

# [Rmcf srategic audit](https://assignbuster.com/rmcf-srategic-audit/)

## Current Situation

### Current Performance

Successful from the start

* Currently there are five company-owned and 329 franchised RMCF stores operating in 38 states
* Continuous revenue increases from year to year (around $16, 678, 472 in 2008)
* During this time of economic decline that had arose, the sales began to slow up but Rocky Mountain Chocolate Factory seems to be in great shape under all financial aspects to survive the recession. B. Strategic Posture Here is the original mission, objectives, and strategies of the company.

RMCF is always looking to become more and more successful from what they already have and hope to continue doing well now and in the future.

Mission: The Company does its finest to stay fine-tuned and focus on franchising and manufacturing.

* They guarantee good quality, taste, value, and variety of all their products
* Their number one focus and factor is the quality of the product

Objectives: RMCF is always wanting to be known and therefore their customers and employees are huge for the company.

* They are always doing their best to stay in the seat they are in now by staying successful, continuing to gain customers, popularity, and even profits as a whole.
* Continue to keep a good relationship with all employees and with the franchises as well
* They are always sure to handle and manage theirmoneyin all the proper ways even during the time of the 2008 economic slump
* Always had an eye open to slow factors down during this rough time (expansion and eliminate debt)

Strategies

* Rocky Mountain Chocolate Factory is repurchasing stock here because they felt as if it was undervalued
* Different kinds of candy, such as sugar free treats for individuals who choose to be more healthy or who cannot have the candies with all the sugar in them
* The company owns refrigerated trucks to make it simple to move products from the factory to stores
* Putting stores in areas of tourist, entertainment, and street front locations to gain more and more attention. Stores are set up for customers to be able to not resist the smell and sights of all the goodies (will keep them coming back)

Policies: RMCF consists of many different polices as most places do. The company wants to always continue increasingaccountability, revenue, customers, and all the positives that have been such a success for the company while also reducing bottlenecking. All franchisees are expected to hold a high level of excellence \* Believe they should control the manufacturing of its own products in order to better maintain its high product quality standards \* RMCF sends their trucks from factories to stores with products and then brings back more ingredients for the next product so they can save trips and be more cost effective \* Stores must be placed far enough apart and in good locations so that the company has the best possibility for success \* All stores have the policy of sample in the store so customers can see and try what they are going to purchase

The current mission, objectives, strategies, and policies reflect the company under many aspects. It continues to be successful, expand the customerculture, and accessibility. RMCF created a leading business model that was truly effective. With all the company has accomplished it continues to keep an eye open and look to consider changes if needed.

## Corporate Governance

### Board of Directors

Due to the type of company, it is restricted by law to have no fewer than three and no more than nine directors on the board.

The company previously decided on having 6 directors with Crail and Merryman being the only two internal board members. 1. Franklin E. Crail- Founder of the first RMCF, Chief Executive Officer, President, and a director. Bryan J. Merryman- Vice President, Finance& chief financial officer, chief operating officer, director and a treasurer. Others directors include: Gerald A. Kien – Former chief executive officer of RemoteTechnology. Lee N. Mortenson – Former managing director at Kensington Partners LLC. Clyde W.

Engle – Chairman of the board of directors and chief executive officer of Sunstates Corporation. Fred M. Trainor – Chief executive officer and president of AVCORHealthCare Products Inc. With the exception of Franklin E. Crail who was the co-founder of RMCF and Bryan J. Merryman, the Board of Directors of Rocky Mountain Chocolate Factory is composed of all external-independent board members. The directors do not receive any kind of compensation for serving on the board.

However, they do receive compensation for serving other things such as serving certain board committees, leading committees, and when getting involved in meetings. Directors who are not officers or employees of RMCF are entitled to receive stock option awards. RMCF is publically traded and listed on NASDAQ Global Market. For each share of common stock held, a shareholder is entitled to one vote on all matters. There are different rights as all matters could be voted on except the election of directors. Shareholders on the board had cumulative voting rights in the election of directors.

The Board of Directors has frequently paid out quarterly cash dividends usually to common share outstanding. The RMCF board of directors are equipped with a wide variety of skills, interest, knowledge and background. The board members contribute numerous experiences in different positions from multiple companies. It seems that none of the directors were ever in thefoodindustry before. Franklin E. Crail co-founded the first Rocky Mountain Chocolate Factory store in May 1981. Since, Crail has served as its President, Director, Chairman of the Board, and CEO.

