

Academia barilla vs. elbuli strategic mgmt analysis essay



**ASSIGN
BUSTER**

The subject of food is as diverse and complex as the many dimensions that encompass it. We need food to survive, but once we get beyond the basic needs of nutrition, the subject of food takes on an entirely different character depending on one's values. People associate food with their own personal lifestyles, culture, history, values, heritage, history, identity, and other attributes that make them unique.

Gianluigi Zenti

Academia Barilla and ElBulli have a lot of common themes: they have applied and are still applying the cultural and social influences to the food industry, they are oriented and focused on innovation and creativity, they have pioneered and restructured their own markets and business models, they are global, they have strategic alliances with suppliers, retailers and institutions and, finally, they have wisely used all the strategic management concepts.

But, above all, I believe they are both pursuing a break-even strategy with the abovementioned businesses in order to capitalize with other correlated businesses, as a tool of permanent promotion.

Beside the fact that the two cases both deal with the food world, they portray it in two very different ways, focusing: one on the dry pasta segment of the retailing industry in the United States (and involving issues like education and tourism - Academia Barilla) and the other on the haute cuisine segment of the restaurant industry (and involving issues like art and entertainment - ElBulli), but both strategically are pushing on the

connotative side of food, on the basis that food is connected with products composed by three main components: physical, emotional and inspirational.

Indeed, nowadays business growth is primarily driven by intellectual assets: idea, brainpower and creativity. In a knowledge based economy, the human variable is no longer independent, because it is necessary to evaluate the “intelligence” of a company as innovation power. This conception underlines the fact that the future is more important than the past. Academia Barilla

The first case shows us the process of introduction by the world’s largest pasta company (Barilla) of a new high-quality, high-priced product line that features a range of authentic Italian food products sourced from artisan producers. Management believed that the new line would have high appeal on consumers seeking healthier foods, and will help extend Barilla’s brand identification beyond pasta. However, the new line was a bold departure from Barilla’s core competencies of high-volume production and sales of fast moving, low-priced goods. So far it had also a strong correlation with the company historic principles of quality and authenticity, as well as the commitment to provide the world with good food. But Academia had also to fit into Barilla’s long term strategy and need for growth.

Indeed, the broader issue on Academia Barilla is related to its present role into the Barilla Group’s organization: a niche line, with limited sales but useful as a way to enhance Barilla’s authentic Italian image and as a testing ground to identify products that could move into mainstream distribution; or a real competitive stand-alone brand. In this scenario, given the emotional and cultural dimension connected with food, the evolution of consumer knowledge is becoming a really significant driver in the market.

<https://assignbuster.com/academia-barilla-vs-elbulli-strategic-mgmt-analysis-essay/>

Consumers are expecting that manufacturers just not produce manufactured products but also teach them about those products and how to use them. This is really the big innovation, not just being a manufacturer, but also being a big communicator of knowledge. Because of that, Academia Barilla and Barilla Group needed to promote Italian food in America by communicating Italian lifestyle and working on below the line marketing activities aimed to emphasize gastronomy at Academia Barilla.

Pursuing this strategy, Academia Barilla has made an incredible impact in the American food market that reaches far beyond pasta, becoming a beacon of Italian gourmet food culture and gastronomy that protects and promotes authentic food products from Italy. Academia Barilla is a success story of educating the consumer, not giving the consumer what consumer wants. Mission Statement The mission of Academia Barilla is to protect, develop, and promote the art of Italian cuisine and gastronomic culture around the world.

It develops the Italian culinary art by celebrating traditions, nourishing innovation, and promoting the knowledge and the enjoyment of Italian regional cuisines. Products, courses, publishing and consultancy services provided by Academia Barilla serve as the key roads towards fulfilling this mission. A specific goal of the effort is to protect the world from imitation products and cuisines by introducing products, courses, and consulting services to consumers, food lovers, and businesses worldwide. Vision Statement With Academia, we want to tap into the world of food lovers beyond Italy.

We believe that there are strong values in the Italian way of eating, both in taste and nutrition, and that Barilla has the legitimacy to market this around the world. Academia's objective is to bring the best of our food and culture to the world, becoming a sizeable and profitable business. Continental Europe is our home and will remain the focus of our growth, but we will pursue different strategies for the pasta and baked products markets. Our second most important operation is in the United States where we mainly hope to expand our product portfolio. ElBulli

On the other side, the restaurant world is depicted from the particular point of view of the world best restaurant in the world. According to numerous prizes and awards won over the past few years, ElBulli and its owner and chef Ferran Adria are recognized as the symbols of modern cooking. The very strong scarcity, the exclusivity of the setting of Roses, on the Costa Brava, and the constant effort put into innovation and creativity are the main things that contribute to classify ElBulli restaurant as a luxury brand and as a place where is almost impossible to get a table.

The restaurant is the first and core activity of ElBulli: this is where the business, the brand and the recognition ElBulli started and continues to grow. From one side, Ferran Adria and his team must continue to develop new and different dishes for the ground-breaking cuisine at elBulli to guarantee a continuous stream of innovation, the cornerstone of the restaurant's success.

But they are also faced with the challenge of growing the business, exploring whether the core concepts from elBulli -this "taste of innovation"- can be

applied to domains ranging from consulting to fast food. The problem is that since 2001 the restaurant, keeping on its exclusive strategy, has reported 500 million euro loss per year, showing that genius and business results not necessarily go hand in hand. For sure from 2012 ElBulli will close down and it is expected to open again, maybe in 2014 as a subsidized foundation, however, in the meanwhile, Adria can keep on making profits through the ElBulli related businesses. Mission Statement Creativity comes first; then comes the customer [...] Every day we reinvent the model Before the objective was to create new dishes, now what we seek is to create techniques and concepts that will generate many dishes. Whether you like what we do or not, and some might think it's crap, the fact is that this is ElBulli; this is what we do, and where we have been pioneers.