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MGT520: STRATEGIC MANAGEMENT  
MODULE ASSIGNMENT: STRATEGIC MANAGEMENT

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## INTRODUCTION

Strategic management provides overall direction to an enterprise and involves specifying the organization's objectives, developing policies and plans to achieve those objectives, and then allocating resources to implement the plans. [A] Nevertheless, strategic management offers much more than intricate scholarly definitions, it represents a different sense of overarching direction. It helps all the stakeholders to understand the overall purpose and goals by defining the company's mission, vision, and goals. Also, it helps to align, optimize, and prioritize available human, financial, and technological resources efforts to ensure that right is directed toward those tasks that will most lead to the accomplishment of objectives and goals. In addition, strategic management evaluates the internal and external factors that may pose challenges and risks. This assists the company in formulating plans to reduce risks and threads or make wise decisions in response to them, as well as implementing reliable actions that meet long-term goals.

Once employees understand the company's strategic goals and their role in achieving them, it can boost morale, communication, motivation, and engagement by measuring key performance indicators (KPIs), to track progress, evaluate the success of strategies, and make adjustments so employees feel a sense of purpose and connection to the larger mission of the company.

By addressing the importance of strategic planning, we should focus on analyzing and researching the toys industry in the UK and Japan first before we go through our strategic plan in details. The toy industry in the United Kingdom is a significant and profitable market, growing progressively every year. The revenue of the toys and games market went from approximately 4 billion British pounds in 2015 to just over 4.7 billion in 2021 and is expected to reach over five and a half billion by 2027. The toy industry includes different segments with different target markets, from toys intended for children to more complex games targeting adults. In 2021, toys for toddlers and kids were the most profitable segment in the toy industry in the UK, with revenues in that segment alone exceeding 1.4 billion British pounds [B]. While the toy industry in Japan is a booming and thriving market. In fiscal year 2022, the toys market in Japan was valued at approximately 894.6 billion yen (around 6 billion United States Dollars). This represents an increase from about 824.4 billion yen (around 5.5 billion United States Dollars) in the previous fiscal year. The toy industry in Japan is characterized by a variety of merchandise targeting children and adults alike, as well as educational toys targeting kids specifically as a part of the Japanese culture. Also, Domestic toy production has shown an upward trend in recent years as new technology combines with burgeoning trends in popular culture, such as anime and manga characters, which have developed a vast fan base that has contributed to the industry's success.

Anyhow the innovation of Just Toyz in the market, Just Toyz has achieved an enormous, unique rise in the field of toys supplies in just 36 months, with a revenue of millions. This shows that the company started with a good management core. However, it has been able to achieve a wide base of consumers, which requires further development and innovation in supply and production, creating new market ideas,

searching for new potential customers, and seeking new strategies to carry out the anticipated expansion. Our strategic plan to assist Just Toyz in growing the business and increasing its chances of success is based on several guiding concepts, including smart goals, a clear vision, values, appropriate planning, genuine creativity, and stakeholder trust and credibility. As we will illustrate in our study in the next rich research.

## 1) SCHOOLS OF STRATEGY

First will have a brief description of the schools of strategy, There are three ‘schools’ of strategy.

### A. Planning School

This school views strategy formation as a systematic and formal process of development and growth. It depends on a comprehensive analysis of the internal and external environment, starting with analyzing the situation and studying the past and current trends of the company's business, in addition to trying to predict future market trends in a rational, detailed, and analytical analysis such as SWOT (strengths, weaknesses, opportunities, and threats). Then, setting goals, dividing each goal into smaller, manageable, achievable ones, and presenting it in an inflexible, detailed form that is official, controlled, and supported by technologies, Which will allow the company to take a strict set of steps to develop a successful future strategy that reconciles and harmonizes the company’s strategy with the business environment. And this is what makes it inappropriate in turbulent markets, but it can be used in stable markets as well.

### B. The positional school:

The positioning school's core principles stressed that the strategy of the companies should be specific, substantive, significant, exploratory, and focus on a balanced and analytical approach to the market to develop a strategy suitable for successful growth and creating a unique and maintainable defensible market position. While taking into consideration that such growth should contribute to challenging current and potential competitors while keeping pace with competitive markets and obtaining a competitive advantage. Also Michael Porter's generic strategies (cost leadership, differentiation, and focus) are often referenced in the Positional School [C].

### C. The resource-based school

The resource-based school is a perspective on strategic management that focuses on the company's internal resources and capabilities as the primary drivers of corporate performance and the key to sustainable competitive advantage. It comes from owning and benefiting from unique and valuable resources that are difficult for competitors to imitate or replicate, such as intangible resources that are considered assets for the company, such as the brand, intellectual property, and competencies, which are things that other companies cannot buy from the market and become a competitive burden. However, it depends on studying the internal environment of the organization instead of studying the market to achieve higher organizational performance. Therefore, this model should be used in partnership with other frameworks and theories when implementing long-term strategic planning to develop an integrated and comprehensive strategy.

