

# The Company Ltd

## Strategic Assessment

This report is in 2 sections. The first section documents the raw output from the meeting, the second extracts the action plans and sets out the steps required to help the business achieve its goals.

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## Section 1: Meeting Output

### Aims

#### Corporate Aims

##### Within 1 year:

- Put a succession plan in place
- Move location
- Name well established in Nottingham, the default supplier.
- Tie current clients in tighter
- Achieve a turnover of £1 million (from £650k)
- Improve margins to 25% or 30% (were as low as 10%)

##### Within 5 years:

- Merge with one of the big organisations
- Turnover of £3million

#### Personal Aims

MD  
Head of Section

- Take a back seat
- Develop telereasearch market.
- Develop the team skills
- Develop the field research market
- Become a director

FD  
Head of Section

- Get the finances under control so that I am in full control
- Win 2 big contracts
- Sort out JRA
- Have a DP team that are trained and motivated
- Win/Run a major account
- Become a director
- Be happy 😊

Head of Section

- Fully develop the opportunities with existing clients leading to sales
- Capitalise on the strengths of the business, leading to new customers
- Become a director

## Ansoff Matrix

When you are considering developing a business, the main approach is to add new services, or move into other markets. Other areas to be considered are selling more of the same to the existing client base and potentially diversity.

The Ansoff toolbox provides a method to enable companies to consider which direction to take.

		Services	
		Existing	New
Clients	Existing	<b>Market Penetration Strategy.</b> Encourage existing clients to buy more.	<b>Product Development Strategy.</b> Encourage existing clients to use new services
	New	<b>Market Development Strategy.</b> Promote existing services to new clients	<b>Diversification Strategy.</b> Offer new services to new clients

## Boston Box

This helps to understand the portfolio of products that The Company possesses.

		Market Share	
		High	Low
Market Growth	High	<b>Stars</b>	<b>Problem Child/Question Marks</b>
	Low	<b>Cash Cow</b> <div style="border: 1px solid black; background-color: #e0ffe0; padding: 5px; display: inline-block; margin: 10px;">Data Processing</div>	<b>Dogs</b> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="border: 1px solid black; background-color: #e0ffe0; padding: 5px; display: inline-block; margin: 10px;">Consulting</div> <div style="border: 1px solid black; background-color: #e0ffe0; padding: 5px; display: inline-block; margin: 10px;">Field</div> <div style="border: 1px solid black; background-color: #e0ffe0; padding: 5px; display: inline-block; margin: 10px;">Telemarketing</div> </div>

We considered the market to be Nottingham and in the future, the Midlands. The above represents the Nottingham position.

From this analysis, The Company is very dependent on the Data Processing capability; the 3 other services are all in a questionable sector of the matrix and positive steps must be made to change this.

Ideally, we would want a mix of Cash Cows, Stars and Question Marks. Cash cows are the relatively easy sell, low margin turnover generators. Stars are the profit generators, being market leader allows you to charge a premium whilst you are in that position. Now market continues to grow and, in time, stars should develop into cash cows. Question marks should represent new products and services that are the attempt to break into growth markets. Dogs need to move out of the segment, either by getting out or changing the segment. If the market is static then the only option is to aim to be a cash cow. Given the emphasis on public sector organisations to prove their effectiveness, both internally with staff and externally, with the public, it may be that there is some new growth in this sector and the possibility of moving your products into Question Marks is possible. To some extent, you are creating the market by offering the option.

## SWOT Analysis

The strengths and weaknesses reflect the current capabilities against the vision of the business in 1 year.

Areas for attention within the next year have been highlighted.

<b>Strengths</b>	<b>Short/Medium/Long Term Threat</b>	
Data Processing: Flexibility, accuracy, speed.	Medium	Is CATI/CAPI a short-term threat?
Do it all in-house	Medium	Need to ensure that 'all' is true on-going, reflecting changes in market demand and technology
Price Competitive	Medium	The changes in technology may make
(Computer Aided Telephone Interviewing)	Short	Cheap entry route for competition. With the right IT, a good, small operator could set up an operation that could compete on speed, flexibility and accuracy for small contracts.
Reputation and Customer Satisfaction, Established	Long	A key feature of the business that should not be ignored in the chase for more business
Staff (IIP used effectively)	Medium	Needs to be maintained
Better Premises	N/a	It is happening
Knowledge and Experience to overcome adversity	Medium	A key strength.
Proven Quality BS7911 MRQSA	Medium	Needs to be maintained

<b>Weaknesses</b>	<b>Magnitude</b>	
Marketing: Brand awareness	Big	The Company are not a natural choice for tender lists
Customer Relationship Management	Big	Before, during and after engagement, maintaining appropriate contact and knowledge of other contacts improves the chance of future sales.
Succession Strategy and future management structure	Big	Not understanding who is in charge and everyone's responsibilities will lead to lack of direction.
Website: Out of date/functionality	Big	This needs to be in line with the marketing strategy. Overture pay per click marketing
Consultancy Capability	Small	Not viewed as a major obstacle and ties in with the opportunities.
Understand USP	Big	I have added this. It may not be a weakness but I did not get a clear statement of the fundamental USP of The Company. This is what you should sell.

