

Dollar general

Business, Marketing



Through the use of SWOT analysis tool, we can easily evaluate the performance of Dollar General as well as the identification of its strengths and weaknesses including market opportunities and threats to the said company (Cdsea. org, 2008). SWOT Analysis Strengths One of the possible strengths of Dollar General would be its ability to spot market opportunities in the form of company acquisition to expand their market operations.

This ability of Dollar General provides them with enough advantages to its competitors and lessens the market competition as some of them absorb some of their competitors, e. g. Eagle and Hirsch. Since both of the acquired companies provide expansion on the market share and strategic store location to Dollar General, there is a chance for Dollar General to improve its sales and profitability. Furthermore, Dollar General, based from the case, also has strong work ethic and honest employees that boosts the efficiency and productivity level inside the workforce of Dollar General.

Due to these good qualities of Dollar General's employees, it does not have to use complicated systems and procedures just to monitor and control major operations of the said company. Dollar General also has skillful leaders on its organization structure, specifically Cal Jr. since he thinks rationally than emotionally which is good in making decisions concerning the welfare of the entire company. Dollar General was successful in penetrating its target market due to its culture of being a great buyer.

The management of Dollar General believed that customers continue to visit their stores not because of selling culture, rather, it is due to their buying culture and this is the reason why Dollar General was able to get in touch with their target customers. This culture of Dollar General was <https://assignbuster.com/dollar-general/>

supported by its marketing people by establishing the “ buy low/sell low” orientation to the marketing strategies of the said company. Actually, the marketing department was only established as a quick response of Dollar General on the growing concerns on its marketing status in the market.

Weaknesses One of the main weaknesses of Dollar General would be its drastic decision making in acquiring EagleFamilyDiscount Stores Inc. Cal Jr. and the rest of his management team pursued the acquisition of Eagle Family Discount Stores Inc even though they had not yet fully recovered financially from the Hirsch acquisition. The acquisition of Eagle took place 15 months after the Hirsch acquisition and only provided Dollar General with tremendous amount of liabilities to various financial institutions.

Dollar General also made drastic changes on the organization structure of Eagle that later on deteriorated the morale and productivity of Eagle’s key employees. The said changes on the organization structure of Eagle did not only provided deterioration on morale and productivity of Eagle’s employees , but it also provided tremendous amount of costs on the part of Dollar General as it spend a lot of money on restructuring Eagle’s warehouses.

In other words, Dollar General did not made necessary research on how it would successfully allocate their limited resources and maintain good working relationship with Eagle’s employees. Dollar General also assigned store managers with limited experience in managing various aspects of their store operation. This hiring of less skilled managers to Dollar General’s store resulted to inefficiencies in aligning the operation of the company to its target customers; and to make things worst on the stores of Dollar General, its managers did not even know who their customers were.

At the end of the day, tremendous amount of inventories and sales were lost on the side of Dollar General as mismatches on product mix continues to destabilize the operation of Dollar General Stores to various cities. There was also “ us over them” attitude the roamed around the workforce of Dollar General as the employees of Eagles and Dollar General had conflicts to one another due to their differences in culture, company orientation, and corporate values. This resulted to inefficiencies on the workforce of Dollar General and later on adversely affected the profitability of the entire company.

After the problems on the acquisition of Eagle and Hirsch reflects to the overall performance of Dollar General, teamwork among the executives of Dollar General started to deteriorate and most of them started to work alone and did things only by themselves. This resulted to confusion and mismanagement on the executive level of Dollar General. An example to this would be Ed Burke, head of Dollar General’s finance department, who had the philosophy of ‘ let me worry about the figures, rest of you go out and operate’ and did not allow other people to research date about his department.

Theft internally and externally of Dollar General were the main reason why the said company where experiencing tremendous amount of financial losses and sudden plunges on their profitability. The theft was at every level of Dollar General – in the field, at the store manager level, at the clerk level, the DM level, the area manager level, and even at the buyer level. The difference of the management styles of Cal Jr. and Steve provided additional hardships on the part of the executive committee of Dollar General.

With the conflict that slowly affects the relationship of Cal Jr. and Steve's performance to the company, there was less to expect that effective solutions will be derived out of the management of Cal Jr. considering the lack of cooperation and subordination of his employees on his mandates. The last but not the least weakness of Dollar General would be the inability of the management to keep in touch to its stores which led to the deterioration of corporate values among the store employees as well as to its managers.

Dollar General's stores were left undeveloped just like Eagle's stores. The lack of support and monitoring on the side of Dollar General served as an avenue and leeway for its employees to drop their responsibilities and made the development of each stores in the market stagnant. Opportunities There were a lot of Dollar General's kind of consumers available in the market, and with the acquisition of Eagles and Hirsch market shares, it would be now easily for the said company to tap its " kind of consumers".

Furthermore, Dollar General can take advantage of the upcoming Christmas season and utilize the warehouses of Eagles and Hirsch in order to expand their product lines in the market. Just like what happened to Hirsch when it successfully penetrated its target market despite of the acquisition process, the great number of consumers in the market during the Christmas season provided Dollar General and Hirsch tremendous amount of profit. Therefore, it is a must for Cal Jr.

to find solutions, even short term solutions would do considering the present condition of the company, and prepare the company for the upcoming Christmas season where they could significantly improve their sales volume and profitability. Threats With the present instability of Dollar General, in <https://assignbuster.com/dollar-general/>

terms of workforce and financial stability, it already becomes vulnerable to the adverse forces of tight market competition. Dollar General's competitors could utilize the opportunity to outperformed Dollar General through either providing better services to the customers of Dollar General.

New store designs and efficient services from the employees of DG competitors would surely oust DG on its market dominance and its acquisition to Hirsch and Eagle would only become useless. Dollar General's competitors could also overcut the financial stability of DG through offering cheaper products in the market. Though DG already offer cheap products in the market, but with the financial problems that it presently faces, it would be impossible for them to maintain their offering of cheaper products in the market.

Due to this, at the end of the day, if the financial and workforce instabilities of Dollar General would be left untreated, there is a great possibility that their competitors will outperformed Dollar General leading to further financial losses. Assessment Based from the identified strengths and weaknesses above, it is therefore clear that Dollar General will have a FAIL score considering that its weaknesses outnumbered its strengths in the market.

The problem lies internally of the organization being discussed and this makes the internal strengths of Dollar General are already meaningless. Furthermore, threats in the marketplace provided less room for Dollar General to solve its problem right away especially in terms of financial stability. In addition to this, most of the identified strengths of Dollar General

only hold before its acquisition on Eagle since most of the internal instabilities of Dollar General were triggered by the drastic decision of Cal Jr.

's management to acquire Eagle despite of their financial limitation, e. g. theft, " us and them" mentality, lack of managerial skills of DG's store managers, and insubordination of Cal Jr. 's employees. Therefore, the FAIL mark of Dollar General is justifiable enough based from the SWOT analysis given above. References Cdsea. org (2008). SWOT Analysis. Retrieved May 30, 2008, from www. cdsea. org/CDSKnowledge/cds2_activities/1st_natl_ws/SWOT%20analysis. pdf