

Case study on internal swot analysis on the kraft foods group

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The Kraft Foods Group is a holding company involved in manufacturing and marketing branded foods and beverages. It is the world's second largest food and beverage company that carries out its operations in more than 150 countries across the world. The powerful products from Kraft's are created by strong brand image through innovation which enables the company to command a premium for its products. The company was established in 1903 by James L. Kraft in Chicago through the wholesale selling of cheese. It acquired other companies such as United Biscuit following the implementation of the internationalization strategy. The Kraft Foods wanted to closely associate with its customers and involve them as co-designers of supply chain value. This was made possible when it turned to proven concepts from the world of product innovation and design. The supply chain managers at Kraft Foods identified an objective that they believed would lead to a competitive advantage. This strategy would require actively involving customers as value creation co-designers. The Kraft Foods comprises of more than 90, 000 employees. Besides, it is one of the market leaders within the food and beverage industry globally.

The internal analysis involves realizing the strengths and weaknesses within the company. The strengths involved are strong brand image and product innovation. It also has a strong distribution network and focus on research and development. The external opportunities involved are restricting of their activities, growing demand for health and wellness products and services. It has also established in the growth across the United States coffee market. The internal SWOT analysis involves the strengths such as extensive existence at the international level. It entails the extensive physical

existence of the company throughout the globe which is seen as a diversification strategy which limits the risks faced by the company (Lamb 2009). Another strong point is that it has a strong global market brand. The company has a well-known brand as compared to its competitors in the global market arena. Therefore, it has an edge when it comes to competition for the market share. The company is especially well known for offering high quality services, which has made it the customers' preference (Davis 2006). The financial resources are very strong and have developed over the years. This shows a great deal of positive stance. It also has a significantly large percentage of the market share. This also involves strong brand equity through the unique products and sales made throughout the countries. The financial resources related to the company involve products offered and the prices that are lower as compared to other dishes. The financial statements include analysis on the income statements that report on the performance of the Kraft Foods Group that the result of its operating services. The statements of financial position and assets account for the major classes and amounts of resources owned or controlled by Kraft Foods Inc. The ratios involve the short term or rather operating activity analysis which evaluates revenues and output generated by the Kraft Foods Group's assets. The operating performance ratios describe the relationship between the Kraft Foods Inc's levels of operation and the assets needed to sustain operating activities. The profitability analysis measures the income of the Kraft Foods Group relative to the revenues and invested capital (Lamb 2009). The goodwill analysis also involves the intangible assets such as the accounting policy, disclosure and removal of good will. It also accounts for

the net profit margin and the turnovers. The dividend discount model is a technique for estimating the value of Kraft Foods Group's common stock issue as the present value of all future dividends. This also entails the valuation approach used to estimate the value of equity as the present value of future free cash flow of equity discounted at the required rate of return on equity. The company uses specific processes to forecast inventory under the TVM concept (Lamb 2009).

The distinctive capabilities of the Kraft Foods Group that relate to architecture, reputation and innovation include: raising awareness of the supply chain discipline and the impacts it has on the business. It also involves a priceless partnership that will encourage the alumni to play an active role in the education of future generations. The other capability involves supplementing a clearly articulated, long term value chain vision with strong, agile and sustainable execution capabilities. Measuring the supply chain of the company as the customers experience it develops the capability to internalize customer needs and proactively build feedback into your supply chain design. The blueprint of the company's premises should also facilitate the whole process. This describes the architecture to evaluate if it will add value to the company (Lamb 2009). This will ensure the sustainability of the company's efforts and initiatives through a constant focus on governance, change management and culture the reputation of the company will also be advanced as the needs are being met accordingly. In addition to this, another distinct capability allows development of a supply chain process and methodologies throughout the trading partner network that will provide the resiliency to deliver predictable results in the face of

ongoing volatility. This will create the innovation part of the company as the human resources will be utilized to create a better image of the company.

References

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