

Lecture 1: Introduction to Strategic Management

Case Study

Example of strategic management

1. Identification

A furniture company named Wood's Fine Furnishings is preparing to introduce a new line of kitchen tables. They decide to implement strategic management to ensure that the product release goes smoothly, efficiently and consistently across all of their retail locations.

2. Analysis

*In the past, Wood's Fine Furnishings has suffered from inconsistent marketing and incorrect shipping costs with the release of new products in their multiple retail locations. Before the release of their new kitchen table line, they have decided to run a SWOT analysis to see how they can improve the process.***Strengths:**

- *Quality product*
- *Several locations for the ease of purchase*
- *Flat shipping rate*

Weaknesses:

- *Poor communication between store managers and between store employees*
- *Shipping rate applied multiple times at some stores*
- *Inconsistent marketing strategy*

Opportunities:

- *Unified marketing*
- *Transparent fees*

Threats:

- *Wood's Fine Furnishings' main competitor released a line of kitchen tables last quarter*

3. Formation

Using their SWOT analysis, Wood's Fine Furnishings creates a strategic plan for the release of their kitchen tables. It includes providing consistent marketing collateral, both print and digital, to all retail locations. It also includes sending a representative to each retail location to explain how to correctly apply the shipping rate to all purchases. Lastly, the support team sets up an internal messaging system so store managers can communicate quickly and easily about challenges and successes in their stores.

4. Execution

One month before the release of the new kitchen tables, the marketing team provides the marketing collateral to all retail stores. Every store is given the same guidance on how to implement the marketing items effectively. Two weeks before the launch, store managers are trained as a group on the new messaging system. The trainers field questions and make sure every manager has the messaging service set up on their company cell phone and office computer to be accessible at all times. One week before the launch, a representative from company headquarters trains every retail employee on how to appropriately apply shipping costs to a sale. Managers are also present to make sure this process is carried out correctly with customers.

5. Evaluation

Wood's Fine Furnishings reviews the data from their kitchen table release one month after the first day of sales. They find that the marketing plan drove consumers to the retail location closest to them to see the tables in person. The internal messaging system was under-utilized by most managers, many of whom did not like customers seeing them on their phones while out on the floor. There were no issues with shipping costs during this release. The strategic managers take this data and use it as they begin to plan for their next new product release.