

# Good example of essay on accurate forecasting

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



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## **GROUP WORK CONTRIBUTION**

This extract will involve two different elements and aspects of the study relating to Hotlips Hoolihan (Firm 1)’s that encompasses the following areas:

1. What was your firm's overall strategy?
2. What firms (and products) posed the most direct competition for you in quarter 6? In quarter 12?

### **Section 1: Firm 1: Hotlips Hoolihan’s Overall Strategy**

Strategy has to do with the long-term and organization-wide objectives and plans that directed the operations of a given firm. Strategy sets the tone within which all the different units and components of a firm can be steered in order to meet the desired end of the owners of the firm.

The main elements and aspects of Hotlip Hoolihan (Firm 1)’s strategy could be deduced from a consistent evaluation and analysis of the operations of

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the company over a sustained period of time. This include the analysis of the quarterly report over the 13 quarters in order to deduce dominant trends and also identify the core and fundamental intent of the management of the company in order to put forward a postulation on their strategy and how they implemented it in ideal circumstances and how they sought to salvage their image in difficult and tough times. The core strategy includes the following:

- Undertake accurate forecasting
- Implement optimal customer service for maximum satisfaction
- Pursue and steady growth in core regions
- Pursue a global strategy with an initial focus on the core market, Pacific region
- Diversify the global strategy and grow the US and European markets
- Specialize in specific markets and build on core competencies (after crisis of Q6)

Forecasting was the core competency of Hotlips Hoolihan (Firm 1).

Throughout the 13 quarters reviewed in the exercise, it was identified that Firm 1 consistently got its forecasting right and was either the best or amongst the best in the industry. This was done through a consistent review and evaluation of relevant environmental factors and situations that could affect their plans and their processes.

However, in Q6, Q7 and Q8, it appears that forecasting failed significantly for Firm 1 and they made major losses due to their poor forecasting processes and habits. This can also be due to major unexpected lapses that occurred in the core markets of operations, the Pacific region. This caused their

forecasting processes and techniques to be in jeopardy. However, the firm turned around and improved their forecasting processes in subsequent periods and eventually got back on track with their accurate forecasting. This is a core strategic focus that kept Firm 1 as a leader in the industry.

## **Customer Satisfaction Focus**

The fundamental focus was on keeping customers satisfied. Although this focus was not attained as consistently as their forecasting competency, Firm 1 was able to maintain a consistent and a fairly high rating in the area of customer satisfaction.

Keeping customers satisfied and happy meant the customers became returning clients to the firm and they continuously remained loyal and Firm 1 was able to keep its market share and protect its earning capability.

## **Steady Growth in Core Regions**

Firm 1 was able to grow consistently in its core regions. They focused on their core markets and concentrated on the opportunities and resources in these regions. Through this process, Firm 1 was able to get results and they were able to win the market growth challenges and also get the best from consumers around the markets within which they were focusing on.

## **Global Strategy**

Firm 1 pursued a global strategy that was fundamentally steeped in the core market of the company, which was the Asia Pacific region. This is because they were able to get consumers in the region to get the best of the markets and also attain the most optimal results. Through the Asia Pacific region, they were able to also get the best and optimal results in relation to their

core operations for the first half of the period at hand.

Whilst they succeeded in the Asia-Pacific markets, they also concentrated on the European and American markets, where they grew the European core through Channel 2 whilst they grew the American core through Channel 1.

With time, they were able to balance their risks and focus on things that mattered to them in different ways and forms.

## **Diversification of the Markets**

The global strategy involved diversifying the risks in their markets. This meant that they had to identify the best areas that was yielding results and helping them to attain results and building their competencies in these regions. This enabled them to get important clues and important markets in different aspects of their operations. And hence, they were able to build and enhance their competency and also deal with their needs and expectations through a skillful blend of strategies and processes in order to get a steady flow of income and revenue from different parts of the world and also view prospects for growth and expansion.

## **Specialization in Event of Loss in Core Regions**

In the event of these unprecedented losses on their core markets, Firm 1 had to fall on its diversification plans and deal with the different markets. The emergent strategy that was employed by Firm 1 was to concentrate on various aspects of the market that different regions that was yielding results and avoid the aspects of the market that was proving to be somewhat problematic. To this end, Firm 1 ended up with a market and a process that was productive. This meant they had to specialize in proper areas that could

yield them appropriate results as they expected.

This emergent strategy came up as a reactionary effort and a means to deal with the challenges and issues that came with the changes in the markets and the changes in work circumstances. This meant that Firm 1 was proceeding in a way and manner that enabled them to look out for opportunities in the less dominant markets and also utilize them as a means of remaining profitable when things were so bad and so poor in the fundamental markets. This enabled Firm 1 to diversify its operations and also get other sources of income which included various markets and various units of operations that were normally left out in the core and primary operations of the firm.

## **Section 2: Direct Competition to Hotlips Hoolihan in Q6 & Q12**

In the 6th Quarter, Hotlips Hoolihan had its worst market share position. The market share was below -6% and it was the worst performing firm in the area of market share in the period. This can be attributed to many factors and situations.

Firm 3 came second with the second highest market share in the industry and this was about 27.5% of the profits made in the industry. This also means that Firm 2 came on as a major contender in the industry and this made them a leader. And most of the success of Firm 2 can be attributable to the new products that they launched, Product 3-2. This product was sent into the Pacific markets and the European markets and from the results and indications, it appears that the product did well and this contributed to their enhanced market share position.

Meanwhile, there were some other reconfigurations by Firm 2 and this was done to Product 2-1. This reconfiguration seems to have worked appropriately since Firm 2 made the highest market share capture in the period. Firm 1's reconfiguration of Product 1-1 seems to have been detrimental. This is because it did not yield any significant results and the results were somewhat minimal and not so much conspicuous and successful. Other reconfigurations by Firm 3 and Firm 4 also contributed to the enhancement of the markets and these were probably preferred to the offerings made by Firm 1 on the markets.

In Quarter 12 though, Hotlips Hoolihan made an improvement and had the highest market share in the industry. They made a 4.9% gain in market share as opposed to the -4.1% that the worst performer in the period attained. This shows that the firm had very good and positive processes and outlook for their operations and activities.

In the period, Hotlips Hoolihan made important and significant gains in the market share. Although they were the highest gainers, Firm 2 still led the market share with 33.7% and Firm 4 had the second highest market share, out of a market worth \$12,501,474 in the quarter. This makes firms 1 and 4 the main competitors of Hotlips Hoolihans (Firm 1).

The main source of the enhanced market share of Hotlips Hoolihans can be attributed to the launch and introduction of new products into Region 4.

Product 1-2 was launched and presented to Channels 1 and 2 of the region. This product was reconfigured as well in the different markets. This shows that Product 1-2 was the main product that went bullish in the period and this enabled Hotlips Hoolihans to compete and acquire a large share of the

market.

However, product 2-2 and other product offerings of competitors remained dominant. This is because firm 2 and 4 remained contenders and they made no significant changes to their products. However, the products were still popular to customers and customers were willing to exchange good money for those products.