

# [Famous amos essay](https://assignbuster.com/famous-amos-essay/)

In fact, our research has found more than enough information to support that the entry of Famous Amos into Shanghai is feasible. 2. 0 Background Information The Kellogg Company is the world’s leading cereal and snacks producer; marketing more than 1500 products in 180 countries (Our Company 2009). The firm employs around 32000 employees worldwide and has 59 manufacturing facilities located in 19 countries (Kellogg Company 2008). Its portfolio consists of famous brands such as Kelloggs Corn Flakes, Pop-Tarts, Froot Loops, Cheez-It and Famous Amos.

Famous Amos was initiated by Wally Amos in 1975 specializing in cookie-making nd became a huge hit grossing over $5 million within five years of operation (Frost 2002). Due to mismanagement, the brand went through numerous ownerships from Bass Brothers to Shansby Group; and currently belongs to the Kellogg Company. Famous Amos cookies are available in most countries and come in flavors like No Nuts Chocolate, Macadamia and Raisins. Its line includes sandwiched biscuits in Vanilla, Peanut Butter and Oatmeal Macaroon flavors.

It also offers customized and ready-packed gifts for celebration of all kinds. Famous Amos is positioned as the world’s best chocolate chip cookie, where its premium quality is unrivalled in the ookie industry. It won the Automatic Merchandiser Magazine Readers’ Choice Award as the most requested product for three straight years (Automatic Merchandiser 2007). Cookies sold at its specialized stores are freshly baked whereas those sold in retailers are pre-packed for convenience. As a brand under the Kellogg Company, Famous Amos shares similar mission, goals and strategies as its parent brand. 2. Vision and Mission At the Kellogg Company, the vision is to be the food company of choice with a mission to drive sustainable growth through innovation and expansion of its operations. The mission of growth is well communicated and employees across all operations know what they are expected to contribute to achieve it. In 2008, it met all sales targets and achieved geographical expansion to Russia and China through acquisitions (Kellogg Company 2008). Its cereal and snacks operations recorded growths of 4% and 9%, respectively; in addition to the 5% increase in sales (Kellogg Company 2008).

The firm is optimistic that it can continue to fuel growth through expansion, innovation and cost-saving. 2. 2 Goals and Strategies The Kellogg Company’s revenue in 2008 amounted to $12. 2 million and operating profit was reported as $1. 95 million (Kellogg Company 2008). The company is positive that growth is achievable despite the weak global economy as consumers will purchase more convenient foods and prepare more meals at home. Focus will be placed on cost efficiencies and innovations across all operations to increase profitability.

The following are the goals of the company which are shared by Famous Amos: Sales are expected to grow by 3% – 5% in 2009. Operating profit is targeted to increase by approximately 5% in 2009. Annual cost savings will add up to $1 billion by 2011. Apart from the stated goals, few corporate strategies can be inferred for Famous Amos using the Porter’s Model, the Ansoffs Matrix and the Expansion Method Matrix. 2. 2. 1 Porter’s Strategy Michael Porter’s 4 generic strategies, as explained by Cruz (2006): Cost-leadership: Achieving lower total costs compared to competitors to appeal to all customers. Differentiation: Differentiation of products from rivals to attract all customers. Cost- focused: Based on cost-leadership and concentration on attracting buyers from a narrow segment. Differentiation-focused: Based on offering niche customers ustomized attributes that satisfy their demands. Famous Amos uses the differentiation strategy where it positions its products as superior to others and charges premium prices. Its cookies are made with the finest ingredients and are baked to perfection. Besides that, it provides excellent gift- wrapping service which is not offered by any other cookie sellers.