

Global business plan for yankee candle company

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



Mike Skittered sold his first candle to a neighbor for \$1.36, in 1969 and in 2005 Yankee Candle Company's total sales were \$601,180,000. Mike's humble beginning in the family home has grown into a "wholesale customer network of 16,400 store locations, a growing base of Company owned and operated retail stores (390 located in 42 states... Direct mail catalogs, its website,... International distributors, and to a European wholesale network of approximately 2,200 store locations..." (2006) Yankees passion for fragrance has become a profitable entity with visions of continued global expansion.

Yankee Candle Company has branded their product as long-lasting and strong in fragrance. Yankee has developed over 150 fragrances for their various candle products. Their product line includes Jars, votive, tarts, wax potpourri, pillars, tapers, and tea lights candles. Yankees design is innovative and their scents are pleasant, relaxing, and rejuvenating. Yankee Candle Company's design department is visionary in developing candles to accent modern décor and fragrances that appeal to its customers.

Yankee will explore and introduce aromas that are common to the Greek culture as they expand into this new market. Yankee Candle will emulate their "passion for fragrance" and provide a wide variety of choices for its new customers in Greece. The Yankee Candle Company continues to build on the passion and creativity of Mike Skittered; driven by a mission to warm hearth and home with the fragrances of life through excellence, innovation, and passion. Yankee has been dedicated to excellence throughout their 37 year history.

A company spokesperson attributes their success to, " our vertically integrated business model, which enables us to control most every aspect of our business, from product development to manufacturing to distribution to marketing and sales. This structure allows us to consistently provide high quality and innovative products... " (2006) Yankee's innovation is evident in their candles and accessory designs, which accommodate too various demographic preferences and the expanding variety of fragrances, which appeal to its customers.

Yankee Candle Company is driven by an intense passion to spread the fragrances of life around the world for all to enjoy. Their objectives. Yankee Candle Company will expand its fragrances to blend in with the cultures of new markets. Yankee will continue to develop partnerships with established Company owned retail stores as venues for their products to be sold. The candle company has already established Yankee Candle Europe with a 30,000 square foot distribution center in Bristol, England that provides Yankee products for approximately 2,200 stores.

This distribution center will be used to export Yankee products to be sold by retail stores in Greece. The Yankee Company has decided to expand their markets and head out to the Country of Greece. We will be exporting our candle line product from the United States to Greece. The product expansion into the Greek marketplace is another step towards reaching their objectives. Yankee Candle Company will expand its fragrances to blend in with the cultures of new markets. Yankee will continue to develop partnerships with

established Company owned retail stores as venues for their products to be sold.

As Yankee Candle expands into new regions of the world, distribution centers will be built to service their wholesale store network. Where trade barriers, economical and political policies will allow. When expanding into new countries, Yankee Candle will establish an online shopping website to market and sell their products. Since 1994, the United States is part of the NONFAT organization between three countries. " The North American Free Trade Agreement, known usually as NONFAT, is a free trade agreement among Canada, the United States, and Mexico. NONFAT went into effect on January 1, 1994.

NONFAT is also used to refer to the tripartite trading bloc of North American countries. " www. Wisped. Org. Since the inception of the Reopen Union in 1957 six countries were a part of this union. Nineteen further states have joined in and created a successful union. Greece joined the EX. January, 1981. The exchange and repatriation of funds risks the Euros exchange rate against the dollar, remains unstable. The low interest rates, increased competition in the banking industry, and continued growth in commercial bank lending; to raise bad debt and strong growth in consumer borrowing.

Economic growth is forecast to slow in 2006 and 2007. The consumer price inflation slowed dramatically in Greece before its entry into pre-economic and monetary union (MIMIC) in January 2001 and was helped by other temporary measures. The economy of the United States is stable made up of natural resource, labor and manufacturing, and investments. The United

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States" has the largest and one of the most technologically advanced national economies in the world, with a GDP of 13.049 trillion dollars. " www. Wisped. Org.

Consumers and producers have some decision-making that form the economy, but the government also has a powerful role on the effects of the economy. Policies in recent years. Greece remains a net importer of industrial and capital goods, foodstuffs, and petroleum. Leading exports are manufactured goods, food and beverages, petroleum products, cement, chemicals, and pharmaceuticals. " www. Wisped. Org. Greece is global leader in shipping, which is the transportation of goods and cargo by land, air, or sea. Types of currency used through out the world vary from country to country and or by region.

The United States of America official currency is the dollar, symbol: USD also known to be abbreviated by \$. The US currency was adopted in 1785 by the United States Congress. The United States dollar is also known as a world currency; in 1985 \$300 billion dollars were in circulation, with two thirds being outside of the United States. Each year the amount of U. S dollars is being circulated around the world continues to increase. In comparison to the United States of America, Greece uses the Euro as denomination of currency type, symbol €. Greece is part of the European Union also known as the EU.

