

Loblaw swot



Loblaw Company Ltd. Loblaw Companies Limited is a subsidiary of George Weston. The company distributes: food products, general merchandise, drugs, and financial services through retail, wholesale, and discount stores. It is headquartered in Toronto. * Employee Amount: 139 thousand 1. Present Situation of the company (financial results, trends, etc. - whatever you feel is important) * Loblaw has a strong portfolio of private label brands which provides a margin advantage. However, a substantial portion of annual revenues are derived from its franchisees.

The company has no control over franchise's business operation which may impact the company's future revenue growth. Strengths * Loblaw has a strong portfolio control on private label products (5700) in various categories. (President's Choice, Organics PC, Blue Menu PC, Joe) * A strong portfolio of control on label products enables Loblaw to offer cheaper price points which enhances customer loyalty and provides a competitive price advantage to the company. It also provide better margin that result a higher profits. * According to Data-monitor, President's Choice was recognized as the number 1 consumer packaged brands based on revenue.

Weaknesses * A majority of Loblaw's workforce is unionized. Due to this situation, the company has to renegotiate collective labour agreements periodically. For the long run, this will result in work stoppage and slowdown that will further impact the company's financial performance. A majority of Loblaw's competitors operate in a non-union environment, which helps them to benefit from lower labour costs and efficient operations. * According to Data-monitor, Loblaw currently has a complex business process and poor IT

(information technology) system. The IT systems are out-dated and do not support the current business processes.

Poor IT systems have resulted in excessive workloads and too many errors.

Threats * Like most businesses, Loblaw's business depends heavily on domestic and global economic conditions. The economic downturn in the U. S and Canada has led to higher unemployment rate, volatile interest rates, and reduction of disposable income. These factors will all affect the company's business operation and profitability. 2. What are the Key Success Factors of each company? * According to Racher Press, Loblaw took an aggressive step to enhance community pharmacy when competitor adopted a defensive posture.

Loblaw offered extended hours of its pharmacy departments, beefed up staffing, and added new technology to allow pharmacist to spend extra time with patients. * According to Weston, the executive chairman of Loblaw, the acquisition of T&T Asian food chain helped Loblaw extend its ethnic offering to serve the growing segments in Canada. This purchase increase earnings by 38% in 2009. * According to Penton Media, Loblaw has launched new pricing programs to drive volumes and win market share during difficult times in 2009. Adapt and response to market change such as target market (aging consumers and immigrants). * Maintain a strong balance sheet; minimize operating and financing risks and cost; maintain liquidity of assets. * Own real estate(property, plant, and equipment) 14. 5 billion * According to Loblaw's deputy chairman, Loblaw: 1. Enhancing local sourcing: Loblaw added a " small number" of local merchants that accounted for around 15% of the company's overall buying. 2. Upgraded distribution and infrastructure: <https://assignbuster.com/loblaw-swot/>

physical improvements at warehouses and implementation to increase productivity. 3.

Your recommendations for the future for the companies (this is your group's future plan and the most important section to the management team. They want to know if you can come up with realistic, objective, successful strategies.) * Improves IT systems: IT plays a critical role in increasing productivity

1. Operational excellence: Business improves the efficiency of their operations in order to achieve higher profitability.
2. New products, services, and business models: Information system is a major tool for firms to create new products and services, and also an entirely new business models.
- . Customer and supplier intimacy: The more a business engages its suppliers, the better the suppliers can provide vital inputs.
4. Improved decision making: Information system made it possible for the managers to use real time data from the marketplace when making decision.
5. Competitive advantage: Doing things better than your competitors, charging less for superior products, and responding to customers and suppliers in real time all add up to higher sales, and higher profits.
6. Survival: Business firms invest in information system and technology because they are necessities of doing business