Moreover, the schools of strategy provide overarching perspectives on strategy formulation. Since the planning school focuses on formal planning processes, the positional school emphasizes gaining a unique competitive position, while the resource-based school highlights the importance of internal resources. So we need to implement a comprehensive and integrated approach to achieve the company goals. Successful strategies often involve a balance between external positioning, internal resource leverage, and systematic planning. However, to achieve the growth of Just Toyz, we will use the positional school as the main strategy method, which involves numerous tactics, some of which can raise the company's growth potential and competitiveness. While the school planning strategies will be combined to formalize the quick growth and keep the company on a systematic track. In conclusion, having a strong competitive position in the industry, flexibility, and methodical planning are all necessary for effective strategic management. This will be explained in the competitive advantage of Just Toyz strategies to achieve growth and sustainability in an agile way.

## 2) THE COMPETITIVE ADVANTAGE OF JUST TOYS

In a proposed growth strategy, a company may combine a product development strategy and a backward integration strategy, each serving a different direction within the company's overall growth and competitive position. Product development strategy involves creating new products or improving existing products to meet customer needs, help enter new markets, or stay ahead of competitors. This can be done by focusing on innovation and creating products with unique features or functions that differ from competitors, which helps increase the product portfolio and varieties to attract a larger customer base while understanding the customer's needs and preferences. Therefore, investment in research and development will be mandatory. This will lead to a competitive advantage by offering new and innovative products, which will enhance and increase customer loyalty by continuously meeting or exceeding their expectations. Such as updating cultural heritage by introducing toys with popular themes derived from Japanese and British culture and merging them with contemporary technological advancements. This might include well-known literary characters, historical figures, or iconic images.

On the other hand, a backward integration strategy involves a company expanding its operations through acquisitions, mergers with suppliers, or taking control of the supply chain. This allows for increased cost efficiency by producing essential components in-house and eliminating costs and reliance on external suppliers. It also mitigates risks and provides greater control over product quality and availability at all times.

In practice, Just Toyz may use a combination of these strategies to enhance the business objectives and operation. These two strategies can be combined in such a way that Just Toyz not only develops new products but also controls its supply chain from the beginning. Also, such a combined approach will enhance the competitive advantage by ensuring consistent supplies of essential materials and reducing

costs while improving the product portfolio to fulfill enduring market demands and consumer expectations, so such a combined approach will strengthen the competitive advantage of Just Toyz.

However, Just Toyz can expand its R&D investments and pursue continuous innovation to sustain growth in the market. This approach aligns with Porter's generic strategies, a set of strategic options companies can adopt to gain a competitive advantage in their industry. Porter identified three general strategies: cost leadership, differentiation, and focus.

Through research, it is evident that the Japanese and English markets are increasingly inclined towards unique educational toys, especially for children in young age groups. These toys align with modern technological trends, offering alternatives that divert children's attention from non-purposeful content on social media networks, foster intelligence and creativity, and prevent time waste. Consequently, the differentiation strategy also is a right choice in the chosen market sector. The differentiation strategy is a method of achieving a competitive advantage in which a company attempts to surpass its competitors by offering a product that consumers consider superior to a competitor's product. The company will focus on saturating the market with a product that is distinctive and unique in design and quality, targeting a specific segment of the market with products or services that are different from those of competitors. This approach offers a specialized product for a specific market segment rather than the entire industry. This type of strategy is also called niche marketing, niche differentiation, or product specialization, which, in turn, helps build customer loyalty by meeting their unique needs. Such a differentiation strategy can be achieved by producing toys aligned with the national curriculum and with specific educational standards and learning objectives. While embracing eco-friendly practices in the operations and packaging and highlighting the company's commitment to sustainability, as environmental consciousness is a growing concern for customers in the United Kingdom and Japan, and also added one more advantage to the product to make it more differentiated than others in that it is adhering to safety standards and regulations in both countries.

Finally, since we are employing both product development strategies and focusing on differentiating a specific product segment, along with utilizing backward integration to enhance production, the company can achieve the second strategy outlined by Porter, which is cost leadership. This is made possible by reducing costs without compromising quality through acquisitions and integration with competitors or suppliers, resulting in potential cost savings through internal production. Additionally, our online website, being significantly less expensive than competitors' retail locations and stores, enables the easy display of all products along with a thorough explanation of their advantages. This approach aims to attract more customers and target a broad market, whether through differentiation or by offering products at a lower cost compared to competitors. Furthermore, it will create barriers to entry for competitors due to cost advantages and targeting advantages. For instance, in the Japanese market, society is constantly seeking advancement and education while holding onto its unique cultural identity. Providing a product that

embodies the creativity and ingenuity of the rich Japanese culture is essential because it helps the user understand the worth of the product and the depth of its benefits, regardless of its cost.