<b>Opportunities</b>	<b>Attractiveness</b>	<b>Success Chance</b>	
Local market leader in Teleresearch	High	High	Include CAPI/CATI
Move up the food chain	High	Medium High	Get closer to the end customer, less sub-sub-contracts
Technology	High	High	CAPI/CATI
Associations with partners (especially Marketing professionals)	High	???	2 benefits: Larger salesforce Enhanced consultancy service

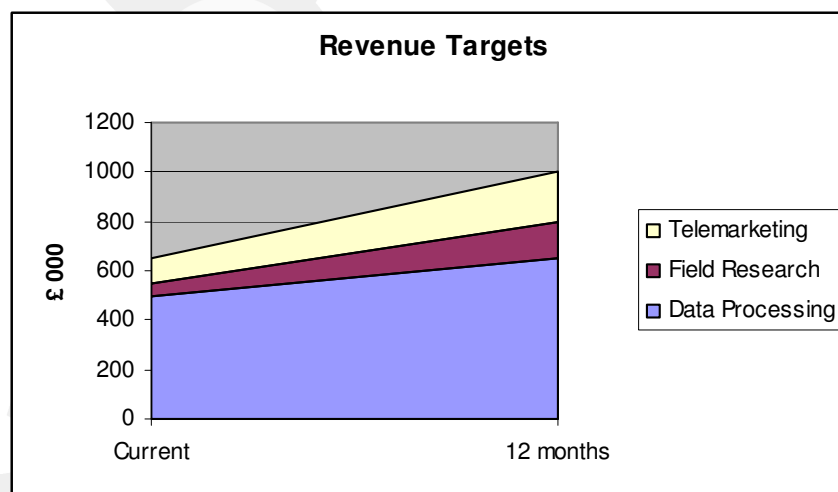
<b>Threats</b>	<b>Seriousness</b>	<b>Likelihood</b>	
End user awareness of existence and capability	Low	Low	A successful marketing strategy, enhancing awareness should result in this being a minor issue.
Technology	High	High	CAPI and CATI are cheap entry points for competition. Potentially, a sole trader could provide these services (including DP). Many sole traders could erode some areas of the market.
Technology eroding DP advantage	Low	Low	The strengths of flexibility and problem-solving should always mean

## Section 2: Interpretation and Actions

### Corporate Aims

The aims need to be translated into specific targets in a business plan, broken down into appropriate revenue streams.

For example:



The categorisation in the example (Telemarketing, Field, DP) may need to be appropriate. They need to be aligned to accountable individuals so that the outcomes can be measured. Another approach would be to consider key accounts. This planning has been added to the action plan.

## Action Plan

The action plan is being addressed first and this will then be mapped to the strategic aims through the Ansoff Matrix and Boston Box to ensure that the actions are focused on achieving the aims of the business.

The primary consideration is the short-term actions required as we identified in the SWOT analysis. Other activities are long-term or on-going activity such as maintaining the quality of the service. There are key attributes of the business that should not be overlooked whilst running the business day-to-day and developing the business over the next year. For all the items identified in the SWOT, someone must be made responsible and be set targets.

Targets should be SMART, Specific, Measurable, Achievable, Relevant, and Time bound.

Specific: There is absolute clarity in what is required,  
Measurable: Setting exact targets, not vague statements like “increase market share”  
Achievable: There is no point aiming to high, it is de-motivating.  
Relevant: Does the target improve the business  
Time bound: State by when the target should be achieved

Without picking on Mandy for special treatment, purely for example:

- “Sort out Client A” is not SMART.
- “Increase sales to JRA by 10% within 6 months” or “Improve margins by 5% on all Client A projects within 12 months” is SMART (assuming it is achievable).

The following actions list has some detailed actions with targets set. These are examples of what might be set. The business should set these parameters.



### Immediate Actions (next 12 months)

Actions	Threat	Accountable Person	Specific Action	SMART Target	Aims Addressed
Revenue Planning	Without having accountability broken down to individuals, it is unlikely that the targets will be achieved		Create a forecast representing the target turnover, define the categories and assign responsibility	Detailed revenue forecast by Sept 04	Turnover of £1 million
Marketing: Brand awareness	The Company are not a natural choice for tender lists		Engage with a specialist marketing consultant. Project includes review of website in line with marketing objectives.	Project completed by October 04	Established name in Nottingham
Customer Relationship Management	Before, during and after engagement, maintaining appropriate contact and knowledge of other contacts improves the chance of future sales.		Introduce a CRM system	Specified, installed and trained by Dec 04	Fully develop opportunities with existing clients (MdG)
Succession Strategy and future management structure	Not understanding who is in charge and everyone's responsibilities will lead to lack of direction.		Engage with Business Link Workforce Development team to support the process (?? Hev Bingley would did liP ??)	Ensure WFD contact by Sep 05	Take a back seat (VOB) Become a director (all bar one)
Website: Out of date/functionality	This needs to be in line with the marketing strategy. Overture pay per click marketing		Following marketing analysis, revise website	Complete by Nov 04	Fully develop opportunities with existing clients (MdG) Capitalise on strengths of the business (MdG)
Understand USP	I have added this. It may not be a weakness but I did not get a clear statement of the fundamental USP of The Company. This is what you should sell.		Statement. Challenge this with Devil's Advocate	August 04	Turnover, margin





