

Strategic management crafting and executing strategy



You are required to perform strategic planning for your organisation or one you are familiar with in your country or region and: Develop a vision statement, mission statement and statement of values, and explain their appropriateness

Undertake an internal analysis of the organisation and analysis of its external environment, using several appropriate models like an industry five forces analysis.

Craft strategies and explain their appropriateness

You do not need to develop implementation processes. But you should mention the critical importance of implementation, execution and evaluation of strategies you come up with for this assignment.

Word count

Executive summary

Strategic Management has come to be recognized as an inherent part of management in all organisations. This paper surrounds the development of a vision statement, mission statement and statement of values, and the explanation of their appropriateness while taking into consideration the SWOT analysis and the crafting of strategies for the A&P Fishing Company which can lay a solid foundation for sustainable future business growth. Explanations will be surrounding the critical importance of implementation, execution and evaluation of strategies.

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1. Introduction

The aim of this paper is to craft strategies for the A&P Fishing Company which I have understudied, develop a vision statement, mission statement

and statement of values, and explain their appropriateness while taking into consideration the SWOT analysis.

Firstly I will explain and develop a vision statement, mission statement and statement of values. Secondly, I will undertake an internal analysis of A&P Fishing Company and analysis of its external environment, using several appropriate models like PESTEL analysis and Porter's five forces.

Finally, I will explain the critical importance of implementation, execution and evaluation of strategies. In addition, meaningful conclusions will be drawn from the discussions arising from Strategic Management issues. The relevant information and content for this paper were gathered from books, lectures and internet research. I wish to acknowledge the assistance of my wife and colleagues for their valuable contributions toward this paper.

2. Background

Located on the East Bank of the Demerara, in Guyana, A&P Fishing Company is Guyana's pioneering fishing industry in Snapper, for both local and export market. The company has eleven trawlers which are equipped with cold storage facilities for deep water fishing and turtle excluding devices (TEDs) to avoid entrapment of turtles in the trawler nets. All trawlers are registered and are licensed by type; these trawlers would go fishing in pairs and they would spend approximately twenty one days and then return with their catch. The superior quality catch would be packaged and sold to the international market, while the remaining catch would be sold to the local wholesale markets.

3. What is a vision statement?

According to (Arthur A. Thompson, 2010) “ A strategic Vision Statement points an organization in a particular direction, charts a strategic path and moulds the organization’s identity”. In other words, a Vision Statement defines where the organisation wants to be in the future and how it will achieve it and what kinds of human resources it needs to achieve this.

A & P Fishing does not currently have an established Vision Statement.

An ideal Vision Statement would read as follows:

“ We are concerned with providing superior quality Snapper fish for local and export market without significantly sacrificing natural resources. Our business is always focused on long term viability of this industry through safe, responsible and sustainable practices”.

4. What is a Mission Statement?

A Mission Statement defines the goals and objectives the organisation wishes to achieve presently. According to (Arthur A. Thompson, 2010), a Mission Statement identifies “ who we are, what we do and why we are here”.

Present Mission Statement reads as follows:

“ To satisfy our customers’ needs by providing the best snapper”

An ideal Mission Statement would read as follows

“ To acquire, process and market quality Snapper at competitive prices in the local market and to establish A & P Fishing as the leading exporter in the country. To implement and maintain more environmentally friendly processes by the utilization of bio degradable packaging components without sacrificing company brand and competitive advantage.”

5. A Statement of values

According to (Arthur A. Thompson, 2010), A Statement of Values consists of “ the beliefs, traits and ways of doing things that management has determined should guide the pursuit of its vision and strategy”

A&P Fishing Company has the following values of which the employer and employees have recognised, reiterated from time to time and implemented throughout the company since its inception.

Core Values

Accountability: We must be held accountable for our actions. We make and support business decisions through experience and good judgment.

Customer Service Excellence: We are dedicated to satisfying customer needs and honoring commitments that we have made to them, both locally and internationally

Teamwork: Our team is supportive of each other’s efforts, loyal to one another, and care for each other both personally and professionally.

Balance: We are flexible, helping team members strike a healthy work and life balance.

Community and environment: We strive to help and improve the communities where we work and live. We are concerned about the environment and promote the use of recyclable products and renewable energy.

Integrity: We act with honesty and integrity, not compromising the truth.

Respect: We treat our team members, customers, partners and suppliers with mutual respect and sensitivity, recognizing the importance of diversity. We respect all individuals and value their contributions.

Open Door Communication: All team members are encouraged to openly share their opinions and views.

6. Appropriateness of Vision, Mission and Statement of values

The vision, mission and values statement of company are very important, since the vision defines the company's future, where the mission defines the present goals and objectives of the company which are measurable and values are the core values, which the company has built its reputation on, so it is very essential to have these statements established early in any company to have a competitive advantage.

