**Opportunity Evaluation and Value Creation**

# DATCB/565: Opportunity Evaluation and Value Creation

Competency 3 - Assessment

11/06/2022

| **Learning Organization Element** | **The extent to which the company epitomizes this element** | | | **Provide a sentence justifying your determination** |
| --- | --- | --- | --- | --- |
| **High** | **Medium** | **Low** |
| Inspiring and motivating people with a mission or purpose | x |  |  | The mission statement of the company is somewhat encouraging and uplifting. Employees are motivated by the company's objective to reduce food waste and alleviate hunger in their communities. The organization has established a plan of action through which it intends to improve its culture and the communities in which it operates by harnessing its employees' energy, enthusiasm, and assets (Kroger, 2021). Motivating in that it emphasizes the importance of individual development to the company's success and future growth, the company's mission statement is a powerful marketing tool. |
| Developing leaders | x |  |  | The company is well-equipped to train future leaders. Junior staff members can grow and acquire the skills necessary for successful job performance and advancement within the company. A key factor in the success of the company's store management staff in their new jobs is the training they get in the leadership essentials program. |
| Empowering employees | x |  |  | Staff morale may be boosted by giving them a voice via regular surveys and focus groups (Des et al., 2019). According to this metric, Kroger Company excels in terms of employee satisfaction. Managers at all levels, from executives to individual units, work hard to maintain open communication with their teams' associates. The aim is to disseminate data and get people to think about it. Executives utilize various strategies to motivate and connect with their teams. These include mentoring, emails, inclusion groups, staff training, social media, and annual employee engagement surveys (Kroger, 2020). |
| Accumulating and sharing internal knowledge | x |  |  | Cultures of these people likewise value and promote technology in data collecting and dissemination (Des et al., 2019). The organization has established a robust framework for discovering and implementing energy efficiency improvements in its production facilities, leading to a high knowledge accumulation and dissemination rate across the company. |
| Gathering and integrating external information |  | x |  | As a result of working with suppliers worldwide to source components and finished goods for its many brands, the company has a medium level of external information gathering and integration. This international distribution system is always adapting to accommodate Kroger's wide range of merchandise. The company's procurement and marketing departments make concerted efforts to keep up with its ever-evolving supplier base in light of customer likes and preferences and legal and ethical compliance considerations (Kroger, 2020). |
| Challenging the status quo and enabling creativity | x |  |  | The company has a strong reputation for innovation and a culture that encourages risk-taking and unconventional thinking (Des et al., 2019). Expanding its digital reach and enhancing its digital shopping experience in 2019, the company now provides customers with smart shopping lists, digital coupons, and the products they love. |
| Leadership at the Company should promote using multiple information channels to collect and synthesize external data. The company can access critical data from vendors and rivals. To stay abreast of the competition, your company might eavesdrop on its quarterly earnings calls or other direct communication between its top executives. The data can shed light on the methods used by its rivals. Moreover, it can learn about the investments and plans of its competitors by monitoring the social media activity of its rival organization's employees on sites like Facebook and Twitter.  Similarly, the Company executives could use benchmarking to assemble and coordinate data from multiple sources. Managers may want to improve communication within their organizations by discovering effective practices. Both competitive benchmarking and functional benchmarking are identified by Des et al. (2019). Whereas the former limits best practices research to direct competitors, the latter seeks to identify universal best practices. | | | | |
| References  Des, G. G., McNamara, G., Eisner, A. B., & Lee, S-H. (2019). *Strategic management: Text & cases* (9th ed.). New York, NY: McGraw Hill Education  Kroger Incorporation. (2020). *2020 environmental, social, and governance report*. Retrieved from http://sustainability.kroger.com/Kroger-2020-ESG-Report.pdf  Kroger Incorporation. (2021). *Kroger: Fresh for everyone*. Retrieved from <https://www.thekrogerco.com/> | | | | |

Date: 2nd November 2022

To:

From:

Subject: Strategic Recommendations Memo

This memo has been written to you as the company's CEO that I have been assessing throughout the course, outlining my plan to create economic, social, and environmental value. In essence, the purpose of this memo is to showcase the organization's strengths, which may be seen as those things that the organization does very well; Weaknesses are aspects of the organization's internal makeup that are within its direct control, and as such. They are areas in which the organization has to make improvements. Both possibilities and dangers might be found outside the boundaries of the organization. The five factors that Porter identifies as being at play in his industry analysis methodology are as follows: The intensity of a significant disagreement. The bargaining strength of the suppliers. Bargaining power is provided by customers who make purchases. Substitutes are risky. Emerging competitors provide a threat.

