

Case study on "solar feeder for strategic management

[Business](#)



Identify the broad and specific problem of the company? Answer: The solar feeder is innovative tool, which is to avert squirrels from taking the birdseed by electronic shock.

The solar feeder company is a distinctive wind on the typical bird feeder, which is resembled a typical birdhouse, but it houses feed instead. The main problem for the company had no long term road map like ? which markets to compete ? How to compete (competitive Approaches) ? How to operate on a day to day basis (Meet organizational objectives) and no business model whether revenues and costs make viable business sense. The most significant issue facing management is the lack of a business preparation and a logical tactic and objectives. They don't also have any performance target like revenue targets, profit targets, less number of customers complains and introduce new models before competitors. Specific Problems: ? The sales volume (\$56071, dated 31st dec, 1999) is not as much as necessary to generate revenue (\$26, 607, dated 31st dec, 1999) even to break even as we found from the income statement of exhibit 10.

? SDI's balance sheet shows negative checking's/savings of \$(7, 308) and the income statement shows a negative net income of \$(26, 607) in 1999. The company's pricing of the feeder is not competitive. The selling price of \$ 300 is too overpriced, average price of bird feeder products range from \$100 - \$150. ? Difficulty in manufacturing process of the feeder which aided to low production capacity along with lower resource involvement in the production. ? The cost of the product required to be cheaper to have access in many more outlets and customers.

? Low production volume did not allow to switch to cheaper distribution channel causing higher cost and price ? Could not keep pace with the potential orders due to low production capacity let alone cope with the much higher seasonal demand of orders ? The company web-site was not very user easygoing to all the potential customers and hence could generate very little sales orders ? Lack of investment was one of the reasons for not being able to expand the production facility and capacity and promote the product more through marketing campaign ? Lack of vision and strategies and hence lack of marketing/business plan to attract any prospective investors ? To make the customers understand that the feeder worked without any serious harm to squirrels ? Lack of proper market research by the company Advertisement that is not acceptable by the animal lovers

Q2. What is the Business model of the company? Is it a viable business model? -explain. Answer: The business model of the company is as narrated below: a)SDI attracted the customers by the award winning innovative product solar bird feeder which was a unique twist on typical bird feeder (that hardly allowed squirrel resistance round the clock). Without an engineer the solar feeder could move from a " craft" manufactured item to a manufactured product that SDI can produce in high volume at low cost.)The feeder provided round the clock automatic squirrel resistance that will provide the customers with relief from disturbances caused by continuous squirrel attacks to the bird feeder.

c)SDI attracted the customers by the appearances of the solar feeder that resembled typical bird house. Two distinctive styles were there——' town style' and ' country style'. Also there could be three different mounting options as per customers' preferences. d)The product had also a 30-day

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money back satisfaction guarantee and a one-year warranty on parts.)The company could only sell as per their production volume which was pretty low although the demand was much higher and set the price high considering as much the customer will pay rather than as per market price. The business model was not a viable one right at the moment since the sales volume was not up to the mark to generate enough revenue to expense all the costs and generate profit which is the primary objective on any business.

Q3. What suggestion do you have for the company? Answer: The suggestion for the company 1. Developing a strategic vision 2. Setting Objectives: Feeder Company must set some target regarding Profits, revenue, margins. SDI's will need to improve its accounting in order to accurately assess the achievement of these goals. The high cost of SDI products was mainly due to its low production volume.

There are investors with sufficient capital interested in investing in SDI. There is no cash-flow statement, the income statement has no non-cash items like depreciation, and the balance sheet has no entry for. To accomplish this, the company should conduct quality audit to its suppliers. Improve production execution and delivery SDI must redesign the solar feeder so that it is easy to manufacture. 3.

Crafting(Expertise) Strategy X SDI does not have a good purchasing and quality control procedure to control quality of incoming raw materials. SDI needs additional outside investors. The ABA members had grown 300% in the 1990s. The company was unable to sell its products to retailers at a lower price. X SDI does not have a good purchasing and quality control

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procedure to control quality of incoming raw materials. SDI needs additional outside investors.

The ABA members had grown 300% in the 1990s. The company was unable to sell its products to retailers at a lower price. 4. Implementing and executing the strategy 5. Evaluate monitor and implement corrective adjustments Also consider the following things 1.

Market Opportunities 2. Competitive threats : Ineffective marketing “ X Ambiguous maker positioning - The solar feeder was positioned as a high end/upscale product, however SDI would like to position it lower to compete with competitor product to generate more sales. 3. Company resources and competences