

# Whole foods strategy management

Business



The Strategy Management Process Introduction: Organic food is known for being the healthiest type food on our planet. These foods are produced from the earth naturally without any type of modern synthetic inputs such as pesticides and chemical fertilizers. They also do not contain any genetic modified organisms, and are not processed using irradiation, industrial solvents, or chemical food additives. Whole Foods has been offering these types of foods at all of their locations starting with their first store in Austin, Texas in 1978.

“.. wenty-five year old college dropout John Mackey and twenty-one year old Rene Lawson Hardy, borrowed \$45, 000 from family and friends to open the doors of a small natural foods store called Safer Way.. ” (wholefoodsmarket.com 2011) Since then, Whole Foods has grown to be one of our nation’s top organic food providers.

Even with the recession of 2008 affecting us all, Whole Foods has barely noticed any difference in the customers flowing into their 302 stores. In the following sections, we will take a closer look at the affects the recession has had on Whole Foods as a company since 2008, and also how it will affect the company going forward. Body: The recession of 2008, also known as the Great Recession, has affected us all in some way or another, good or bad. It has been one of the nation’s worst recessions since the Great Depression of the 1930’s. We have seen drops in international trade, rising unemployment rates, and slumping commodity prices for a variety of different products.

This major event has affected the decisions people make about how they spend their money, and where they spend their money. “ To stretch their

food dollars, people are changing the way they shop. For some, that means buying fewer organic products or taking them off the shopping list entirely. Consumers are going from natural brands to private labels and from more expensive produce, and that would include organics, to lower-priced produce. ” (michellemalkin. com 2008) From Whole Foods perspective, this information is not pleasant, and many opportunities needed to be reevaluated to make sure that Whole Foods would stay on the map.

Stage one of the strategic management process is to develop a strategic vision. John Mackey has known the future direction and focus that he has wanted to take Whole Foods since day one. “ Whole Foods Market is a dynamic leader in the quality food business. We are a mission-driven company that aims to set the standards of excellence for food retailers. We are building a business in which high standards permeate all aspects of our company.

Quality is a state of mind at Whole Foods Market. ” (wholefoodsmarket. com 2011) I strongly suggest that the company stays on this path, and keeps focus on the quality of the food they offer in their stores. Whole Foods is of course interested in expanding their entity, but due to the recession, I suggest that they focus on improving the stores they already have opened. The FTC’s challenge to the Wild Oats acquisition should be undertaken.

With this potential acquisition, Whole Foods would see a significant increase in revenue. “ Wild Oats has significant penetration in the Rocky Mountains, Pacific Northwest, and Florida... regions where Whole Foods penetration is weak. ” (brandautopsy. om 2007) They have already been given the go

ahead to do so, and not doing so, would be bad for Whole Foods. Wild Oats is one of Whole Foods largest competitors, with 110 stores that accumulate annual sales of \$1. 2 billion.

This is a substantial amount of extra revenue that Whole Foods could be bringing in. This goes along with stage two of the strategic management process, setting objectives to measure progress toward achieving the strategic vision. Once Whole Foods has set the objectives, they can move on to stage three, crafting a strategy to achieve the objectives. The strategy, not to expand and only improve the stores they currently own, and to acquire the Wild Oats stores to expand Whole Foods revenue. Stage four is implementing and executing the strategy that has been developed, and stage five, monitoring developments, evaluating performance, and initiating corrective adjustments. One these five steps have been drawn out, Whole Foods can then execute their strategy to its fullest potential.

Conclusion: The Strategic management process is a very important aspect of a company that wants to be successful. Even through hard times, such as a recession, companies that coordinate a well-developed strategic plan can be highly effective in the market they're in. Whole Foods is in a strong market, and they have proven that they have the upper hand in the organic food industry. Using and implementing the process discussed above, they can expect to continue to grow and prosper during the recession of 2008.

Sources; <http://www.wholefoodsmarket>.

com/company/history. php <http://michellemalkin.com/2008/07/17/people-eat-less-organic-food-great-depression-must-be-imminent/> <http://www.brandautopsy.com/>