Before finding the company, he was co-founder and President of CNI Data Processing Inc. Bryan J. Merryman has experience in leverage buyout firms, retail and manufacturing of aftermarket auto parts, consulting, financial advisory, and risk management. He has been with RMCF since 1997. Lee N. Mortenson has been with the company since 1987 and has been involved in consulting and investment activities since 2000. He was the managing director of a private investment firm and has been President and CEO of a company that provided management consulting and investment services.

He has also been involved in real estate development and manufacturing. Gerald A. Kien became part of the company in 1995. He had just retired from his position as President and CEO of a company involved in the development of instrumentation for vehicle emissions testing. He also had previously been on the board of Sun Electric which is a company that deals with the oilfield, wind farms, and transmission construction industries. Clyde W. Engle became part of the company and had experience in professional property management as well as in a one-bank holding company.

RMCF has a total of 41 franchise stores internationally. Based on what some of the directors use to do in the past, it is clear that they have the experience to work with international operations of the company and help benefit RMCF. When it comes to theenvironment, it can be said that RMCF board members are concerned with its environment. To start with a simple example, Crail had to scope out the perfect environment where to build his company. He moved from California to a smaller town where he started to survey the environment to make sure that it was a good place to open a chocolate shop.

Crail had to make sure the environment was going to be a contribution to the success of the organization. RMCF was first located right on the main street for location and was right by the river which was a tourist attraction. The smells caught the noses of the tourists that came to town for the attractions. The company then continued to establish RMCF stores in five primary environments such as regional centers, tourist areas, outlet centers, street fronts, and airports and other entertainment oriented areas. The board members have been around for quite some time. Starting from 1982 to 1987, 1995, 1999, 2000, and 2009 basically.

Even previously from 1987. The board seems to be deeply involved with strategic management of the company, controlling all from where stores are located to how training is conducted. When it comes to decision making on what to do with the company, the board of directors at RMCF tend to agree upon what to do as a team. They take care of all major aspects of the company. For example, they are in charge of resources and performance in the environment. With the co-founder being part of the board, strategic management works in a way that they all come to an agreement on, the board and no one is voted out.

The board is able to run an evaluation on performance and many other aspects. All board members participate and stick to a strategic plan to come to an agreement for the company.

### Top Management

When it comes on to top management at RMCF it is up to the internal employees that are all part of the board. Listed below are some individuals that are part of RMCF top management: Frankiln E. Crail- Chief Executive Officer, President, and Director Bryan J. Merryman- Vice President, Chief Financial Officer, Chief Operating Officer, and Treasuer Edward L.

Dudley- Senior Vice President- Sales and Marketing Gregory L. Pope- Senior Vice President- Franchise Development and Operations Jay B. Haws- Vice President- Creative Services William K. Jobson- Chief Information Officer Virgina M. Perez- Corporate Security Similar to the board of directors, top management of RMCF comes from a lot of different backgrounds. All of them are experienced in their field, but none of them before had ever had experience in the food industry. Some of the top management individuals consist of Crail, Merryman, Dudley, Pope, haws, and even a few more.

Top management at RMCF are responsible for the different franchises and the growth of the company. They use top management as a form of recognition style so they can use it to expand and open more franchise stores. This will allow them to open more stores with no capital investment. Top Management also has international experience similar to the board of directors, because some of the individuals are both on the board of directors and top management. They have had to interact with others internationally and learn how to work with others from all over as well.

That is why RMCF continues to stay towards the top and seems to most of the time be doing very well. There have been different ways and ratios looked into that determine if top management is effective and if they have an impact on the corporation’s performance over the past years. The ratios turned out looking rather well for RMCF in that the company is doing well and top management has been responsible for these corporation performances over the past few years. This means that the management is aware of their resources and are using them to the company’s advantage.

About half of the top management have been promoted internally. They started off as a store manager, franchise owner, or working their way up through the company. Some of these managers have been with the company since it first merged in the early 1980’s. Top management has established a systematic approach to strategic management. As mentioned above, the committee consults the board on making the right organizational decisions. By placing intense focus on Environmental Scanning of strategic management, RMCF has been smart and placed store locations in tourist areas, or high levels of foot traffic.