Actions	Threat	Accountable Person	Specific Action	SMART Target	Aims Addressed
Local market leader in Teleresearch	Include CAPI/CATI		Specific output from Marketing exercise. To be tested by market research	Assess awareness before and after the marketing strategy. Achieve a 15% improvement in awareness by Jan 05	Established name in Nottingham
Technology	CAPI and CATI are cheap entry points for competition. Potentially, a sole trader could provide these services (including DP). Many sole traders could erode some areas of the market.		Understand where the technology fits into the business and which projects it works best with	Statement of benefit. Understanding in the business, particularly account managers. Included in marketing literature by Nov 04	Develop teleresearch and field research (SB)  Improve margins (through cost reduction)
Associations with partners (especially Marketing professionals)	2 benefits: Larger salesforce Enhanced consultancy service		Identify and communicate with potential partners	Contact 50 by Dec 04	Turnover
JRA			Need to define desirable outcomes	Create a SMART target by Sep 04	Be happy 😊 (MR)
<b>Review this plan for feasibility</b>	<b>This is a long list. Much of it is close to business as usual but there is a need to consider cost, resource and implications on current business.</b>			<b>Prioritised list with timetable and resources created by Sep 04</b>	





## Aims Addressed

It is important that we ensure that the aims have specific actions attached, otherwise they will not be achieved.

AIM	Addressed ?
Put a succession plan in place	✓
Move location	✓
Name well established in Nottingham, the default supplier.	✓
Tie current clients in tighter	✓
Achieve a turnover of £1 million (from £650k)	✓
Improve margins to 25% or 30% (were as low as 10%)	✗ Not explicitly
Take a back seat	✓
Develop teleresearch market.	✓ Reserved, not explicit
Develop the team skills	✗
Develop the field research market	✗ Not explicitly
Get the finances under control so that I am in full control	✗
Win 2 big contracts	✓
Sort out JRA	✓
Have a DP team that are trained and motivated	✗
Win/Run a major account	✓
Fully develop the opportunities with existing clients leading to sales	✓
Capitalise on the strengths of the business, leading to new customers	✓
Be happy 😊	✓
Become a director	✓

We have not addressed the financial control or team development issues.

Actions	Threat	Accountable Person	Specific Action
Get Financial Control Improve margins	Inability to plan expansion and resource and ensure profitability of each project/account	SOB	Get support from Andy Luffman on financial control systems.
Team Development	Inefficiency, high staff turnover, morale	SB	Work with Workforce Development Adviser

## Ansoff Matrix: Mapping the Aims to the matrix.

Looking at the market development aims of the business, we can map these to the Ansoff matrix to understand how the business is planning to develop.

		Services	
		Existing	New
Clients	Existing	<b>Market Penetration Strategy.</b> <ul style="list-style-type: none"> <li>Name well established in Nottingham</li> <li>Sort out JRA</li> <li>Fully develop the opportunities with existing clients leading to sales</li> </ul>	<b>Product Development Strategy.</b> <ul style="list-style-type: none"> <li>Teleresearch</li> <li>Field research</li> </ul>
	New	<b>Market Development Strategy.</b> <ul style="list-style-type: none"> <li>Name well established in Nottingham</li> <li>Capitalise on the strengths of the business, leading to new customers</li> <li>Win/Run a major account</li> <li>Win 2 big contracts</li> </ul>	<b>Diversification Strategy.</b> <ul style="list-style-type: none"> <li>Teleresearch</li> <li>Field research</li> </ul>

There is a good balance to this range of aims. I have deliberately put Teleresearch and field research in the 2 'New Service' boxes. I do not think that it is a major diversification from your existing range of services and The Company will be able to claim some experience and skill if it is viewed as an extension of the overall package offered.

## Boston Box

The existing portfolio needs to be developed to remove the 'Dogs'.

There is agreement that the **consultancy** is not important and can be left as an add-on service.

The **field** and **teleresearch** need some action and plans are in place. Following the Boston Box philosophy, we want to move left or up to improve the returns. By carefully defining the market, maybe geographically, it may be possible to become a market leader. This can be revised and expanded, say from Nottingham to East Midlands, over time.

The Data Processing cannot be ignored; it is and will continue to be the main revenue source for the business.

The actions identified are generally supportive of the changes required to the portfolio.