

Individual

[Business, Management](#)



1-What are the chief elements of the strategy that Whole Foods Market is pursuing? According to Barnes (2008) companies often express their strategy in the form of a corporate mission or vision statement. Whole Foods Market's corporate mission statement states that the company aspires "to improve the health, well-being, and healing of both people and the planet". To live up to this aspiration the company has chosen to concentrate its activities in the natural and organic foods industry that promotes healthy diet options, sustainable agriculture and protecting the environment. Whole Foods is pursuing a concentration growth strategy executed via a combination of opening its own new stores and acquiring existing stores, with more of the former (Thompson, 2004). In terms of its operations strategy, Whole Foods is using a market-led strategy which manifested by its varying store size, layout and design that is largely dependent on the particular site and building configuration and the store's target clientele.

2-Is Whole Foods strategy well matched to recent developments and conditions in the natural and organic foods segment of the food retailing industry?

Recent developments and conditions in the natural and organic foods segment of the food retailing industry such as the USDA labeling standards for organic products and the post 2000 increased sales of natural and organic foods at conventional U. S. supermarkets than in the nation's natural foods stores have increased industry competition. Whole Foods development of new stores and acquisition of others ensures the company continues to increase its market share which gives it muscle to better face the rising competition. Also, the company's varying store design, size and product

variety increases its market positioning among its target clientele. Whole Foods strategy is therefore well matched to meet these recent developments and conditions.

3-Do you think John Mackey has a good strategic vision for Whole Foods? Yes or No

John Mackey's strategic vision is for Whole Foods to become a national brand and be regarded as the best food retailer in every community it served. This is a good strategic vision for two main reasons. Firstly, the trend towards organics is still in its infancy and as such to increase revenues and profitability the organization has to pursue market development. For market development across the United States to be effective Whole Foods would require national branding. Secondly, Whole Foods has to compete with large established retailers that have large distribution networks such as Wal-Mart and Costco that are increasingly attracted to the natural and organic food industry. With a growing market it is more prudent for Whole Foods to rapidly gain market share in order to compete against these "more-resourced" competitors.

4-Do core values contribute to company success? Why or why not

Core values do contribute to the success of a given company for several reasons. To begin with core values are the foundation on which the company is built. Core values act as an internal compass that guides the company as it pivots its growth and development against the ever changing external business environment. This means that core values provide the organization with a framework to protect it from drifting due to the force of external factors. Secondly, the core values enable a company to: (1) better align the

staff it hires with its business; (2) develop a unique market positioning in its customers' minds; and (3) develop an effective internal communication. Having employees who are more in tune with the company's mission and culture and who believe in its values increases their motivation which reflect on overall work performance and business output. On the other hand, positioning is important because it differentiates the goods and services of one company from another and so give consumers a reason to buy (Baines, Fill, & Page, 2008). Finally, with core values the company can be able to deliver consistent internal communications such that employees are clear on their roles and responsibilities to ensure the success of the company.

5-How well is Whole Foods market performing from a financial perspective? With annual sales in excess of \$2. 2 billion and \$2. 6 billion in 2001 and 2002, Whole Foods performed better than either of its major competitors, Wild Oats Markets and Fresh Market. The company has low debt-to-asset ratio of 0. 51 and 0. 38 in 2001 and 2002 respectively. This means that the company's level of risk is low. It can also be seen that the company's profitability has increased, as depicted by the rise in Return on Assets from 0. 08 in 2001 to 0. 09 in 2002. However, the company's current ratio for 2001 and 2002 were 0. 93 and 0. 98, which implies that the company's short term assets may not be readily available to cover current liabilities. Whole Foods needs to work towards increasing its liquidity.

References

- Baines, P., Fill, C., & Page, K. (2008). Market Segmentation and positioning. Marketing (pp. 214–263). Oxford: Oxford University Press.
- Barnes, D. (2008). Operations Management: An International Perspective.

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Thompson, A. A. (2004). Whole Foods Market, Inc. McGraw-Hill.