

Avon products case analysis essay sample

[Business](#), [Strategy](#)



What additional actions would you recommend AJ take to help achieve its long-term strategic and financial objectives? It's implementation efforts? What challenges might the new strategy present to Avon's top management team? What risks do you see?

Andrea Jung has done an exceptional job of identifying the problems of Avon Products, Inc, developing a strategic vision, and outlining a plan to clearly communicate and meet the goals and objectives of the vision. She undoubtedly recognized the various areas within the company that were in dire need of improvement, in order to boost the success of the company.

There are seven major aspects of Andrea Jung's strategic execution and their business results presented within the case. AJ recognized the first and most important change needed within the Avon's strategy implementation efforts was it's ability to eliminate the cost of low-value-added activities from its value chain. With Avon's President and COO Susan Kropf in charge, the company executed plans of business process reengineering that involved supporting product development, e-commerce initiatives, better commission opportunities for independent reps, and global image building. The risk seen in this proposal, is the companies ability to continuously squeeze high amounts of cost savings elsewhere. Although, this strategy was indeed successful in past years, continues withdrawals of high funds from other areas may result in long-term failure in other possibly areas of opportunity as market trends rapidly change. Operating strategies and BPR implementation efforts, made by AJ, appear to be relatively positive in its objectives, in that recommendations of identifying and elimination weak links or bottlenecks

areas are thoroughly analyzed in its efforts of continued efficiency improvement and its supply chains.

Another strategic objective of AJ is the recruitment and retention of sales representatives. The Sales Leadership is certainly a great program for the company in recruiting and maintaining sales representatives. However, although the company finds success in its ability to recruit younger women, maturity in these younger women in understanding their responsibility and expectations of the company as a business per say, may later hurt the image of the company. Young unprofessional and unreliable sales representatives are a reflection of the company to its consumers. Perhaps, the company should implement professional training for these young women. In addition, as stated in the case, older women are often more loyal to their products, therefore they should not be overlooked in this new push for recruitment of sales representatives.

E-commerce and the Internet is an important part of AJ's strategic execution. Its results have been very positive and promising to the company. It has not only cut cost in a number of areas for the company, but has provided a new way to recruit sales representatives. With the use of e-commerce and the Internet the company has been able to expand globally and sales have increased. However, AJ has not mentioned a need to modify the company's products to fit the cultural expectations of these new global markets. Very few products can be used universally within the global market. The company's push for new products and forecasting for market demand should

be done on a global scale. This may become challenging for the company, but should not be overlooked

The company's effort to enhance the Avon brand image through various channels has achieved modest success. The changes AJ stated in its transformation (such as new products, celebrity endorsements, stylish new changes) are all important aspects of Avon Products image. It is part of the company's advertisement strategy and should be given much attention. As a recommendation, the company should identify their markets and advertise according to the target groups need. Again, this should be done on a global scale as the company reaches international markets.

AJ's product development plan is, indeed, a very productive strategic plan that has resulted in (and should continue to bring) success to the company. As in past recommendations, it is suggested that the company carefully reviews the demand, trend, and market in which new products are geared towards. These products should be a reflection of the global markets that it serves. In addition, the company must continue to promote its old successful products. This will show consumers a continuous line of successful line of quality products promoted by Avon over the years. Continuous promotion of past products will stabilize trends and increase sales as new products are introduced. In addition, AJ's push to introduce new products every two years, instead of three years, run the risk of hurting a products life cycle and perhaps resulting in a surplus of wasted or overlooked Avon products.

Globalization is a factor of Avon Products, Inc success in international business ventures. The company has received even greater success in its

increase in sales and revenue, due to international sales. This has helped build a new image for Avon Products. However, the question of American companies imposing their cultures on other countries always comes to mind. AJ should review the company's position and long-term objective in these international markets. Perhaps, as mentioned before, modification is need for products that do not meet the needs of women in other countries.

Allowing Avon products to be sold in retail channels was big step taken by AJ and the company. There were many issues to be faced. Its results have been extremely successful. It has shown to be a great growth opportunity for the country. The company should continue allowing retail channels to sells its products and perhaps extending into other large department stores. Convenience of its products for consumers has shown to be a great success in all products and services.

Andrea Jung is a very innovated person, in which her ideas reflect on the success of Avon Products, Inc. She is not afraid of change or pursuing new markets. However, Avon Products, Inc has limited its market by allowing its main focus to be women. Although, it is aimed at women of all ages, it has ignored the even greater possibilities of success if equal attention is placed on men. This concept should have been recognized early, as Avon's Products, Inc founder sold his books to housewives before starting this company. These women were the wives of thousands of men, in which new products could also be marketed and sold to as well. Furthermore, this may result in men wanting to become sales representatives for the company,

boosting the number of sales representatives. The outlining outcome would be higher sales, and as a result, higher revenues.