

Gordon biersch strengths and weaknesses case study examples

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



\n[[toc title="Table of Contents"](#)]\n

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1. [Weaknesses](#) \n \t
2. [Opportunities](#) \n \t
3. [Threats](#) \n

\n[/toc]\n \n

The two founders of Gordon Biersch were from two very different areas of expertise. Gordon was the technical muscle that was needed in the production of beer. Biersch had the experience and managerial skills needed for the operation of such a business Idea as they had. Topping up with investment from family and friends such as Carrau, the eventual result would astonish them. They were able to break ground by opening their first branch at Palo Alto. This was with the help of all the previously mentioned parties. The ability to develop a business system that would run on its own without their need to be present was also a very big plus for them. This made it possible for them to access the highly sought patronage market. It was through this combination that they were able to expand to San Jose and San Francisco. These two were expansions were the reason their met Mack Tilling.

Mack tilling worked in the service section of the San Francisco branch but with time, he took over managerial aspect of the company. He was soon to be seen as the glue holding together Gordon and Biersch. The two were very different but Mack knew a little bit of information regarding both making him

a perfect balance between the two, hence producing a perfect business balance.

Weaknesses

As a new business, the two had no experience working together. They were not in a position to know how the market would react. This would lead to the slip where they forgot to buy spoons for the opening of the Palo Alto branch. Again, the fact that the two did not know much about each other's area of expertise meant that they were highly dependent on each other for overall performance. This was in itself a gamble because if one of the partners had failed, then the business would also have failed.

The two did not have individual capital to start the business; this prompted them to get investors. Were it not for the fact that they had contacts and knew people who could chip in to their Idea, the whole business Idea would have been a total failure.

Opportunities

Their first opportunity was seen when the two came up with an Idea that would revolutionize the beer and restaurant industry. They believed that the two industries could come together to build and produce a better performing industry. To their surprise, the results were much more than they expected it to be.

Another major opportunity the company has is that of partnership and investment. The partners contributed the required starting capital. This was a total of 1. 12 million dollars. This allowed the pair to make the necessary preparations in order to acquire the area where the restaurant would be

located. It also allowed them to furnish the sitting area as well as put up the decorative paintings. The money was also used to buy the equipment used for the preparation of the beer.

Another opportunity came along when the two decided to expand their business to San Jose. They were able to acquire a 10, 500 square foot space after a previous microbrewery failed. According to the two, Biers Brasserie failed because they had a high priced menu and its decision to serve beers other than those brewed in the premises. This conclusion made Gordon see it as the best decision to serve only its own beers. They were not discouraged by the previous brewery's failure.

The decision to expand brought with it many more opportunities, they were able to acquire a facility that the landlord was now stuck with. They were also able to buy fixed assets that were worth close to \$1-4 million for just about \$400, 000. This was a great cost saver for their big move to a new location.

Threats

One of the main threats this company faced was from competition. At California, their closest threat was Tied House in Mountain View. They were 10 miles away, this was a minor threat. However, the crowded cities of San Jose and San Francisco had major threats such as Tied House and the Winchester Brewing Company. This competition was also experienced when they decided to enter into the production of bottled beer. Despite all odds, they managed to overcome these threats, produce, and outstanding business franchise.

The need for Mack Tilling as the ' glue' that made Gordon and Biersch work together was also a threat. This was because in the case that Gordon went back to campus to complete his studies (since he had dropped out to work for the company), it would have spelt doom for the company since they would not have performed as well as they expected.

As a bottled beer producer, another threat they faced was the possibility that the beer they produced would not be as fresh as the one made at their restaurants. This prompted Gordon to suggest that they have a maximum shelf life for their beer. This was dependent on their distributors following this recommendation. In case this recommendation wasn't followed, it would have resulted into a bad reputation resulting in poor returns on investment.