

Sample critical thinking on q-which strategy to pursue

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



3M Canada: Industrial Business Division (IBD) wants to improve its growth rate and returns from 3-5 percents in recent years to 12-15 percent in a period of two years. It is asserted that there are two ways of realizing said goals. First it is by finding new customers for existing products, and secondly by launching new products for existing and new customers. The first option of finding new customers for existing products, presents high possibility of success and realizing desired goals and objectives for 3 M Company, of growing from 3-5 percents to desired 12-15 percent and it is the strategy that I suggest needs to be taken by 3 M Company. It is important to note that IBD trades with business customers, and not consumers and, their products have two end-user applications that deal with production plants and servicing facilities. The business customers groups are Original Equipment Manufacturers (OEMs) and Maintenance, Repair, and Over haulers (MROs). By having an in depth analysis and understanding of the two positions stated, places one in a better position to choose a good strategy that 3 M Canada company can use to realize its ambitions.

The time-frame that IBD had given itself to realize desired goals was only two years, and by 2008, it was expected to have struck the target.

Yegnaswami further notes that IBD has only had a few exposures to MROs segment. If the OEM segment is fully exploited and mature, with fewer prospects of growth and expansion, by converting such customers to the other market segment of MRO's will certainly increase volumes of trade conducted, and revenue generated. MROs segment, therefore, creates the opportunity for expansion and growth, and the only thing that the IBD needs to do is divert its resources in that direction and address the fragmentation

concerns as well as brand loyalty. Re-branding as a strategy, which many institutions have used to their advantage to promote products that might be facing less growth and development in the market than anticipated. By IBD engaging in marketing of MROs, through giving it a new look and improving its quality, can contribute greatly and help the company realize its goals. It is also stated that IBDs share of distributor's sales is only 2 percents, and this means that there is a great room for development and improvement. According to the recommended strategy that focuses on sales, which redirects investment priorities from productivity gains and cost savings towards market development and promotion among other measures, it is the right step for IBD to take that will help it improve MROs segment. It is asserted from the case that MRO's has a larger market share and driving scale than its competitors. This will allow IBD to compete effectively with others for market share because it is difficult to saturate a bigger market as it has been done in the OEM. Larger distributors also grow at a faster rate than MROs market offers. This indicates the great potential that exists in the segment. Vacant spaces in the product lines are not fully filled, and this creates room for expansion and growth, and finally it is noted as well that private labeling is an opportunity that exists for the generation of revenues and margins. The stated issues are indicators for the opportunities and impacts that MROs can generate to IBD business.

The three big issues stated of sales model, logistics, and marketing programs and the impact intended to be realized from them when applied to MROs as noted in the above presentation. Sales model, which change from ' what to sell' to ' how to sell' and also that makes selling products at the low-

end of the market will work well with MROs. The white spaces to be filled and adding new lower price points could improve growth intended by IBD. IBM is strategically placed to realize expansion and growth because of its technology behind its products and also its corporate brand. Therefore, the strategy to chose is of finding customers for existing products especially the MROs segment that has potential that is not yet fully exploited.