of small retailers to sell their products to increase sales and lead to increased profitability. Planting their own raw materials and making their own packing materials would also ensure that Sunshine Food, Inc. gains control of the quality of its wholesome products. This may lead to continued popularity of products that may result in brand loyalty long-term. Increasing food products to ensure maximized usage of the production plants capacity would see a decrease in costs and increase in sales and profitability.

Focus on margins and competitive pricing of products and offering would help increase sales and pave way for increased profitability. Since the company staff is the core component of the company's success, there is great need for staff motivation that would ensure that staff members enjoy working with the company. One of the ways this may be achieved is by allowing staff to make contributions and give suggestions on what can be done to improve the company operations and ensure profitability. This would promote a sense of belonging, accountability and responsibility which will in turn generate improved performance, productivity and regained leadership in the market for the company. In the end, the company's business goals and objectives would then be achieved.