Top management of RMCF is deeply involved in the strategic management process of the company. They are in charge of the mainstream controls that their franchise branches do. Therefore, top management is truly involved. When it comes to deciding store locations, directing training, and providing ingredients, these are all decided upon in their original Durango, Colorado location. At RMCF top management is heavily involved in the interaction with lower level managers and the board of directors. Top management consults with the lower levels when deciding what to do and what strategies they can come upon that will best suit the company.

Even though top management is higher up then the lower levels, they must come to agreements on certain strategies before making changes. Therefore, top management does play a very important role when it comes to interacting and communicating with lower level managers and board of directors at RMCF. By interacting and communicating helps the company rise above and stay ahead of competitors. RMCF is great with their interaction at all levels and that is what allows for it to be one of the leading chocolate factories worldwide. Decisions at RMCF are made ethically in a socially responsible manner.

If there is ever any concerns or anything that could be harmful to the company name, system, or reputation they are strictly prohibited. Along with the ethical manners of RMCF, environmentally sustainable manners come into play. From what RMCF can control, they want to always maintain an environmentally sustainable manner. With most things they are able to do so but with cocoa beans that are the main raw material used to make chocolate and grown in Africa and several other countries, RMCF cannot directly regulate if those countries are leading themselves in an environmentally sustainable manner.

There are many different rules, regulations, and concerns that need to be kept under tight control with the company. From the case, one can see that RMCF’s top management is sufficiently skilled to cope with any future challenges. All of the top management team comes from truly experienced backgrounds and are prepared to withstand any recessionary forces that are knocking the U. S. economy.

## External Environment: Opportunities and Threats (SWOT)

#### Natural Physical Environment

Sustainability Issues 1. Some natural climate issues that could affect the company would be heat, rain, andsnow.

Some weather related issues would be hurricanes and earthquakes that would affect traffic, tourism, and crop production (cocoa beans). 2. These forces would affect different regions of the world depending on the season and location. There might be different weather-related events, but different types would affect each region. B. Societal Environment Economic Economic is a current threat because the economy is dealing with a current recession. Spending is down and chocolate isn’t a necessity, which means there will be less chocolate being consumed. Technological

Technology is an opportunity for RMCF. One example is that with online shopping increasing, consumers can buy as much of the product as they want right from their phones or computers. Also, technology can speed up the production process. Machines can do a lot more work as well, which will limit the amount of work that workers have to do by hand. This will increase the overall quality and consistency of the product. Political-Legal Political-Legal can be a threat to this corporation. Working in a factory can be somewhat unsafe. There are always health and safety issues in any workplace.

There are also fair-trade regulations, import and export regulations, licensing agreements and child labor laws that have to be enforced. Sociocultural Sociocultural is an opportunity for this corporation. Based on research, dark chocolate has many health benefits. Some of these benefits include limiting the risk ofdiabetes, heart attacks, and strokes. Dark chocolate can also lower blood pressure and cholesterol, and increase sugar metabolism. This will increase consumer spending on dark chocolate if consumers believe that it is healthy for them. These forces would be different in other countries.

This is because every nation is not at the same developmental stage, in terms of Economic, Technological, Political-legal, & Sociocultural. Some countries are ahead of the U. S & others are behind.

### Task Environment

Forces that drive industry competition are prices, geographic locations, large corporations entering the market, and prime retail locations. a. Threats of new entrants: High: Nestle and mars are two of the top food manufacturers in the world. With low entry barriers and having to compete with these established corporations there is a high threat. b.

Bargaining power of buyers: Medium: Consumers have other options to choose from besides RMCF. They can buy chocolate from whomever, but with their prices, consumers are still choosing RMCF. c. Threat of substitute products/services: High: There are many substitutes to gourmet chocolate and with the economy; consumers might fall for the lower prices and easy access to different products. d. Bargaining power of suppliers: Low: RMCF has an advantage over other suppliers because of their fixed pricing and alternative supplier options. e. Rivalry: High: There has been an increase of entrants into the industry.

Chocolate can be an easier industry to buy into with the health benefits and low entry barriers. f. Relative power of union, governments, and special interest groups: Medium: Consumer demands, union demands, and government regulations present challenges for RMCF.

