

Analysis of krispy kreme doughnuts

Business



**ASSIGN
BUSTER**

Critical risks: EFC's management understands that there are critical risks that involved in entering a market with several competitors, but the company believe that their handmade products can successfully compete. EFC has reviewed the risks and have planned accordingly, preserving a low risk status through frequent assessment of market risk the company has allocate number of departments to evaluate risk and divers it. Price Cutting by Competitors Customers buy their products based on the quality and the price.

Therefore, if EFC as notice that any of their competitors cut the price and the quality is still as good as their products than EFC will take action either decrease the price or do a promotion. Poor Quality Marketed by Competitors Advertising, promotion, and demonstration techniques will be used to ensure that consumers differentiate our company's product from others.

Difficulties Encountered in the Supply of Raw Materials If domestic supplies of common types of plastic, papersglasses cannot be met economically, raw materials will be purchased through import wholesalers and brokers.

The price will be revised accordingly and accepted because of efficient previous market penetration. Larger-Than-Expected Innovation and Development Costs to Stay Competitive The development plan will be re-evaluated, and, if appropriate, the partnership will be opened to another financing round. Potential Risks Unavailable or scarce raw material * EFC is confident that it has secured good availability. Technology employed may be unreliable or unproven * EFC will use a proven, patented technology that was developed by one of its principals for the cleaning and recycling phase.

The extrusion division will employ commercially proven technology.

There may not be a market for the Company's products * The Industry-wide experience of the Management Team has allowed them to identify markets for the Company's products. Their expertise and reputations have allowed them to obtain commitments for virtually all of the planned initial production.

The Company may not be able to attract top management * The Company has assembled a world class management team with proven ability and direct experience in the Company's market segments. Environmental standards: The company may not be able to meet the environmental standards.

This environmentally-favourable venture provides for the development of technically feasible and economically viable solutions to the items recycling.

The Company may Management's industry-wide contacts, the Company has identified potential customers and received commitments for all of the production potential of the initial facility. EXIT STRATEGY EFC exit strategy includes two options, private label or licensing our work for a fee to larger companies. Once established, the company will approach companies or private label manufacturers to determine an interest level in purchasing EFC to be produced for another company.

If EFC was to develop their own private label there would be definite expansion of product lines available within the "gifting" industry.

Additionally, licensing would give another company the right to reproduce our product designs for a certain time, in a certain territory, for a predetermined fee.

EFC would also be open to a “work-for-hire” agreement, depending upon the agreement and terms listed within the contract. The advantage of a charged licensed agreement is that the company would have the money up front, and would no longer be dependent on the products selling successfully before the company could earn additional income of them.

A career as a freelance artist would essentially be another side business for the company management team if EFC was no longer capable of running their own business. There are numerous opportunities to freelance in the handmade products industry. Having our own line of handmade products along with our own business will establish credibility, which is important in getting freelance work if EFC ever decides to exit the market.