Moreover, Just Toyz should focus on analyzing costs and customer needs to increase sales volume, profit, and market share in the United Kingdom, where the market differs from that of Japan and is susceptible to penetration by numerous competitors. This can be achieved by maintaining a high enough level of quality, which will deter new competitors, retain existing customers, and grow the customer base by fostering continued loyalty and trust in Just Toyz offerings.

### 3) SHORT-TERM AND LONG-TERM GOALS

Setting short-term and long-term goals for Just Toyz involves strategic planning and a clear vision for the company's future by setting specific, smart, measurable, achievable, relevant, and realistic goals agreed upon among all stakeholders and within a specific time frame. Such goals will be specified as follows:

#### A. Long-Term Goals

- Increasing sales is the first long-term goal, which is to increase total sales over a specified time frame by 40 percent in the next five years. Which will contribute to setting solid financial goals that help achieve long-term stability and growth, taking into account factors such as cash flow, profit margins, and capital investments.
- Another goal might be to become a dominant company in the toy industry. As previously discussed in Company Competitive Advantage Strategies, a company can become a market leader or a niche leader. This leadership must be achieved within five years and strengthen the brand's position in the market through consistent quality, interesting and unique offerings, and the creation of an easy company slogan and design. By increasing the marketing campaigns and ensuring that they are compatible with the holiday seasons and various occasions in the cultures of the two countries. This makes it possible to obtain a large market share among competitors, penetrate and spread within the market, and achieve leadership.
- Planning for expansion into the international market, taking into account global trends, potential target markets, and diverse cultures. This is done by identifying target countries and developing business plans and research programs to study and enter such chosen countries' markets within two years.
- For the new market entry and development research, the product portfolio can be expanded to meet broader market needs and evolving customer preferences.
- Set and implement long-term sustainability goals, such as incorporating environmentally friendly materials into manufacturing processes, participating in campaigns to increase public awareness of sustainability, and enhancing a corporate logo to reflect this as a genuine trend for the company. For instance, the environmental footprint of online shopping differs from that of traditional retail stores.



Also by guaranteeing that all of our products are delivered in environmentally friendly vehicles, which can be described in a slogan or logo next to the company logo.

- Develop and maintain long-term customer loyalty programs that create lasting relationships with customers and create an effective customer service system.
- Investing in the development and training of employees to ensure a skilled, motivated, and sustainable workforce to enhance innovation and development within the company.

### B. Short-Term Goals

Short-term objectives must be unambiguous, readily achievable, focused on individual or collaborative endeavors, aligned with the organization's overarching vision, and supportive of long-term objectives.

Therefore, they should be constructed with a long-term plan in mind. Such as:

- Conducting market research and comprehensive analysis of current market trends, consumer preferences, and competitor activities to develop a complete vision of how the company's products and customer needs and requirements are aligned.
- Seize the chance to introduce new products quickly in response to market demands.
- Establish a rapid plan to improve customer service responsiveness and create short-term client engagement programs like loyalty programs, sales, or limited-time rewards and offers.
- As the business moves into production, create a short-term plan to boost operational effectiveness while cutting expenses or optimizing the supply chain to minimize risks during the long-term growth era.
- Work on creating short-term targeted campaigns to increase sales and brand recognition. Leverage influences relationships, marketing, and social media.
- Improve the online shopping experience, make your website more functional, and put e-commerce best practices into action to get consumer feedback. This will help Just Toys to swiftly modify strategies to meet new obstacles, grab opportunities, and avoid risks.

By combining short and long-term goals, Just Toys can create a comprehensive strategy that balances immediate priorities with a vision for sustained growth and success. Regular reviews and adjustments are essential to ensure the goals remain relevant in a dynamic agile market environment.

#### 4) EXECUTIVE SUMMARY

Just Toyz is a Thai online toy wholesale company that aims to provide innovative, safe, and educational toys that inspire creativity and joy in children around the world. It is also focusing on increasing its market share in the Japanese, English, and international markets to enhance its growth rates. Just Toyz's innovative products are designed to stimulate imagination, encourage learning, and promote inclusivity. Just Toyz is required to develop a strategic plan (Strategic planning is an organization's process of defining its strategy or direction, and making decisions on allocating its resources to attain strategic goals. [D]), this plan identifies key initiatives and goals for the next five years, focusing on market expansion, product revolution, and sustainability. Taking advantage of Just Toyz's strengths and addressing its weaknesses, putting the planning strategy into effect after a SWOT analysis of both internal and external environments, in addition to discovering the opportunities and capabilities available to it to create a competitive advantage that will help to penetrate new markets, while addressing risks, and defining its long-term goals. However, the efficiency of strategy implementation can be measured by setting KPIs based on research and strategic vision, and this approach is gradually put into practice to position Just Toyz as a leader in the global toy industry.