Key factors in the immediate environment are:

* Consumers demand for quality and healthy products.
* Big name competitors like Nestle and Mars entering the market.
* Suppliers providing ingredients at a fixed cost.
* Labor unions and employers working together to produce raw materials at a low cost

### Summary of External Factors

See Exhibit 1: Find at end of paper Consumer demands and competition are the most important factors to the corporations and industries in which it competes at the present time. Without consumers buying the product, the company cannot survive. Even though there are other factors that weigh into consumerhappiness, it all boils down to if they like the product, if they can afford it, and if they choose it over other competitors. In the future it will still be the same, there will still be other competitors that will be coming out with new and improved products. Consumers can change company preference at any time.

RMCF has to keep fixed prices as good or better with the products that are similar to that of their competition in order to keep their consumers around.

## Internal Environment: Strengths and Weaknesses (SWOT)

### Corporate Structure

Rocky Mountain Chocolate Factory prides itself on its history. It was built around location and lifestyle, which has helped shape its corporate structure that is used to this day. Rocky Mountain Chocolate Factory uses a divisional corporate structure that focuses in three areas; product, market, and geographic. Product is the first and foremost important element for the Rocky Mountain Chocolate Factory.

As said by one of the Co-founders Franklin Crail “ The number one factor is the quality of the product, without that customers aren’t going to stay around long” (book p26-3). Rocky Mountain Chocolate Factory is known for its specialty chocolate treats such as; nut clusters, caramels, butter creams, mints, and truffles. RMCF also tries to stay innovative with its products, having recently introduced sugar free and no sugar added candies. Chocolate isn’t the only sweet treat that Rocky Mountain Chocolate Factory offers, however, they also offer an array of fudges and caramel apples.

Market structure is the next piece that fits into Rocky Mountain Chocolate Factory’s divisional corporate structure. Market structure comes into play with the different groupings of employees that Rocky Mountain Chocolate Factory has as a whole. They can be divided up into manufacturing its own trucking operations, store employees, factory employees, and corporate management. Splitting up the employee force and grouping everyone with the same or similar groups together is the main purpose of the market structure as part of the divisional structure as a whole.

The last piece of Rocky Mountain Chocolate Factory’s divisional corporate strategy is geographical structure. This groups employees come together on a basis of where they are located. This is important for Rocky Mountain Chocolate Factory because it an international company with stores all over the United States, Canada, and the United Arab Emirates. The placement of the shops is also a key element to the success of the store. The main environments are; regional centers, tourist areas, outlet centers, street fronts, and airports. B. Corporate Culture “ The Peak of Perfection in handmade Chocolates”

Rocky Mountain Chocolate Factory has a very unique corporate culture. It truly tries to live up to its tagline of being “ The Peak of Perfection in Handmade Chocolates”. As a company they accomplish this by making all the shops a blend of traditional and contemporary styles. They also sought to make each store a fun and inviting place to be for both its workers and the customers that stop in. In each store it is possible to see the chocolates being made by the workers, thus showing that the chocolates really are handmade, as promised by the tagline of the company.

Another important aspect of the Rocky Mountain Chocolate Factory corporate culture is its franchisingphilosophy. It is always looking to improve its franchise support systems and has a high level of service and commitment to its franchises. The company realizes the importance of supporting and monitoring all of its franchises, because they are a direct reflection of the company. C. Corporate Resources 1. Marketing Rocky Mountain Chocolate Factory runs on low-cost, high-return publicity opportunities. This is through taking advantage of local and regional events, sponsorships, and charitable causes.

A large national marketing plan was never something that Rocky Mountain Chocolate Factory was interested in. Instead the company preferred to use things like coupons, flyers, and mail-order catalogs generated in house using its Creative Services Department. This department also works directly with each franchise. 2. Finance RMCF is consistently making a profit, allowing operating expenses to increase, and it also has multiple income sources. Rocky Mountain Chocolate Factory’s financial situation can best be seen through the use of a graph. This graph breaks down the company’s financial situation for the past five years.

