

Business strategy case study

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Case Study: business strategy Bidly's Bakery (BB) (strategic and operational decisions) Bidly's Bakery was founded by Elizabeth McDoogie in 1984.

Nicknamed " Bidly", Elizabeth started the home style-bakery in Cincinnati, Ohio as a alternative to commercially available baked goods. The mission of Bidly's Bakery was to produce a variety of baked- goods with old fashioned style and taste. The goods produced included a variety of pies and cakes, and were sold to the general public and local restaurants. The operation was initially started as a hobby by Elizabeth and a group of her friends. Many of the recipes they used had been passed down for generations in their families. The small production and sales facility was housed in a mixed commercial and residential area on the first floor of " Bidly's" home.

Elizabeth " Bidly" and three of her friends worked in the facility from 6 am to 2 pm making and selling the pies. The operation was arranged as a job - shop with work- stations set up to perform a variety of tasks as needed. Most of the customers placed advanced order and Bidly's Bakery took pride in accepting special requests. The Bakery's specialty was the McDoogie Pie, a rich chocolate confection in a cookie crust. MEETING CAPACITY NEEDS:

Initially sales were slow and there were periods when the business operated a t a loss. However, after a few years Bidly's Bakery began to attract a loyal customer following.

Sales continued to grow slowly but steadily. In 1994, a first floor storage area was expanded to accommodate the growing business. However, Bidly's Bakery quickly outgrew its current capacity. In May of 2000, Elizabeth decided to purchase the adjacent building and move the entire operation

into the much larger facility. The new facility had considerably more capacity than needed, but the expectation was that business would continue to grow.

Unfortunately, by the end of 2008, Elizabeth found that her sales expectations had not been met and she was paying for a facility with unused space. GETTING MANAGEMENT ADVICE: Elizabeth knew that her operations methods, though traditional, were sound. A few years ago she had called upon a team of business students from a local university for advice, as part of their course project. They had offered some suggestions, but were most impressed with the efficient manner with which she ran her operation. Recalling this experience she decided to contact the same university for another team of business students to help her with her predicament.

After considerable analysis the team of business students came up with their plan: Biddy's Bakery should primarily focus on production of the McDoogie Pie in large volumes, with major sales to go to a local grocery store. The team of business students discussed this option with a local grocery store chain that was pleased with the prospect under the agreement Biddy's Bakery would focus its production on the McDoogie Pie, which would be delivered in set quantities to one store local once a week. The volume of pies required would use up all of the current excess capacity and take away most of capacity from production of other pies. Elizabeth was confused. The alternative being offered would solve her capacity problems, but it seemed that the business would be completely different though she did not understand how or why.

For the first time in managing her business she did not know what to do.

CASE QUESTIONS: 1. Explain the challenge faced by Elizabeth in meeting her capacity needs. What should she have considered before moving into the larger facility? 2. What is wrong with the proposal made by the team of business students? Why? 3. What type of operation does Biddy's Bakery currently have in place? What type of operation is needed to meet the proposal made by the team of business students? Explain the differences between these two operations.

4. Elizabeth senses that the business would be different if she accepts the proposal, but does not know how and why. Explain how it would be different.

5. What would you advise Elizabeth? Source: (Reid and Sanders, 2002 1.

Analyse the role of technology in business strategy critically develop an example for any business that leads to prove this context. 2. As a strategy development manager, strategy development is your job how you can prove this statement. 3. Customer satisfaction is the central concern of the organisation that leads to retention rate; explain this statement by using a particular model of success factor. 4.

Critically analyse the role of value chain analysis in distribution strategy.

Management of Behaviour 1. Critically analyse effective team working relationship and its various techniques and factors which help to curtail the team work. 2. How would you prove that " training is a tool for increasing productivity" for a company of your choice? .

Critically analyze the role of motivation theory as postulated by Maslow and show how the application of this theory enhances the performance at the

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workplace. Develop an example of your choice to prove this context? 4.

Evaluate one organizational theory and relate it to management in practice.

5. Evaluate the impact of technology on a given organization.

Examples: The birth of Internet Book Sellers like Amazon and its effect on high street book shops.... emails and text messaging on post office as an organization...etc.