

Strategy at regal marine essay sample

[Economics](#)



**ASSIGN
BUSTER**

Regal Marine, one of the U. S.'s 10 largest power-boat manufacturers, achieves its mission —providing luxury performance boats to customers worldwide—using the strategy of differentiation. It differentiates its products through constant innovation, unique features, and high quality. Increasing sales at the Orlando, Florida, family-owned firm suggest that the strategy is working.

As a quality boat manufacturer, Regal Marine starts with continuous innovation, as reflected in computer-aided design (CAD), high-quality molds, and close tolerances that are controlled through both defect charts and rigorous visual inspection. In-house quality is not enough, however. Because a product is only as good as the parts put into it, Regal has established close ties with a large number of its suppliers to ensure both flexibility and perfect parts. With the help of these suppliers, Regal can profitably produce a product line of 22 boats, ranging from the \$14,000 three-passenger Rush to the \$500,000 42 foot Commodore Yacht.

“ We build boats”, says VP Tim Kuck, “ but we’re really in the ‘ fun’ business. Our competition includes not only 300 other boat, canoe, and yacht manufacturers in our \$17 billion industry, but home theatres, the Internet, and all kinds of alternative family entertainment.” Fortunately for Regal, with the strong economy and the repeal of the boat luxury tax on its side, it has been paying down debt and increasing market share.

Regal has also joined with scores of other independent boat makers in the American Boat Builders Association. Through economies of scale in procurement, Regal is able to navigate against billion-dollar competitor

Brunswick (makers of the Sea Ray and Bayliner brands). The Global Company Profile featuring Regal Marine provides further background on Regal and its strategy.

Discussion Questions

1. State Regal Marine's mission in your own words.
2. Identify the strengths, weaknesses, opportunities, and threats that are relevant to the strategy of Regal Marine.
3. How would you define Regal's strategy?
4. How would each of the 10 operations management decisions apply to operations decision making at Regal Marine?

1) The goals are to provide value, quality and satisfaction. It is also important to operate with honesty integrity and to have character and of course to be profitable.

2) Strengths ⊕ They are well positioned on the super boat market. Specially on the luxury market Weaknesses ⊕ Maybe RM is too specialized on the higher range of the super-boats market Opportunities

They can try to produce in a lower cost by reducing design times, production times, improving processes and using alternative materials and products.

They can also try to have cheaper boats in order to have wider range of customers. Threats

RM is on the fun business and this business is very susceptible to economical crisis. When there is an economical slowdown the people don't "invest" on this market.

<https://assignbuster.com/strategy-at-regal-marine-essay-sample/>

3) The firm has chosen a differentiation strategy: to have distinctive products ("best in class" products), that means high value and quality products for the customer.

4) Location

Orlando, Florida. The United States has an important market of powerboats

Quality

RM offers to the customers luxury boats. That means high quality products

Products

The company design, manufactures and markets 22 different boats in a luxury performance category. They are constantly innovating and patenting because parts can be copied quickly.

Processes

Each model is manufactured in a different assembly line Inventory

Important to have a great inventory and good distribution channels Layout

Each model is manufactured in a different building Purchasing

120 dealers in United States and also distributors in 40 other countries.

Regal Marine Operations Strategy

(Video analysis)

OM make decisions that affect achieving missions. Objectives centred in key issues such as: Location

Quality

Products

Processes

Inventory

<https://assignbuster.com/strategy-at-regal-marine-essay-sample/>

Layout

Purchasing

The company is in Orlando, Florida. RM is one of the top-ten powerboats manufacturing companies.

Company mission's has 5 or 6 different dimensions.

In the area product the goals are to provide value, quality and satisfaction. It is also important to operate with honesty integrity and to have character in the very competitive market of powerboats.

Obviously one of the goals is to be profitable and to share the profits with the people of the enterprise. The employees have to participate with the success

Sold strategy:

The firm has chosen a differentiation strategy: to have distinctive products ("best in class" products), that means high value and quality products for the customer.

The company design, manufactures and markets 22 different boats in a luxury performance category

Distribution channels are very important. 120 dealers in United States and also distributors in 40 other countries.

Very competitive industry. And that is because they have a lot of different products to offer to the different consumers. Each model is manufactured in a different assembly line in separated buildings. They are constantly innovating and

patenting because parts can be copied quickly. So the consumer is getting a better product each year.

Another objective is to produce in a lower cost.

Reducing design times, production times, improving processes and using alternative materials and products.