

Gunns case study case study examples

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



\n[[Table of Contents](#)]\n

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1. [Strengths](#) \n \t
2. [Weaknesses](#) \n \t
3. [Opportunities](#) \n \t
4. [Threats](#) \n \t
5. [References](#) \n

\n[/toc]\n \n

Strengths

Gunns is the biggest owner of private-land and it possesses the rights of the first buyer over some of the state land. Therefore, it has the power to set prices in the market and pay for their inputs less, than under competitive conditions.

The use of sustainable technology and renewable energy may help to improve the reputation of Gunns and regain public acceptance.

Multiple businesses, such as Timber, Gunns Plantations and Forest Products, enable synergies and facilitate sustainable and continuous operations.

Weaknesses

The use of outdated and environmentally unfriendly methods, such as paper bleaching using chlorine, undermines Gunns reputation and can only provide unsustainable and short-term growth.

Debt pressures force Gunns to sell off assets and to downsize their business.

The lack of financing may significantly harm the position of the company in the market and its ability to develop further.

Opportunities

Increasing demand for pulp products especially in emerging countries ensures Gunns ability to find markets for their products.

Australia's paper imports currently exceed exports, thus creating trade deficit. This fact creates an opportunity for Gunns to find demand in the local market.

Threats

High environmental standards increase the cost of the final product, making it hard for companies to compete internationally with the producers from developing countries, which are not subject to cost pressures, related to environmental concerns.

Public disapproval of Gunn's business practices and environmental policies keep the company under constant pressure of losing customers and result in numerous costly lawsuits, which damage the image of Gunns even further.

Competition from other industries, such as plastics (e. g. in milk container development) threatens to decrease the demand for paper products.

Increase of the Australian dollar reduced prices for paper- mill products abroad, thus making Australian producers to sell at a loss or to receive smaller margins.

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