## Research and Development (R&D)

Rocky Mountain Chocolate Factory knows the importance of keeping up with consumers wants, needs, and most importantly tastes. With the recent health raze, doing research and development was necessary to find out what in fact the consumers actually wanted from their chocolate companies. Due to this health craze the demand for dark chocolate has seen a significant increase. Also due to the health conscious, there has been research on chocolates that have been enhanced with minerals, vitamins, antioxidants, and probiotics. Another trend that has become apparent in the chocolate industry is the want for ethical and fair trade chocolate. Consumers were showing concern about supporting cocoa farms that used child labor. Due to this consumers were choosing to support companies that could prove they were using only “ ethical” cocoa products.

### Operations and Logistics

Rocky Mountain Chocolate Factory’s operation and distribution objectives are all about maintaining the quality and freshness of its products. As a company Rocky Mountain Chocolate Factory encourages its franchise stores to only order what they can realistically sell in a two to four week time frame, this ensures freshness. Rocky Mountain Chocolate Factory’s manufacturing process primarily involved cooking or preparing the candy. This is done in a temperature controlled room with strict quality controls in place to ensure that only best candies make the cut. While most of the candy is still handmade, there has been some change to automated processes if it makes sense to do so from a financial aspect.

A large part of Rocky Mountain Chocolate Factory’s operations deal with its distribution or truck shipments. When it appeared that there couldn’t be a suitable shipper found, Rocky Mountain Chocolate Factory created its own fleet of semis. By doing this it enabled the company to deliver its products to the stores quickly and at an extremely cost efficient and effective price. Having its own fleet to haul and return products and supplies has become not only a convenience for Rocky Mountain Chocolate Factory, but an extremely business savvy move. 5. Human Resources Management (HRM) Most of Rocky Mountain Chocolate Factory’s employees are employed and paid on an hourly basis. At times, the employment of temp or seasonal help was used.

Rocky Mountain Chocolate Factory prides itself on staying competitive in its industry with regard to pay, benefits, and working conditions. The company is big time on the emphasis ofrespect, commitment, andprofessionalism. As far as human resources and employee relations go, Rocky Mountain Chocolate Factory rates itself as very good! 6. Information Technology (IT) Rocky Mountain Chocolate Factory usessocial mediaas a main source of its information systems. Its main social media resource is Facebook. It allows for customers to “ like” their page to receive special information and deals regarding the company. It also has a link to Facebook on its homepage on the corporate website. They also use Twitter and Instagram.

Besides these information systems the company uses, the stores operate independently from main corporate structure and some other aspects of its operations the company uses information technology for shipping, sales performance, inventory control, and accounting. D. Summary of Internal Factors See Exhibit 2: Find at end of paper

## Analysis of Strategic Factors (SWOT)

### Situational Analysis

Find at end of paper Here we just laid out some of the important strengths, weaknesses, opportunities, and threats that were important when it comes to RMCF. By looking at the SFAS Matrix: exhibit 3 at the end of the paper one can see of the external(EFAS) and internal(IFAS) factors and which of each are the most important that have a strong impact on the company’s present and future performance. Strengths \* Strong Franchise Program Rated an outstanding franchise in 2008 by the Entrepreneur magazine \* March 31st there were 329 franchised stores \* Visibility of its stores and the high foot traffic generated strong name recognition High Quality Product (won the 3 heart rating in a blind taste test) Strong mix of different kind of ingredients \* During holiday seasons, company made as many as 100 additional items \* Developed a new line of sugar-free and no-sugar added candies \* According to the company, “ results have been ‘ spectacular’, filling a need for those with a special dietary requirements” \* Careful selection of store sites \* Highly cohesive corporate culture \* Trademarks \* Big, chunky chocolate concoctions \* The Bear Paw-sized concoction of chewy caramel, roasted nuts and heavy coating of chocolate \* Caramel apples followed by the Bear was the best selling Weaknesses \* Global presence \* Sale of chocolate and confectionary products was affected by changes in consumer tastes and eating habits \* Negative impacts \* Equity market levels \* Consumer confidence \* Job growth \* Consumer disposable income and spending levels \* Unemployment rates \* Recessionary and inflationary trends \* Energy prices Opportunities \* New environments for success \* Automation increase the speed and efficiency of the manufacturing process \* Significant opportunities existed to expand into tourist area \* Airport locations Accelerate the opening of stores in high volume airport locations \* Sport Arenas \* Kiosks \* Enhanced franchise opportunities by providing flexibility in support of existing franchisees’ \* Incorporated the company’s trademark cooking areas \* Low cost marketing \* Focused primarily on local in-store marketing \* Fixed price contracts Company owned trucks \* In 2008, owned eight refrigerated trucks and shipped substantial portion of its products from its factory \* Cost effective, and quick delivery \* Human Resources \* Provided working conditions, wages, and benefits that compared favorably with its competitors \* High performance expectations, mutual respect and professionalism existed throughout the company Threats Weather \* Crop farming \* Tourist areas \* Competitors \* Mars Inc. \* Fanny May \* Godiva Chocolatier \* Large annual sales, and was one of the leading chocolate businesses \* Scharffen Berger and Joseph Schmidt \* Ethel M Chocolates \* See’s Candies \* Hershey \* These companies not only manufactured chocolate but also had their own retail outlets \* Numerous businesses that offered confectionery products, from large to small privately owned local businesses \* Influence of sales affected by \* Traffic patterns \* Economic conditions \* Demographic conditions