7. What is SWOT ANALYSIS?

SWOT means Strengths, Weaknesses, Opportunities and Threats. Strengths and Weaknesses are considered to be internal factors over which the company has some measure of control. Opportunities and Threats are considered to be external factors over which the company may have essentially little or no control.

7. 1. Internal

7. 1. 1. Strengths

The internal strengths of A &P Fishing Co. are as follows:

It provides opportunities for employee professional growth and personal achievement.

It provides training in all diversified areas of the fishing profession so that employees are versatile and multi-skilled and are equipped to effectively handle any job on the trawlers out at sea.

Highly skilled and experienced employees in the fishing profession.

Markets: to penetrate or create new markets. The fishing industry is a thriving industry. The possibility for market growth is high and A & P Fishing Company has the ability to increase its market share. This type of industry is obviously an industry with a long life cycle and will not become obsolete unlike other technologically advanced products with relatively short life cycles. In addition, A & P has opportunities to diversify into production and packaging of other types of fishes in order to establish versatility, higher profitability and competitive advantage.

7. 1. 2 Weaknesses

The internal weaknesses of A & P Fishing Co. are as follows:

Managers and staff are not competent in other functions of the company such as accounting and human resource management.

Employees are somewhat affected by seasonal unemployment when the trawlers are grounded and fishing season is closed.

Key employees in management positions are nearing retirement.

7. 2 External

7. 2. 1 Opportunity

Good market demand both locally and internationally.

Growth in demand for more organic and healthy food . The noticeable change in food preferences of people can only boost the fishing industry. The growing preference of fish over chicken as a major source of protein and as a healthy combination of any diet has tremendously contributed to the immense growth in demand for fish.

7. 2. 2. Threats

There is always threat of new entrants to the snapper fishing industry which threatens the availability of this resource to all relevant stakeholders. There is always the threat that snapper, albeit a renewable resource, will not replenish itself as fast as it is utilized by current fishing industries. There is

no regulation that currently seeks to promote sustainable development in these industries.

There also exists the threat of poaching by foreign vessels in the snapper areas due to the lack of adequate and experienced coast guards to protect and prevent alien invasion in local waters.

8. Porter Five forces analysis

8. 1 Rivalry among sellers

Fish wholesalers are competing assiduously for business. When fish wholesalers are similar in size and capability, they can usually compete on a fairly even footing. When fish is scarce, it usually results in increase in the fish prices. When competitors see opportunities to satisfy customer in a unique way or are under pressure to improve performance, they will compete tirelessly to win customers' confidence.

8. 2 Threat of new entrants

Despite the absence of stringent regulations restricting the number of companies in the fishing business, the threat of new entrants may still be relatively low because of the high initial capital investment, know how, fishing and export licence requirement and the relative large sizes of existing fishing businesses which benefit tremendously from economies of scale.

8. 3 Threat of Substitute products

There are many alternatives to Fish...such as chicken, pork, beef etc and these alternatives are exploited when fish is scarce. However, the growing

emphasis on healthy eating may mean that some customers may be willing to pay premium prices when the product is scarce and some may revert to substitutes which are more affordable.

8. 4 Bargaining power of Suppliers

In the fishing industry, the supply of fish is not dependent on human intervention so much but on various forces out at sea. Therefore, water pollution through oil spillages, poaching by foreign vessels are some things which may affect the bargaining power of suppliers. In the fishing industry there are many alliances and partnerships which are focused on protecting and improving the fishing industry.

8. 5 Bargaining power of customers

Wholesalers are one of the important competitive forces in the fish industry; they can often dictate prices by buying in bulk. The wholesalers benefit from economies of scale and as such fishing companies make very small margins on such sales. The wholesalers, however, can demand premium prices from retail customers who are health conscious and not price sensitive.

9. Pestel Analysis

9. 1 Political

The Guyana Government is encouraging deep-sea fishing activity and is supporting this development by way of granting small loans, grants, adequate incentives, infrastructure and training programmes. Future development is expected to focus on further expansion of fresh and

processed fish products and related manufacturing activities, catering for both domestic and export market needs.

9. 2 Economical

According to (Anon., 2008) “ The fisheries sector is a significant contributor to Guyana’s economy, with 3% of total GDP accruing from the sector. The fishing industry employs around 6, 500 people in harvesting and a further 6, 000 people in processing, with many more benefiting indirectly through fishing related industries such as boat building and gear supply and repair”.

9. 3 Social

A&P Fishing Company has created many jobs for the locals and also increase their spending power by paying these persons a relatively good salary and also bonuses on every trip depending on the catch. A&P Fishing Company has taken a personal interest in developing the community and keeping it clean.