##### A. MISSION STATEMENT

Mission statement is a short statement of why an organization exists, what its overall goal is, and the goal of its operations: what kind of product or service it provides, its primary customers or market, and its geographical region of operation. [E]

“Just Toyz's mission is to inspire and nurture the creative spirit in every child to create joyful childhood memories by designing and manufacturing high-quality toys that foster creativity, learning, and deep-rootedness fun and memories. Consequently, we are committed to ethical business practices, transparency with our customers, responsibility towards society, and sustainability in the industry. By adopting eco-friendly policies and innovation through our great creative employees, we can achieve a positive impact on the lives of children and communities across the world and cultures.”

##### B. VISION STATEMENT

Vision statement is a high-level, inspiration statement of an idealistic emotional future of a company or group. Vision describes the basic human emotion that a founder intends to be experienced by the people the organization interacts with. [F]

“To become a global leader in the toy industry, Just Toyz is recognized for our creativity, innovation, commitment to quality and sustainability, and as a source of inspiration and imagination through the simplest online shopping experience.”

### C. SWOT ANALYSIS

SWAT analysis is a strategic planning and strategic management technique used to help a person or organization identify Strengths, Weaknesses, Opportunities, and Threats related to business competition or project planning [G], as we will explain in the next few lines for Just Toyz case.

#### 1. STRENGTH:

1. Diverse and appealing creative product portfolio.
2. Strong relationships with suppliers and customers at all times.
3. Commitment to product quality.
4. The skills and efficiency of the work team are very high and creative.
5. Smooth online shopping.

#### 2. WEAKNESSES:

1. There are just two markets available for distribution and sales, one of which (Japan) has a low birth rate and a distinct culture.
2. The need to increase investment in research, development, innovation and keep pace with technological development.
3. Our products are essential, particularly during times of market inflation and recessions in the economy.
4. The lack of a competitive advantage in the market and the need to establish a path for both short- and long-term objectives to create a clear strategic vision for the company.

#### 3. OPPORTUNITIES:

1. The growing desire for educational and environmentally friendly toys, developing these products, and integrating them with technology to provide interactive gaming experiences will make a huge difference in the world of gaming and toys.
2. Entering new markets and growing into emerging ones.
3. Investing in innovation and employees will maintain the stability of the system and its gradual growth.

#### 4. THREATS:

1. Intense competition from new and potential entrants to the market.
2. Changing consumer preferences and needs, especially spending on non-essential items during economic downturns.

### D. GOALS:

Goals is an idea of the future or desired result that a person or a group of people envision, plan and commit to achieve. People endeavor to reach goals within a finite time by setting deadlines. [H]

As we mentioned previously about short- and long-term goals, Just Toyz will work hard to achieve the short-term goals within a maximum of two years and the long-term goals within 5 to 8 years, which are summarized as follows:

### Short goals

- Market research and comprehensive analysis of current market trends to develop a complete vision for the company's products to match customer needs and requirements.
- Develop new products and introduce at least four new lines with unique features.
- Improve customer service.
- Operational effectiveness: decrease expenses and reducing dependence on current suppliers by 20%.
- Targeted campaigns to increase sales and brand recognition.
- Improving your online shopping experience.

### Long goals

- Increase sales by 40 percent over the next five years.
- To become the leading specialized company within five years and enhance the brand's position in the market by obtaining a market share of 60%.
- International market expansion, including at least four to five additional markets with customized marketing plans.
- Reducing the carbon footprint of products by 50% and incorporating eco-friendly materials into production processes.
- Customer loyalty programs that create lasting relationships with customers and create an effective customer service system.
- Investing in the development and training of employees.

### 5) CONCLUSION

To develop detailed action plans for each goal Just Toyz must depend on having a staff that is well-trained and knowledgeable enough to comprehend and carry out the plan's aims. To keep up with the rapid changes in the world and industry, such a team must be quick and adaptable to the agile world. Just Toyz must promote a culture of innovation, cooperation, and continuous improvement among its team members. Also regularly reviewing of the progress, and making adjustments based on market dynamics and internal capabilities.

Moreover, to gain a competitive advantage Just Toyz must improve its R&D to understand and analyze the market demands and dynamics. Creating a strategy plan gives Just Toyz a roadmap and an integrated approach to success in terms of development, sustainability, market leadership, and positively influencing the lives of parents and kids. This illustrates the business's dedication to social responsibility, innovation, and quality.

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