Strategic and operational planning essay sample

Business, Management

Kellogg Company is one of the most recognized cereal and snack brands in the country. Between seeing commercials on television and walking through the aisles at the supermarket, it’s very easy to recognize the boxes we’re all familiar with, with the popular cursive red lettering in the corner. Aside from competition with other national brands or private labels, many of us wouldn’t realize that Kellogg faces other threats and weaknesses that could potentially lead to a decline in sales and revenue. Kellogg Company has a strong dependence in specific retailers as well as the United States. Although there is already an international presence, through careful strategic and operational planning, the company can potentially continue to thrive and face each weakness with an opportunity to grow globally.

Strategic Plan

With an already strong brand portfolio, Kellogg can utilize their brand recognition to their advantage. With such a strong brand, the company can continue to launch new products that will already be trusted, which will produce more sales and revenue. Kellogg has leveraged its high brand recognition to increase customer loyalty and compete effectively with regional players in various markets. Kellogg Company SWOT Analysis. (2012). Kellogg Company SWOT Analysis, 5.

Aside from new product launches, product acquisitions can be a huge boost in revenue for the company. Kellogg acquired Keebler more than 10 years ago and has recently acquired Proctor & Gambles “ Pringles”. In the U. S., the acquisition provides a new source of growth for the company’s already strong presence in the snacks category. Kellogg company announces agreement to acquire procter & gamble’s pringles business. (2012, Feb 15).

Canada NewsWire Retrieved from http://search. proquest. com/docview/921422856? accountid= 35812

Operational Plan

Acquisitions, mergers and takeovers will act as a primary means to expand the company and increase revenue, along with new products and new flavors of existing products. As long as sales is increasing, operational costs will not be affected. It’s only if and when sales begin to decline when the operational costs will need to be cut.

Effect on Stakeholders

Unfortunately, regardless of the product acquisitions, sales and revenue have been down for Kellogg which is leading to a series of layoffs. Like any business, when revenue decreases, production has to equally decrease. Kellogg Co. said it would cut about 2, 000 jobs, or 7% of its global workforce, over the next four years as part of a billion-dollar cost-cutting plan. Gasparro, A. (2013, Nov 05). Corporate news: Kellogg to cut jobs — maker of special K, pringles to lay off 7% of workforce. Wall Street Journal Retrieved from http://search. proquest. com/docview/ 1448363064? accountid= 35812.

In this case, like many similar, the internal stakeholders who are effected the most are the employees. While those at the top of the chain of command try to reorganize the strategic and operational plans, costs get cut first so that the business doesn’t lose any more money than it should. When operational costs get cut, so do operational jobs. The outside stakeholders will not feel this as personally as an employee who have gotten laid off, if at all.

Conclusion

Like all companies, there is an ebb and flow of revenue and company success. For a snack and cereal company such as Kellogg, there are many factors which can pose a threat. There will always be competition in the market however, aside from competition among brands, the company should focus on turning weakness into opportunity rather than allowing the threats to destroy all that is truly strong within the product.

References

Kellogg Company SWOT Analysis. (2012). Kellogg Company SWOT Analysis, 5.

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