

Rogers chocolate

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Introduction Rogers' Chocolate is on a mission to have the company double or triple its size within 10 years. An analysis will be performed to figure out a strategic plan where Rogers' Chocolate will be able to grow, and maintain their image of providing premium chocolates. The issue facing Rogers' Chocolate is how they will be able to gain new customers and sustain their current customers. To give a thorough analysis, I will identify and explain the strategic issue, present the results of the analysis, and present alternative strategies. Finally, I will present my recommendation and conclude the analysis.

Strategic Issue The strategic issue facing Roger's Chocolate is how to grow the company by being able to gain new customers and still maintain their current customer base. The objective of Rogers' Chocolate is to double or triple the size of the company within 10 years. By growing, this means that they will need more production, more employees, and more customers. Rogers' Chocolate will need a strategy that will help position them to be able to grow the way they want it to. Analysis After reviewing Rogers' Chocolates finances, they are good shape and have improved from 2005 to 2006.

This improvement shows opportunity for the company to reach its objective of growing. According to their balance sheet, their current ratio for 2006 is 1.366 (2,330,241/1,705,132) and 1.245 (2,896,842/2,326,966) for 2005. These numbers show that they are able to continue to pay off their obligations. This means they are in a position where they shouldn't go bankrupt. It also shows that Rogers' Chocolate are just efficient enough in the sense of turning their product into cash. The company's cash available

for next year, 2007, is \$74, 744. This is down from what they had at the beginning of the year, \$151, 802.

This may hurt them when trying to invest into new areas. The external environment of Rogers' Chocolate looks very promising. Godiva and Bernard Callebaut are the only ones that seem to threaten Rogers' Chocolate position in the market. The other chocolate companies are of lower quality and price but still compete with Rogers' Chocolate. Godiva's chocolates are priced higher but lower quality. Bernard Callebaut's chocolate are similar to Godiva's in price, are in similar locations as Rogers' and are also good in new introductions and seasonal products. They are also superior to Rogers' when it comes to their packaging.

The internal environment doesn't look well for Rogers' Chocolate. With very few employees who do multiple jobs, Rogers' seems like they are not able to handle their demand for their product. Also their issue with out of stock product causes many problems when trying to keep up with other demands. Strengths for Rogers' Chocolates include liquidity and their differentiation from other competitors. Roger's is in a good position financially. They are not in the best position but are in a good enough position to make changes and improvements. Rogers' is also efficient.

Once, again they are not at their best, but are efficient enough to be a successful competitor. They are also very strong in their image. They are able to differ from their competitors with high quality chocolate and an image that is known locally. Rogers' weaknesses are cash flow and production. Although Roger's Chocolate is not in a position to go bankrupt, they have limited cash to invest into improving their operations. With the low

amount of cash they have, they may have to borrow in the future. Another weakness is their production efficiency. A low number of employees and bad planning causes their production to be slow and inefficient.

Inventory management and out of stock problems cannot continue if Rogers' want to be able to grow into the company they want it to become. Rogers' Chocolates has several opportunities. One opportunity is to maintain their current image to introduce new products to compete with Bernard Callebaut. Having a new product to compete can help can new customers and new market share. Another opportunity is to provide lower quality chocolates to reach a new target market. Being able to acquire a new market may bring those new customers to their current market.

The main threat to Rogers' chocolate is the competition. Not being able to keep up with the competition or current trends can lead to lost market share. With Godiva having superior packaging, distribution, and price points, and Bernard Callebaut having superior packaging and seasonal influence, Rogers' Chocolate could be falling behind soon if they do not join the ranks. Rogers' must find their niche in order to be able to compete not just locally, but globally. Alternative Strategies Rogers' Chocolates will need to gain new customers if they want to grow the company.

To gain new customers, Rogers' must take a risk a re-brand themselves with a new packaging design to create a new image. Implementing a new brand image will gather a new crowd of consumers that Rogers' did not reach with its current image. To be able to do so, Rogers' will need some financial help in order to invest money into the new packaging design and image that they want to create. They will also need new store displays and marketing tools to

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be able to push the image to customers. By creating this new image, they run the risk of losing their current customers.

The new image that Rogers' creates will grab the attention of a new market that will help gain market share that they currently do not have to aid in the growth of the company. For growth to happen, Rogers' must be more efficient in production. The problems caused by out of stocks and bad planning are causing Rogers' to not be as successful. When production plans are put on hold to finish special orders, it is not a good sign. Production should be a continuous flow. To change the production efficiency, Rogers' will have to hire more employees so their current ones are not doing multiple functions.

They will also need to use the correct data when planning production and forecasting next year's sales. Once again, money will be needed to hire and train new employees, as well as changing the planning method. Rogers' risk is that the employees may not be as happy when new hires come, since a lot of the employees are third generation employees. Also, another risk is that the new planning may cause the same problems such as discounting products or even wrong forecasting. Another way for Rogers' to grow is to boost their online presence. Since social media is growing, Rogers' could take advantage of it to gain traffic to their website.

By doing so, not only will sales go up, but they will also be able to reach a new age group of 18-34, who use online shopping. This will give them new customers that will start to aid in replacing the aging customers that Rogers' currently have. Since social media is a low cost, not a lot of money will be needed, although it may be a good idea to hire a social media consultant to

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handle all the work. The only risk that I see Rogers' facing is throwing away money if sales do not increase. If social media and a larger online presence are not working, Rogers' could face a situation where they are not on the receiving end.

They will need to research who the online customer base really is to gain information on how to market to that segment. Not only will a larger online presence grow the company, but also moving business to the United States will help in the growth as well. Opening up retail stores in the US will help Rogers' to start to gain a global presence. The way that Rogers' retails their products shows that they know how to do it locally. To be able to reach the US, they will need to put a lot of effort into research the market on how to market to US customers.

In their current retail stores, they display their products to suit the season with a Victorian theme. Rogers' will need to do the same for the US, but use the information gathered to create displays and marketing tools that will gain a following. By changing to fit and gain sales in the US, Rogers' has the risk of losing their current image as well as spending a lot of money just to gain customers that they may not get. This is the riskiest strategy. They will spend a lot of money by building retail stores and staffing them and marketing to a new segment. The risk of having their image ruined is also a risk.

Since Rogers' is well rooted in tradition, this may cause a stir among employees and their customers. Recommendation After reviewing the analysis and the alternative strategies, Rogers' has several ways to achieve growth. I recommend that Rogers' re-brand themselves with new packaging

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and marketing tools. Although there is a risk of losing current customers, I believe that is a very small risk. People who buy Rogers' Chocolates are very loyal customers and have been buying them for years. Rogers' is a company based on providing premium chocolate with high quality.

Changing the image will not affect the quality of their chocolates, but rather gain new customers they don't currently have and be able to compete against Godiva and Bernard Callebaut. The image that Rogers' needs to create is an image that will still hold its tradition, but at the same time be edgy enough to strengthen its packaging, advertising, and distribution. This will allow new customers to get to know what Rogers' Chocolates is and be able to keep the current ones coming back. Conclusion As you can see, Rogers' chocolates objective is growth for the company.

An analysis was performed to show the current financial and environmental state Rogers' is currently in. After reviewing the analysis, I found that Rogers' is in a good position to grow and regain market share using their current products. I recommended that Rogers' Chocolates create a new, edgy brand image to gain a new customer base. This will keep their current, loyal customers and help gain new customers who are soon to be loyal as well. Rogers' has put themselves in a position to make this strategic decision in order to grow the company into a market leader.