What I found most interesting is the European Monetary Union has ceded control of monetary policy to the European Central Bank. Versus the United States taking control over their own currency. " The European Union has a

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large economy, probably slightly larger than that of the United States of America with a 2005 GAP of 12,865,602 million vs. 11 million (USED figures) (using nominal US Dollar GAP) according to the International Monetary Fund. " www. Wisped. Org. Greece's relations with other countries in the region have been steadily improving. Greece is working with Turkey to resolve their disagreements, mainly with regard to Cyprus.

Failure to resolve the division of the island of Cyprus may increase tensions between Greece and Turkey as the latter finds its bid to join the European Union partially dependent on success, but tensions rise sharply with Turkey over the issue of Cyprus. Greece is also assisting and improving relations with the economic development of the Balkans. The Balkans is now viewed by Greece as a greater threat to security than Turkey. Also, renewed instability in the Balkans leads to unrest in Greece and trade disruption.

Political corruption is considered higher in Greece than many other European Union countries.

Politicians are dependent on media with strong ties to business interests. There is a politicized, anti-globalization environmental movement in Greece which is increasingly complicated in its use of the courts and the European Union to block large projects. United States culture is very diverse but due to the level of the American culture there are many integrated but exclusive subculture within the U. S. The subcultures differentiated by status, ethnic background, residence, religion or other factors that functionally combine the group and act jointly on each subculture member.

The ethnic groups are White, Black, Asian, Meridian, Alaska native, native Hawaiian, and other Pacific islander. The various religion are Protestant, Roman, Catholic, Mormon, European, Asian, Pacific island and others. Let us not forget that the government type is constitution-based federal republic but strong democratic tradition. As a result, the subcultures have their own Joint set of customs, attitudes, and values. Greece is a diverse culture partial by its place at the crossroads between the East and the West and by the various occupations endured by the Greek people throughout history.

The Greeks are proud of their culture which is the definition of their national and ethnic belonging. The Greeks culture is made of their traditions, religion, music, language, food and wines. Some of the traditions and superstitions vary from one island to another. Many countries differ within a range of dimensions including social structure, language, religion, and traditions to name a few. The difference has important implications on marketing strategy of the product. The most cultural difference that has an impact would be traditions.

Candle scent preference may differ from one country to another. The company may encounter resistance to some of its different scents or wax. The organization must careful research Greece cultural norms and understanding the difference between US and Greece. Cross-cultural training (literacy) would be needed to make sure the company advertising or marketing strategy does not offend anyone in the other country. The candles should be affordable due to the employment rate within Greece; however the

organization must make a profit consider the cost to export the candles within that country.

Yankee Candle is aware of the culture difference between the US and Greece, therefore staffing would be important to the organization. The organization would provide their US employees with language and cultural training. Yankee understands that one of their vendors Burlier has experience and knowledge in cross cultural and language training that would help assist the expatriates. Burlier offers a variety of programs and has been in the business for 128 years, more than 450 centers in over 0 countries.

Burlier offers online, adult, children and teen programs for cultural and language training including one-on-one sessions. The cultural and language training would be for the family as well. The cultural training would be for two days and 100 hours for language training, however if more hours are needed for language the company would approve this cost. The employees that are going on the international assignment would have other benefits including when they are expatriating back into the US. However, the expatriates will receive just a half day of cultural training and language will not be necessary.

The US dollar is not equal to the same amount in most other countries. Hence, the company would pay an additional allowance to cover the difference. The cost of living may be higher in the other countries, as a result a housing allowance is provided to the employee. The company does consider the cost living in the US and then citizens. As a result, to the language barrier and cultural it may be very difficult for the employee's

children to attend the local school in the host country for that reason private schools or boarding school may be required.

Consequently the company is aware of this and therefore would provide tuition allowance. Due to the cultural and language difference there are going to be diversity issues, so human resource has provided an open door policy. The open door policy would allow employees to express him or she concerns and human resource will try to provide a solution to the problem, if possible. Supply chain management is an important role for the success of Yankee Candle Company to sell scented candles in Greece.

Supply chain is most effective for optimal resource use, minimum total cost, and maximum value to the customer. Decisions within supply chain are to buy your product or make your own. Yankee Candle Company already produces its own scented candles and will be the same for candles being shipped overseas. The production will be manufactured in the Company's 294, 000 square foot facility in Whitely, Massachusetts. As a manufacturer, the Company is able to closely monitor product quality and control production costs, which ensures high quality products and maintains affordable pricing.

Information has been gathered from the Greece from the candle business industry. This data will assist in forecasting how much product is needed for a three months supply to meet the supply and demand in Greece. Lead time for the initiation of Yankee Candle Company to enter the Greece market is 10 months. In turn this will give enough time to meet the three month stock

supply. The information gathered from the Greece candle market will support the types of scented candles that will be produced to ship overseas.

Lead time for the shipment to arrive at the distribution warehouse is three month's; the life p of a candle is three years. Placing our product will be near or around the largest cities and ports in Greece. The largest and most important city in Greece is Athens, the capital with population based in 1991 of 748, 110. The largest port in Greece is Thessalonians, with a population of 377, 951. Also another large port is located on the North part of the Peloponnesus, is a major seaport, with 155, 180 inhabitants. Other sizable cities include Alarms (113, 426), Irrational (117, 167), and V¶Los (76, 463).