9. 4 Technological

Technological advancement has tremendously affected A &P Fishing Industry inclusive of innovative improvements in fishing processes, packaging and the development of products. It has also improved administrative functions such as the dissemination of information, receipt of orders, and delivery of products or services.

9. 5 Environmental

The increasing emphasis on environmental protection and waste disposal has led A & P Fishing to change its current packaging to more bio degradable

components. It is also foreseeable that A & P Fishing will continue to make its processes more environmentally friendly in the future.

9. 6 Legal

The Government does not have the capacity to set sustainable Total Allowable Catches because of insufficient human and technical capacity. Commercial fishing is a regulated business and must be licensed to operate. In addition, the company must have an export license before it can enter the international market.

Present Strategy

The present strategy of the company has worked well over the years, but this research has found that this strategy does not have any long term viability for the company and thus would be not able to give A&P Fishing Company the competitive advantage it needs for long term viability and profitability.

Craft strategies and explain their appropriateness

A&P Fishing Company strategizes to target both the local and international markets with its focused differentiation strategy on quality snapper.

Operational Strategy

A&P Fishing can improve its order taking process by use of bespoke software, internet ordering and an efficient switchboard system. This would reduce costs and bureaucracy.

Marketing Strategy

Because of its international presence, web marketing is imperative. Internet marketing goes beyond geographical boundaries and can be personalized and interactive. Export market is a major part of the business, and where more of A&P Fishing Company revenue is generated.

The World Wide Web: A&P Fishing Company should launch an interactive website to target the export market, where potential customers can ask various questions and feed back given. Customers can place new orders online and can even track the current status of their orders.

Other options include

Brochure: A&P Fishing Company has advertised in the country tourism brochure, this is to target mostly visitors and the international market so they know what kind of product the company offers.

Newspaper advertising when feasible: this is appropriate for the local market: both wholesalers and retailers.

Sales Strategy

The objective of proposed sales strategy is simply to sell quality and well packaged snapper fish to wholesalers at affordable prices, and to maximize

the free trade agreement in Caricom market. . To help realize our goal, we will implement the following:

“ The customer is the king”. We make sure we connect professionally and personally both with our local and international customers to ensure their wants and needs are satisfied.

Ensure staffs are well trained and knowledgeable in the company’s products.

Discounts are offered to new wholesalers based on referrals system.

Importance of implementation and execution of strategies

According to (Arthur A. Thompson, 2010)” implementation and execution of strategies are primary operational-driven activity revolving around the management of people and business purposes”.

Strategy implementation is the process of translation of strategies and policies into action through the development of programs, budgets and procedures. It is typically conducted by the middle and lower level management but is reviewed by the top management. Unless the corporation is appropriately organized, programs are adequately staffed and activities are properly directed, these operational plans fail to deliver the goods. To be effective, a strategy must be implemented through the right organizational structure and appropriate management practices. In addition, management must also ensure that there is progress towards, objectives according to plan by instituting a rigorous process of control over important activities.

It is critical that Executing strategy is done successfully so that the company's performance targets can be met. It is a job for the whole management team, and the process typically affects every part of the company.

11. Importance evaluation of strategies

Strategy Evaluation is as significant as strategy formulation because it throws light on the efficiency and effectiveness of the comprehensive plans in achieving the desired results. The managers can also assess the appropriateness of the current strategy in today's dynamic world with socio-economic, political and technological innovations. Strategic Evaluation is the final phase of strategic management.

The significance of strategy evaluation lies in its capacity to co-ordinate the task performed by managers, groups, departments etc, through control of performance. Strategic Evaluation is significant because of various factors such as – developing inputs for new strategic planning, the urge for feedback, appraisal and reward, development of the strategic management process, judging the validity of strategic choice etc.

13. Conclusion

In conclusion, it is appropriate to say that A&P Fishing Company needs to revolutionize its present strategy to be able to enjoy competitive advantage in the fishing industry by utilising technology to gain more access to customers globally. The company needs to address its weaknesses urgently to avoid any major decline in profit.

A & P Fishing Co. is undoubtedly equipped with human resources in its core competencies; however, other peripheral aspects of management such as accounting, marketing and even recruitment can be outsourced to specialist entities. It is already established that one of the weaknesses of A & P Fishing is its inability to manage other functions of the company. Outsourcing will benefit the company in many ways such as decreased overheads and fixed costs (salary costs), access to specialized services, increased focus on core competence.

In addition, A & P Fishing should consider the option of diversifying into other categories of seafood such as prawns and shark. If and when snapper becomes an exhausted resource due to bad sustainable development strategies, A & P Fishing should be able to maintain its customers and current market by offering suitable alternatives to its customers. Focused diversification is necessary for continued survival if a cost leadership strategy is unfeasible.