

Stonyfield case study

Education



StonyfieldCase StudyPowerPoint Script Introduction of Team Diversity

Members: AMBA Team Summary of Stonyfield Farm Case Study I. What

factors should StonyField Farm review before going international? Reasons to

expand in international markets - Increased profits in international markets -

Expansion and diversification of customer base - New business opportunities

and investments Major Factors to consider before going International

Minimizing Production Costs - Researching the labor laws of the specific

country - Working with local vendors and suppliers directly Dealing with low

trade barriers - Utilizing subsidies from local governments - Resources

access to inexpensive resources and raw materials Economies of Scale -

Strategies to reducing production costs - Knowing of the geographic location

for the international expansion - Understanding the markets- knowing

consumers wants and needs - Knowing the foreign countries economic and

political systems Economies of Scope - The variety of products and services

the company wants to offers (Daft, 2010) - Determining the geographic

regions of expansion Knowing the markets size II. What are the major ways

for Stonyfield to take their operations global? Form Strategic Alliances with

local partners Indirect Exporter - Creating strategic alliances with other firms

to increase market share (Horngren, Sundem and Stratton, 2002) - Contract

with local vendors and suppliers to manage resources Direct Exporting

Methods - Establishing a domestic-based export department - Creating

overseas sales branches or subsidiaries - Utilizing export sales

representative using foreign based distributors and agents Licensing

Stonyfield could consider selling its rights to other companies to use as

trademarked names in the foreign markets Joint Ventures and Consortia -

Establishing a separate entity with two or more active firms in the industry

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as sponsors - Stonyfield farm will benefit from sharing development and production cost, and penetrate new markets - Combined knowledge of local markets, shared strengths in technology and distribution channels will make them marketable III. Recommendations for StonyField Farm on how they should restructure to take their operations global?

Slide 1 - Stonyfield in the Multinational stage and the re-structured company - Start by exporting products via strategic alliances with local partners for a test period. - Evaluate the market demand and profit forecasts; make a decision on further expansion. Expanding to the Multinational stage with Overseas farms & Sales Teams - Stonyfield establishes farms and sales teams in their host countries - This will reduce delivery time and cost. - It will also ensure fresh products and eco-friendly message.

Operations & Strategy department in head office oversees all location specific teams - Basic farm production would be globally standardized for quality control - Overseas teams would have autonomy over marketing, packaging/labeling, shipping, and special flavors for local tastes. It will make them more adaptable. [pic] Slide 2 - Structure of the local teams, outsourcing local roles and use of technology - Managers have full autonomy in pursuing local opportunities, and maintain good supply chain relationships. HR, marketing and sales and other staff can be hired locally or outsourced to local companies. - Local staff's knowledge of the host country culture and nuances will be useful in understanding the market. Technology for the new global organizational structure - Software technology will allow flow of information between overseas and field offices. - Allows for flow of ideas, information, and troubleshooting. - Software tracking system

will also allow tracking of supplies and products. IV. How can Stonyfield Farm manage to maintain their “eco-friendly” operations internationally?

Explore current operating functions and all potential factors - Stonyfield should conduct research on farming and dairy production industries in both UK and France - Should do research about the market, competitors and other eco friendly competitions Environmental impact of Stonyfield products and host country regulations - Become familiar with applicable environmental regulations - They learn about the impact of this environmental standards and regulations - It will be advantageous for Stonyfield to review the international established regulations and revise its operating standards - Recycling and waste management is another important regulation that should be taken seriously. Minimizing eco-friendly production costs in host countries - Production costs will be expensive as transitioning into foreign markets is challenging - Operations need to be restructured to focus on sustaining manufacturing and design - Stonyfield's main objective is to consume minimal amounts of resources and energy using recycled materials Clear production and pricing strategy It is necessary for Stonyfield to create a defined production and pricing strategy - They need to continually make production more efficient, work to decrease waste and resource usage Consumer patronage of eco-friendly products and their concerns - Recent studies indicate that 93 percent of consumers say they actively participate in eco-friendly events and 37 percent of those individuals are concerned about the environment (Borin, Cerf, & Krishnan, 2011). - The a growing demand or eco-friendly products (Borin, Cerf, & Krishnan, 2011) Marketing eco-friendly products - More companies are creating their own labels in their effort to

differentiate themselves in the market place - Stonyfield's marketing plan should focus on packaging and labeling with eco friendly logos, making sure all messages are legible and informative. - They should also refer to packaging regulations and green marketing tools Importance of labeling in eco-friendly products Labeling is important because it informs the customers about the quality of the products and its shows value (Menzel, Smagin, & David, 2010). - When labeling the package, Stonyfield should remember to focus on informing the consumer about the consumer about the product.

References

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