The ports and its population are important factors in knowing were to place the Yankee Candle Stores. These would be in areas in the region that have the most population and are easily accessible to Tourist from vacation boats that may doc on these ports. Promoting Yankee Candle Company in Greece would be similar as it is currently in the Untied States. Through its retail stores the Yankee Candle company would open in Greece, direct mail catalogs. To include a large market Yankee candle will also promote is U.

S product through television commercials newspapers, bill board singes through out the larger cities of Greece, and through its own web page <http://> introduced to all who wants to have special fragrances in their homes.

Business will also be targeted to have fresh new fragrances for their offices.

Candles are an excellent gift for all ages and for any special occasion. The middle class in Greece is the main target market Yankee Candle Company is promoting the scented U. S candle product. In 2005 the labor force in Greece

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was at 4.72 million compared to unemployment rate of 10. % figures from whom. CIA. Gob. These figures give Yankee Candle Company the green light to proceed with international distribution into the Greece market. Pricing the candles will be 30% above the sale price of a U. S product. This will ensure the costs of having a U. S product of seas. Yankee Candle's has successfully developed and market new products and earn enormous returns. We have success springs for the fact that it has a vertically integrated business model, with the in-house expertise required to design, develop, manufacture, distribute and sell our candle products.

Our vertically integrated business model acts as a powerful platform to support our product innovation initiatives. This business model included strong research and development activities, an experienced employee team, and a basis skill in test marketing our products. We collected these resources to research consumer interests and home decor buying trends, and then to create original candle designs, fragrances, accessories, gift sets, home fragrance merchandise, and personal care items that align with our findings.

We then release this merchandise into our distribution channels in a way that permits us to seek and track consumer feedback. This process positions us to fine-tune our new products from performance, to packaging, to labeling, to pricing helping to maximize the potential for each item we develop to have a successful launch and widespread acceptance. Together, these efforts helped to drive sales, attract new customers and extend the appeal of the Yankee Candle brand.

Once exporting was chosen as the mode of entry, Yankee Candle secured assistance from a company called, Export Trade of America; to learn about insurance, tariff, and tax laws involved in trading with Greece. Yankee Candle Company will face various legal challenges when exporting its candles into Greece, but the process will go much easier with the help of an export management company. Yankee will need to comply with employee laws and have knowledge about hiring, firing, and discipline regulations in Greece. They will need to be acquainted with their legal system and how those laws are enforced.

Greece is a parliamentary republic with a president, who is heads the executive administration, a prime minister, who is head of the government, and a 300 seat legislature. The Judicial includes a Supreme Court, regional districts, and prefectures to decide civil and criminal cases. There is a national police force as well as policing agencies from the European Union. As a member of the European Union, the EX. laws supersede those of the individual member nations. Yankee Candle Company will need to be aware of the EX. laws, enforcement, penalties, and necessary trade practices.

The European Union could cause legal complications as the union adds new members, arbitrates disagreements There has been a longstanding relationship between Greece and the United States of America. The two countries have diplomatic, intelligence, and law enforcement ties. Greece and the United States, recently signed treaties " covering extradition and mutual legal assistance, which further strengthened this cooperation. " (2006) Trade between these two nations should proceed with success

barring increased terrorism, war, or a terrific natural disaster that impacts the global economy.

It is important for any company to evaluate their strengths, weaknesses, opportunities, and threats. As Yankee Candle employees examines their organization they listed the following as company strengths; strong business model, long-lasting endless, well-branded product, variety of fragrances, adaptability of product to various cultures and d©core, strong financial backing, increasing profitability, expanding marketplace, efficient manufacturing and distribution process, and an innovative product development.

Yankee Candle Company's weaknesses include; rising cost for manufacturing and distributions, technological skills, single manufacturing center, adapting products to various cultures and customs, and material shortages. There are several opportunities that must be pursued to maintain profitability; increase presence in the global marketplace, expanded online hopping options, adapt fragrance choices to new markets, build foreign manufacturing and distribution center, and add accessories to their product line.

There are many threats to the existence of Yankee Candle Company including; competition's pricing and product differentiation, terrorism, natural disasters, exchange rate, rising costs for manufacturing and distribution, and the products life- cycle. The external environment strengths include; reduction in trade barriers, strong European Union, technological advancements, and utilization of websites. The external weaknesses are; trade blocs, closed

economic and political policies that reverent or limit imports/exports, and the affects of terrorism.

External opportunities include; improving the economic levels of third world countries, utilizing the skills, resources, and expertise of various countries to lower costs and create an integrated economy, develop innovative products, and create a global network. Finally, the external threats include; terrorism, political instability, natural disasters, increased global competition, trade blocs that become fortresses against those outside their union, countries imposing regulations against outsiders who want to merger or acquire other foreign companies, conflict among existing trade bloc members, and inflation/deflation of the monitory systems.