

Atomic company: swot analysis

[Business](#), [Company](#)



SWOT of Atomic Company

Strengths:

Atomic Company, established since 1946, has had an excellent and experienced management team to support its functions. The CEO made the company shift its production units to Taiwan and then to China from U. S. that provided Atomic Company with several labor and technological cost advantages. Similarly the financial vice president Ramon also took care of the exchange rates benefits for the company and other cost lowering advantages. Atomic has access to almost all parts of U. S. for sales and the company has been growing constantly since past few years. The sales figure for Atomic Company has been skyrocketing with sales of \$5. 6 million only in first quarter of 2002.

Weaknesses

1. Atomic Company has various issues regarding its marketing strategies that are needed to be resolved. Firstly, the company has not established any brand name for its clothing and is selling it under various retail stores without focusing on building its own brand name. This has put Atomic Company under difficulty of capitalizing on the consumer market based on its popular lines like Tiger Pants. The company should change its goals along according to its growth pattern and need to brand itself.

2. Atomic Company's sales department requires proper and practical setup with hiring of sales personnel and designing a well-thought compensation and benefits package for them. The company has no marketing and sales plan since the random or by luck increase in sales do not cater to the

professional requirements of a firm. The company needs trained sales personnel that need not to be pushed by too high compensations and can still achieve targets.

3. The National sales manager, Roger Post, has adopted various strategies of providing free merchandize to celebrities that cost around \$35000 in 2001 and bonus clothing to retailers that cost around \$75000. However, the bonus shirts and free merchandize to celebrities was not justified in the board meeting since the increase in sales for Tiger Pants was due to the random decision taken by Roger to give away free pants to a band “ Punk Rock Academy”, which turned out to pay off. The management needs to look deep into the strategy and demand accountability from Roger since the strategy is wrecking the cost structure of company and can be utilized in other marketing plans like direct-to customer advertising.

4. The sales figure of \$5. 6 million, only in first quarter of 2002, has created an uncertainty for the management of logistics and dealers in China since the sales department is not certain regarding the required batches of Tiger pants after its unexpected success. The short-lived revenues can cost company huge costs in case the sales level does not rise up to expected level. The management should come up with a reasonable target for time-being and the Sales head should be accountable for achieving that target through an effective sales force.

Opportunities

Atomic Company can capitalize on the opportunities provided by the popularity of Tiger Pants and go for direct-to customer advertising. The

unaccounted expenses on free merchandize to retailers and celebrities can be redirected towards new marketing strategies. This way Atomic company can sustain the level of sales since marketing at this time would be bought by the customers, already interested in tiger pants and therefore, can associated with Atomic Company as a brand.

Threats

There is an expected decrease in demand of Tiger pants since the popularity of a bank is like a fluke that can go away with time. The decrease in demand can lead to loss on inventory for Atomic Company and can thus, seriously damage the revenues along with increasing costs. The company needs to change its sales and marketing strategies in order to cope with such threat.