REVIEW OF MISSION AND OBJECTIVES

Mission Built around a location and a lifestyle. The number one factor is the quality of the product, without that customers aren’t going to stay around long. ” (Page26-2) The Company believed that its store atmosphere and ambiance, as well as its brand name recognition and its careful selection of sites for new store and kiosks, merchandising and marketing of chocolate and other candy products, expertise in the manufacture, and commitment to customer service are key to the accomplishment of its objective to build on its position as a leading international franchiser and manufacturer of high quality chocolate and other confectionary products. • Quality, taste, value and variety of products • Quality of the product is the number one factor Objectives Manage money carefully during economic downturn • Slowed expansion and elimination of debt • Maintain a good relationship with employees as well as franchisees Rocky Mountain Chocolate Factory has continued to maintain its mission and objectives appropriately during times of expansion as well as recession. VI. Strategic Alternatives and Recommended Strategy A. Strategic Alternatives The current and revised objectives are met rather well in this case and in any situation there can be implementation and improvement of the company’s strategies to make it even better. The alternative strategies are the Growth strategy, stability strategy and the retrenchment strategy.

Costleadershipand differentiation play a part under strategic alternatives as well. 1. Stability Strategy: Stability strategy is when corporate strategies need to make no changes to the company’s current direction of activities. Therefore, RMCF fits pretty well under this because from the case one can see that they were doing rather well and never seemed to dip down by much at all. RMCF does not need to change any major things they just need to be sure and remain on the same page all the time and fix any small things that may occur. PROS: Stability strategy is rather cheap and will take the least amount of time. It also allows for appropriate training of any new franchisees.

CONS: With a stability strategy it may only be short term solve or could end up resulting in loss of market share. 2. Growth Strategy: The concentration can be either vertical growth or horizontal growth. Vertical growth consists of taking over another company and this strategy would somewhat be beneficial for RMCF at this time because they tend to be doing well and if they were to take another place over and run it as they run their own company things would continue to be well off. Horizontal growth is spreading into other geographical locations. Horizontal growth is also something that RMCF is looking to do at this point because expanding into different geographical areas will benefit them and let them continue to become known all over.

The diversification strategies involve concentric and RMCF seems to have a pretty strong competitive position in the industry world. Conglomerate diversification comes into play here too and RMCF seems to be pretty well and in a good spot with their cash making company. With these two characteristics, diversification strategy should work. The horizontal growth is huge through franchising at RMCF. PROS- RMCF could continue reaching and expanding to different new markets as profits continue to move forward. CONS- The growth strategy may not allow enough time for all the planning that is needed. 3. Retrenchment Strategy: Retrenchment strategy is corporate strategies to minimize the company’s level of activities and to return it to profitability.

This strategy can be considered a quick fix of financial problems and this has helped for RMCF to stay on their feet and never fall to low under most aspects. There were a few times they slipped but then managed to get back on their feet and fix problems. With retrenchment strategy, it is there if RMCF would need it but the company is doing fairly well and has never been in that much of a slump to be bought out by another company or to even claim bankruptcy. PROS- Retrenchment strategy is here and handy if RMCF were to need it. CONS- If RMCF did ever get into such a terrible spot, this might not help. 4. Cost Leadership: Cost Leadership can be described as a low-cost competitive strategy that aims at the broad mass market.

