

# Luck co. case study

Education



Luck Companies Case Study Mngt 393 1. Physical Environment Segment. I would have to say neutral effect on industry because even though the resources this industry excavates is positive for the industry, scouting locations, availability of resources and diminished resources offset those positives. Also important but NOT the most important would be Economic (Neutral) and Demographic (positive). 2. Most influential of 5 forces would be Rivalry among competing firms (High) and Threat of Substitute Products (moderate). The industry Luck Company operates is composed of a few big players who compete against each other.

Substitutes of stone/rock would be a threat to the industry, depending on what building materials are needed there are some alternatives such as wood, metal, steel, aluminum and other new artificial building materials. This is not an attractive industry for new entrants. Barriers to Entry are very high. These companies in the industry are operating on economies of scale that cannot be replicated. Incumbents who are operating with positive returns should continue their strategy and look for opportunities for growth. 3. Major competition in the mid-eastern region consists of Vulcan Materials and Martin Marietta Materials.

Both of these companies operate on cost-leadership strategies and will continue because Luck Companies uses a differentiation strategy. 4. The most critical value chain activities for Luck Companies would be Operations (superior- industry leader of industry technology) and Distribution (neutral- I didn't see anything to suggest they are superior/inferior to their competition) and the major support functions are their human resources departments

(superior - Luck Companies operates under a " values drivenculture" that is intended to achieve greater financial outcomes and better performance 5.

Significant Financial Factors - 25% Market share in Virginia as of 2010. Net Sales of 2. 5 billion in 2009, down from 3. 0 billion in 2006 but economic factors weight in on those numbers. Non-financial Factors - Excellent Reputation - Over 3 generations of LuckFamilyrunning the company and giving back to the community. As of recent, a renewed campaign called " The Values Journey" has been implemented with many different core values of leadership to advance the values-based culture of Luck Companies and to build exceptional experiences with their customers and drive differentiated growth. . SWOT analysis - STRENGTHS - Operations, distribution, Human Resources a. Opportunities - Keep Status as Industry Leader in operations of mid-Atlantic region. Expand on industry market share. Continue good relationships with customers - Industry (rock crushing, excavation) is primarily focused on serving general geographical area where the site is located, distribution channel relationships will be maintained as long as they are respected and nurtured. Keep Human Resource focus on core values to enable Luck's reputation to stay intact. b.

Threats - Threats to market share are limited because Luck is industry leader in customer service and logistical excellence which is valued by their customers. Human Resource focus with core values training ensures that the company's core values are evident throughout all departments of Luck Companies. WEAKNESSES- Industry depends heavily on economic conditions. Luck Companies is diversified which is a potential weakness. Availability of Natural Resources. a. Opportunities limited - Economic downturn can

devastate the industry which is mostly comprised of home building & furnishing.

As shown in Lucks case during 2008 when they had to lay off 1200 associates. Diversification can a weakness if oversight gets lost and core values fade. Industry is dependent on natural resource harvesting (rocks/minerals/etc. ). Depletion is a major concern. b. Threats enhanced - Reduction in market share of economic downturn. Inability to locate more resources due to depletion of resources. 7. Major competitive advantage would be their efficient operations and excellent customer service. c. OPERATIONS V- High value for company and customers (sustainable)

R- Rare but not obsolete (parody producing) I - Costly to imitate. Hard to copy economies of scale (sustainable) N - NOT - non-substitutable, there are industry substitutes d. Human Resources V - High Value for customers (sustainable) R - Rare - Luck's Human Resources are leader in industry (sustainable) I - able to imitate but at high price. Years of core value training has developed excellent HR skills throughout company (sustainable) N - Non-substitutable. Customer care and follow up care are not substitutable. (Sustainable) 8.

Current Strategies- Business Level strategy is differentiation - Luck Companies is the industry leader in logistics and excellent customer service. Competitors focus on cost leadership strategy. Corporate level - Luck focuses on value training and up keeping their core values that give them a competitive advantage. Cooperative strategy- Luck has acquired formerly known Lee Tennis Court and changed the name to Har-Tru. They are the

global leader in tennis court surfacing and their current focus is brand image building in china, then taking their reputation to other markets.

International strategy is similar to their cooperative strategy because their only international strategy is based on their Har-Tru acquisition. 9. Firm seems to be excelling in many areas. I don't see many problem areas other than sustaining market share of Stone division and building brand recognition of Har-Tru in china to promote in other geographic locations around the world. 10. Q1: Do you see Luck Companies entering any other excavation markets such as oil, natural gas, coal (energy)? Q2: How and what benchmark goals does Luck Companies have for Har-Tru?