

HORT 426/626

Company Profile Assignment

You should approach the task of doing a company profile in much the same way that a business consultant would approach doing an analysis for the owners/managers of a floriculture business. Imagine that you have been hired to do an analysis of the company and the sector of the floriculture industry supply chain in which it competes using class materials, library research, and electronic data sources.

The goal is to determine what direction the company should take and *make specific recommendations* about what the company should do next and why. Sometimes the materials you find in your research will call attention to certain problems that exist. Other times you'll be on your own to determine problem areas. Do not fall into the habit of simply rehashing the facts (of the industry or firm) that would probably be known to the managers you are addressing, unless you have some specific point or conclusion to make that helps answer the basic question -- *What must this company do to improve it's "performance" in the long run?*

Suggested Procedures

1. Analyze the company's history, development, and growth. A convenient way to investigate how a company's past strategy and structure affect it in the present is to chart the critical incidents in its history - that is, the events that were the most unusual or the most essential for its development into the company it is today. Some of the events have to do with its founding, initial product offerings, how it makes new-product market decisions, and how it developed functional competencies. Its entry into new businesses and shifts in its main lines of business (portfolio) are also important milestones to consider.
2. Describe the current external environment in which the company competes (using materials from the HORT 426 website and information from the library and various electronic resources).
 - Describe the current industry structure and the key sectors or segments of the industry that the company is serving (segmentation analysis)?
 - Who are the major competitors and what forces shape the industry?
 - What are the key success factors for competing in sector of the industry?
 - Identify key threats and opportunities that exist in the environment.
3. Identify the internal characteristics (capabilities) of the company.

- What are the tangible and intangible resources that the firm has?
- How does the financial strength of the firm stack up against other firms in the industry? Other potential competitors?
- What capabilities and core competencies give the firm a competitive advantage?
- Conduct a *value chain analysis* for the firm (Google this term) and discuss what gives the firm a competitive advantage over its competitors?
- Is the competitive advantage sustainable over time? Is it valuable, inimitable, rare, and organizationally exploitable?
- Identify the key strengths and weaknesses apparent from your internal analysis.
- How do the strengths and weaknesses of the company compare to the threats and opportunities apparent in the analysis of the external environment?

4. Considering how attitudes toward risk, internal company culture, social issues, etc. may affect strategy and associated structure, identify and evaluate the personal values and skills of key executives who have responsibility for executing the strategy. Areas include:

- Determining strategic direction
- Does the organizational structure of the firm enhance its strategy?
- Exploiting and maintaining core competencies
- Developing human capital
- Sustaining the organizational culture
- Emphasizing ethical practices
- Establishing monitoring and control systems to manage the company.

5. From the analysis above, identify the **key strategic issues** or **challenges** facing the company. To what extent will these key issues affect or be affected by the current strategic orientation of the company. Is there a problem with the current strategy? Should it be changed? Or does the problem concern how well the company is implementing a strategy that should work? The strategic orientation of the company can be identified as:

- Business Level Strategies: low cost, differentiation, or focus (or a mix of these). These categories are broad and you should be able to discuss specific tactical strategies that fall into the categories. What are the driving forces underlying the business level strategies being used?
- Corporate Level Strategy: Vertical and horizontal integration, alliances, and diversification are examples of corporate strategic categories. Acquisitions and divestitures are also corporate level strategies. Comparing one division (or strategic business unit) to another and trying to improve overall performance also come under this category.

6. Once you have (a) evaluated the external and internal aspects of the company, (b) identified the strategic issues/challenges, and (c) evaluated the impact of these issues on current and/or future strategy, you must form some conclusions and recommendations regarding the future position of the company. Be sure to support your evaluation with

appropriate logic and research.

- What alternatives can the company consider? Alternatives should be mutually exclusive. Mutual exclusivity means the company can go down only one road. It usually cannot pursue multiple (conflicting) strategies simultaneously.
- When embarking upon a certain strategy, what is the probability that a competitor will respond? In what ways will they respond? How should the company, in turn, respond to competitors?
- What are the tradeoffs associated with each of the alternatives? You should NOT think in terms of "good" versus "bad", but rather what does the company **GAIN** from an alternative and what does it **LOSE**. That way you can compare gains and losses across the alternatives. Gains and losses may be in terms of customers, revenue, cost competitiveness, market share, profitability, core competence, time to market, future growth, survival, etc.
- Select a specific alternative to recommend. Make a logical, clear, and integrated argument (backed by research) to support why the gain and loss tradeoff from this alternative is better than the other alternatives.
- Recommendations should be made only if backed by analysis and logic. Trivial or unrealistic recommendations or recommendations that are inconsistent with the firm's goals, resources, the industry environment, and the culture of the company must be avoided.
- At least one of your recommendations **MUST** address how the company is currently fostering the demand for flowers and what can do in the future to grow the market (increase the overall consumption of flowers).

7. **FINALLY**, go back to the strategic issue or problem you identified earlier. How does your solution **SOLVE** or at least improve the strategic problem? Will your recommendation allow your firm to improve its performance (financial and otherwise) in the long run?

Characteristics of a good company profile:

1. Evidence of thorough analysis.
2. Judgments supported by evidence.
3. Organization and clarity of the presentation.
4. Identification of the key drivers and/or forces in the external environment and how they may affect the future of the firm or the industry.
5. Identification and evaluation of pertinent company's capabilities, weaknesses, resources, and sources of competitive advantage in the context of the industry and competitive environment.
6. Clear articulation of the strategic issue(s) you are addressing.
7. Use of tools and concepts from the text and lectures.
8. Alternatives that are realistic and are a result of the analysis.
9. Examination of the tradeoffs associated with each of the alternatives.
10. Justification for the recommendation(s) that is consistent with company strategy and resources.

Characteristics of a not-so-good company profile:

1. Not well organized or presented clearly.
 2. Failure to proofread ANY written material and correct obvious misspellings, errors, and sloppy grammar.
 3. Mere repetition of facts without analysis. (i.e. Rehash of the facts of the company is not value added.)
 4. Failure to identify (cite) outside sources.
 5. Failure to **ANALYZE**. Don't just give facts, do **ANALYSIS!**
 6. Lack of consideration of non-economic issues (i.e. culture, values, ethics, etc.) if they are relevant.
 7. Failure to support opinions by evidence or logical explanation.
 8. Failure to perceive or present an "organizational" or "strategic" viewpoint.
 9. Lack of adequate outside research.
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