RMCF can tie in with cost leadership because it has been truly successful and has set prices that the company believes works as a competitive strategy because their consumers agree on them and continue to come back for more in that they are satisfied. PROS- Keep consumers around and gain more from the broad mass market with a low-cost competitive strategy. CONS- Other companies will begin to do the same and try to be even better while trying to gain RMCF’s consumers. 5. Differentiation: Differentiation is huge for RMCF because this is a competitive strategy that is targeted at the broad mass market and which involves the design of a product or service that is viewed throughout its industry as exceptional.

RMCF fits perfectly under differentiation because from the start Crail wanted the industry to be different than any other and successful with the unique products it produced. PROS- Practical for above average earnings because of the exceptional products that consumers want more of and tend to not care about the price. CONS- There could be more losses during tough times because of the differentiation products being as a luxury. B. Recommended Strategy Here, growth is the recommended strategy for Rocky Mountain Chocolate Factory. With doing very well most the time and being able to fix what the company needs to, their business and functional strategies that the company use seem to be working well. The U. S. candy market was doing extremely well around 2009, with chocolate generating billions of dollars in sales.

As of March 31, 2008, Rocky Mountain Chocolate Factory consisted of five company-owned and 329 franchised stores operating in 38 states, Canada, and the United Arab Emirates. All the Franchising, licensing, and exporting will help its ability to resolve both long and short-termgoalsof the company. There are not too many policies that should be developed or revised with RMCF to guide them with effective implementation. They seem to do rather well. If something does go wrong they find the best way to go about bettering it for present and future reference. The company has to always remain on its toes though because anything could change at any time. By following and sticking to good policies will benefit the company in many ways.

The impact of knowing what is going on and being ready for anything to happen at any time will have positive impact on the company’s core and distinctive competencies. VII. Implementation In order for Rocky Mountain Chocolate Factory to continue being a front runner in the gourmet chocolate industry they need to continue going on the path that they are on. They have a loyal consumer base and are keeping up with the wants and needs of their consumer base. By continuing to offer their homemade quality chocolates online, in stores, and in kiosk’s around the world they are providing their product to consumers in many ways. Rocky Mountain Chocolate Factory has a solid structure set up as far as top management and board members are concerned. For assurance that RMCF ontinues to be one of the top leaders in the gourmet, homemade, chocolate industry it is important that they keep listening to their customers wants and needs. VIII. Evaluation and Control Is the current information system capable of providing sufficient feedback on implementation activities and performance? Can it measure strategic factors? The current information system is capable of providing sufficient feedback on implementation activities and performance because the external and internal elements determine the future of the corporation. The strengths, weaknesses, opportunities and threats help the company sort out the monitoring, evaluating, and disseminating of information.

Using the SWOT analysis helps defining the corporate mission, specifying achievable objectives, developing strategies, and setting policy guidelines. The fact that this company is built around a location and lifestyle, and that the quality of the taste, value and variety of products are important to them as a whole is why they succeed. They realize that in order to keep profit coming, they need to manage money carefully during economic downturn as well with a slowed expansion to help eliminate debt. Customer satisfaction is important as well because if the customer is not satisfied with either the product or the service they are receiving they will not be returning.

Rocky Mountain Chocolate employees pride themselves in making a good name for the company, which is why they are so successful with expansion. “ The number one factor is the quality of the product, without that customers aren’t going to stay around long” (Page26-2). Rocky Mountain Chocolate Factory has had a very strong franchise with the fact that they were rated an outstanding franchise in 2008 by the Entrepreneur magazine. Are adequate control measures in place to ensure conformance with the recommended strategic plan? Appropriate standards and measures are being used to enhance conformance with the recommended strategic plan because they are being rated on the quality f the products they are producing. They were able to overcome the hard times of the economy in the U. S over the recent years by managing their money effectively. The company has their own special features and products that make them stand out over their competitors. With special holidays, they make over 100 different products to help ensure business with different options.

## Conclusion

In closing, we believe the Stability strategies of “ make no changes” to the company’s current activities is the best recommendation we can give for Rocky Mountain Chocolate Factory at this time.

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