

Bama pie limited company

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Bama Pie, Limited is a company that reinforced " quality as a way of life." Bama Pie has been the single source supplier of pies to McDonald" s" U. S. operations. By providing top-quality pie products and " never missing an order," Bama had been able to expand its core pie business by landing 50 percent of McDonald" s" oven-ready, prebaked frozen biscuit needs. Another major customer includes Pizza Hut (for which Bama was producing approximately 25% of its bread stick requirements).

Bama Pie produced more than 1 million pies per day from facilities in Tulsa, Oklahoma, for McDonald" s. The History of Bama Pie dates to 1927 when Henry C. Marshall decided to utilize the pie-baking talents of his wife, Cornelia Alabama Marshall, to provide employment for himself after a lengthy period of being out of work. The company" s CEO now was 38-year-old Paula Marshall-Chapman, who succeeded her father in 1985 as a chief executive officer of the company.

i) Quality has always been the company" s top priority.

àThe company had instilled a total quality management discipline in its approximately 600 employees through extensive training and educational programs offered through the in-house Bama Institute. Even fork truck operators have gotten involved in helping solve the inventory adjustments problem.

ii) Long-term relationship with McDonald" s has allowed Bama Pie to grow along with McDonald" s as one of its key suppliers.

iii) Diversity of expertise: Paula reshaped the management team significantly and assembled a highly professional staff with an average age under 40. The team members are all well-educated, experienced and young (they can serve the company for a longer period of time).

iv) BEBOPP: In 1990, Bama instituted the Bama Employees" Bonus on Profit Plan to provide bonus incentives to all employees in the company. The plan was based on an annual return on sales objective that was established by Marshall-Chapman. The profit-sharing plan is a good way of getting employees involved.

v) Management talents obtained by Paula: she was the person trained to run the new computer system, and in that capacity she learned the value of training people and helping people solve problems. She was known as the Bama" s problem solver.

i) Relationship with McDonald" s: Although Bama has been McDonald" s principal supplier of biscuits for 24 years, they had never established a contract.

ii) Relatively small company with limited capital: Compare to Quaker Oats, Bama is a very small company with limited capital for expansion.

iii) Limited product line: Bama has a low variety of products.

iv) Limited market for its products: Its major customers are McDonald" s, Pizza Hut, Wal-Mart and Sam" s Wholesale Clubs.

v) Health Conscious Thinking: Consumers now are more health conscious and some of them do read the nutrition fact label prior to consumption. Pecan pies contain a lot of calories and fat. As consumers become more health conscious, the pecan pies" sales may drop.

i) Bama can expand its brand by creating new products such as hard cookies, crackers and power bars. The company still has room for expansion in its under-utilized biscuit plant.

ii) Buyout smaller companies that sell similar products.

iii) Joint Ventures with foreign local firms: Bama can invite a foreign local firm to invest together to create a local business. They can share ownership, control and profits of the new company. .

i) Lose business with McDonald" s: Since more than 70% of the company" s business comes from McDonald" s, if McDonald" s finds another supplier, which provides cheaper pies and biscuits, Bama may lose its business with McDonald" s.

ii) Loss of Paula: As it mentioned in the case, Paula is the one who set up the company" s computer system and she is known to be the " Bama" s problem solver." With her management talent, she is also described as a " unique chief executive" by her employees. She is the one who recruits all the professional staff together and she is the core of the company.

iii) Competitors: There are a lot of big and small competitors out there.

vi) Health Conscious Thinking: As I mentioned earlier, consumers now are more health conscious and some of them do read the nutrition fact label prior to consumption. Pecan pies contain a lot of calories and fat. As consumers become more health conscious, the pecan pies" sales may drop.