**The Influence of Competitive Rivalry**

Relationships with customers and providers are impacted by the number of severe rivals present in the sector as well as the strength of those competitors. It is challenging for companies that face a substantial number of strong competitors to win the loyalty of their consumers since those customers have more alternatives available to them. Effective strategies for limiting your customers' risks in a very competitive market might include good cost management and item separation. Considerations for the Analysis of the Industry: Find out how many formidable rivals there are and what they have to offer regarding the products or services they provide. Investigate the bloody scene to evaluate the amount of danger you are willing to take to establish productive long-term connections with customers and suppliers.

**Buyers' Bargaining Power**

The number of customers an organization serves may affect its capacity to influence pricing and quality. For instance, a large grocery chain with locations in many states has a greater chance of bringing rebate prices into the discussion than a tiny business specializing in odds and ends located in a distant area. A far-off bits and ends business could have to charge higher prices for its wares given that it is the only store in the vicinity. In a certain sector of the economy, where a relatively small number of customers account for the vast bulk of sales, those customers can demand increased quantities of a product or administration. When a business has a larger number of clients, its dependence on a select few of those clients decreases. In a certain sector of the economy, when a relatively small number of customers account for the vast bulk of sales, those customers can demand a greater quantity of a product or service. Considerations for the Analysis of the Industry: Research should be done to determine the size of a customer's client base, the amount that consumers are willing to pay, and the reliability of that customer base. If a consumer has a problem with the price of a product or service, your client should do all in their power to react to the customer's affectability of value.

**Substitutes Pose a Risk**

Customers have a greater number of choices open to them when it comes to obtaining similar products or services when there are many alternatives to an item or service. Your client is responsible for ensuring that their product or service continues to be in great demand among consumers. Because of this, consumers will continue to have faith in the superiority of the product or service they are now using, regardless of whether a comparable alternative becomes available sooner or later. For instance, Microsoft Excel may be used instead of specialized software for project management or various scheduling applications. When a substitute for an organization's presently available goods or administration becomes accessible, it has the potential to cause damage to the organization. Customers could be persuaded to go with a different alternative if the product or service replacement offers many features equivalent to those offered by the original choice at a much-reduced price.

For this reason, getting a more in-depth familiarity with one's consumer base is necessary. Considerations for the Analysis of the Industry: Learn why it is so common to look for alternatives to the product or service your customer offers. Will there be a cheaper alternative to the product or service that can be replicated? How crucial is it that the product or service be of high quality to potential customers?

**New Entrants Pose a Risk**

If breaking into your sector does not require much effort or expense, then there is a good chance that new, more aggressive rivals will do so shortly. Because of this, the market might become oversaturated, with a steady stream of new aggressive rivals entering the fray. Most of us may remember the craze that was 3D television, which caused an influx of well-known TV producers to join the market immediately. However, just a few short years later, the industry came dangerously close to disappearing totally. How difficult is it for newbies to get started in a certain industry? An outfit corporation needs more than admission to a clothes supplier and a few programs to function well. The fact that it isn't hard to do explains why many clothes groups exist today.

On the other hand, a group with substantial power in producing navigational programming for the maritime sector would have much more stringent criteria that are expected to be followed. This undoubtedly makes it more difficult for new companies to get into that market and compete with the existing ones. Considerations for the Analysis of the Industry: Investigate the stringent regulations and norms in a certain business, the substantial obstacles to admission, and the amount of premium it is for pariahs to join.

The public headquarters of the industry has a crucial role in producing a benefit on a wide scale, as suggested by Doorman's Diamond Model (De Bruin, 2018). This headquarters supplies the key aspects that will help the associations create benefits even though they are competing with companies worldwide. Diamond determined that four factors determine acquiring a public advantage. According to him, the degree to which the four factors inside a country interact with one another determines the competitive power of companies. As a result, firms that engage in fierce competition emerge as distinct clusters of enterprises that may be located locally.

Groups may communicate via vertical relations, such as buyers collaborating with suppliers, or through horizontal connections, such as customers, innovation, abilities, dissemination methods, etc. A nation will have the capacity to establish commercial frameworks that will trigger a competitive edge and financial success thanks to the participation of these specialized groupings. A connection has been made between the automobile industry in Japan and the semiconductor sector in the United States and Porter's precious stone model to create outstanding business frameworks and a competitive edge over other types of businesses. Developers can fall into the trap of thinking that all it takes to get their companies to learn is to articulate a realistic goal, provide acceptable motivators, and provide adequate training. This idea is false and harmful, and this is the case despite the growing competition, gains in innovation, and changes in client preferences.

**Reference**

De Bruin, L., (2018, 18th June) Porter's Diamond Model: Why Some Nations Are Competitive, And Others Are Not. Retrieved from Business to you. https://www.business-to-you.com/porter-diamond-model/

Dess, G. G., McNamara, G., Eisner, A. B., & Lee, S-H. (2021). Strategic management: Text and cases (10th ed.). McGraw-Hill.

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