

# Cinnzeo strategic expansion plan



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BUSI 4362: Strategic Management Introduction to CinnZeo's Strategic Plan For Entry into Hail (Saudi Arabia) of the of the Institution Should CinnZeo Expand in Saudi Arabia or Not? Introduction Picture this! You are driving or strolling along the streets of Hail City when a new and exciting smell assails your senses. You are reminded of a faint but distinct smell of cinnamon, yes- the kind that was mixed in your cereal when you were a baby. Can it really be so? You turn the corner and lo and behold, a new sight greets your eyes. It is called CinnZeo. You peep in and are intrigued by the warm soothing ambience that is so comforting and inviting compared to the hot air outside. There are already quite a number of people inside so something must be going on. You park your car and stop to investigate. Yes indeed, it was the smell of cinnamon and it's coming from the cinnamon rolls that you see all around. Seems to be quite a hit here, as everybody has a piece! You wait your turn and are soon rewarded. One bite into it and you're hooked! Welcome to CinnZeo, a baker's delight. Here you will find a number of delectable offerings to tempt your tastebuds, from the ever famous Cinammon Rolls to the Miniroll and the Caramel Pecaroll. There are Twists and Minitwists, CinnaDippers and Cinnamon ShakerZ, Cinnamon Toasties and Minifests. If you want to take something home for your family and friends, there is also the Mini Snack Pack and the CinnZeo Pack. So indulge, enjoy and spread the good news. A Short History CinnZeo is a Canadian franchise that started in 1987 from its home bases in Alberta and British Columbia. After remarkable success over a 10 year period, it decided to expand internationally and has a number of bakeries in Chile and Mexico (cinnzeo. com). Due to the mix of international clientele of various nationalities that is typically found in the Gulf States, it has targeted the <https://assignbuster.com/cinnzeo-strategic-expansion-plan/>

Arabian Peninsula as its next area of expansion. It already has a strong presence in Jordan, Qatar, Lebanon, Kuwait, Bahrain, Syria and Oman. Operating over 28 outlets in Saudi Arabia at various locations in Al Khobar, Al Madinah, Dahrhan, Dammam, Jeddah, Riyadh and Yanbu, it is clearly looking to expand further (Porter, 1980) and wants to see the market reception and demographics before it makes this decision. Ha'il City is a city in Saudi Arabia that owes its importance and development to the fact that it lies on the route used in pilgrimage from Iraq to Mecca. It has a population of around 175, 000 people per the 1993 census. Reasons for Attraction to the Gulf States There is a good market for franchises that want to go international here. The Gulf and Arabian states have a good income earning capacity and comparative economic stability. There is a wide mix of nationalities that are present here, most of them being immigrants who get employment here at a higher rate of income than their home countries. In Saudi Arabia, a key part of the economy is also based on Hajj earnings from Makkah and Madinah, as well as oil revenues. The GDP per capita was SAR 52, 853 in 2009 ([www. cdsi. gov. sa](http://www.cdsi.gov.sa) ). With a Saudi population of 20 million and a worker population of between 6 to 10 million, Saudi Arabia would be an attractive location in terms of income and population growth. The question that remains is: what should be the entry strategy, how long should they wait, and how should the results be measured (David, 2009). My complete paper will talk about the demographics of the area, choice of entry strategy, competition, choice of locations, marketing and delivery options, organization and staffing, seasonality effects if any, and cost and profit implications. It will therefore be a complete and well rounded paper complete with SWOT analysis and recommendations. It will conclude with a <https://assignbuster.com/cinnzeo-strategic-expansion-plan/>

recommendation to either go forward or hold back and retreat. References  
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