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Table of Contents

*Introduction* ..... 2

*Executive Summary* ..... 3

*Strategic Plan* ..... 4

*Conclusion:*..... 19

*References*..... 20

# Introduction

In today's dynamic business landscape, strategic management plays a critical and pivotal role in guiding organizations towards success. It is not just about setting goals; it is all about formulating a road map that harmonizes and harmonizes every aspect of the organization towards achieving those goals efficiently and effectively in terms of quality and the elegance of implementation and the mentality based on managing the organization as a whole and the strategic plan, and we have many, many pieces of evidence, including Nokia and Kodak.

The acceleration that is happening now in our world, especially after the Corona pandemic, has made the change not only rapid, but the change has become instantaneous to the point that you do not feel the process of change, but rather notice it suddenly, as companies and businesses began to suddenly notice themselves that they lost the race and collapsed, as companies lost a realistic strategy that simulates a constantly changing world and the acceleration of technology. Strategy is the measures and decisions taken by senior management to compete and survive. If the environment is normal and healthy as it was two or more decades ago, you will not be able to predict what will happen and what risks you may face unless the company studies its decisions properly and their A deep analysis of the external and internal environment, sources of strength and weakness, available opportunities and potential threats. If you do not avoid risks, the impact will be diluted. The company's vision and goals indicate continuity in the business world, achieving success, which achieves high performance and sustainability. Therefore, Strategic leaders have a mentality that is open to change, continuous thinking, deep analysis, designing and formulating strategic goals, setting priorities, and accepting new ideas, as from the womb of a small idea, a big change is generated with an impact that may have an impact not only on the organization, but on the industry as a whole. Therefore, they are those who ensure the continuation and survival of the business.

My role here as the economic advisor for Just Toyz is to build a new strategy for a startup company, so I will formulate this strategy to achieve sustainable competition and achieve survival in the market, then implement this strategy to achieve sustainable competition, achieving the company's long and short-term goals to ensure the effectiveness of this strategy through performance evaluation and corrective actions. right on time.

# Executive Summary

## **Mission:**

**“The happiness of your children is our mission. We will reach out to you and do not burden your savings. We will provide you with everything that is modern and refines your children’s talents.”**

We are targeting the child happiness, we hope that our goal will also be humanitarian, to reach all children at our low prices, as we do not want to burden them.

## **Profile:**

We are a just toyz company from Thailand and we work in wholesale e-commerce. We started three years ago and all our supplies are to Japan and the United Kingdom.

## **Products:**

Our products specialize in children's toys, and we have an expansion idea, so we developed a business plan for the purpose of penetrating a new market, China, for example.

## **The market:**

Our expansion plan in China, where we found a large workforce and educated people who are good at reading and writing, prompted us to open a market there and find distributors there, so the opportunity for growth there is ripe.

## **Competitive analysis:**

Through analyzing our competitive advantage, we found that we have the strategy we work with, which is a cost leadership strategy. Also, our product has high quality compared to competitors who work with the same strategy, and we do not forget our human resources, as they are well qualified and repeatedly trained according to a training plan, which provides us with many There are opportunities not only to work online, but even to work with qualified distributors in any expansion area we want.

## **Financial:**

Our financial plan is that we will achieve sales revenues of about five million dollars by the end of 2026, and we also have a detailed plan during the second and third quarters of this year, with an increase of about 20%.

## **Strategic Plan**

Any strategic plan should consist of an element below and never lose any of it:

### **Vision:**

**" A reference for happiness in the minds and eyes of all children in the world"**

The vision is the foundation and base on which it is built. Therefore, it is essential for Toys Company to have a realistic dream to work to achieve through the mission, values and goals, and to continuously work to develop the cadres to achieve the goals derived from this vision and to set performance measures and constantly examine and inspect them to ensure its unified path with the vision. The vision is a distant image, but it is close in the mind of the leaders at Toys Company. Here the vision carries two humanitarian aspects, where the happiness of children, and an economic aspect, where the happiness of all children means reaching them and thus achieving optimal spread and a greater market share compared to competitors.

### **Mission:**

**"The happiness of your children is our mission. We will reach out to you and do not burden your savings. We will provide you with everything that is modern and refines your children's talents."**

Mission: It is a textual expression that indicates the basic purpose of establishing a business, what it offers, to whom it provides it, and what distinguishes it.

It also revolves around the values and goals of the experimental business and may indicate the target audience, which may include investors, so that their minds and ears can be reached in anticipation of any possible future development and expansion.



Fig -1 Vision and Mission

## Values:

Any Business must have values and principles, and what are those values? It is a statement that defines the organization's behavior and the behavior of its employees, internally or externally, in various situations, whether decisions, situations, or challenges. It has a major role in the organization's prosperity. It is considered the company's social capital, and it is necessary for it to be felt emotionally by the employees, not just a written statement in the statement of values. For the company, here at Toyz Company there are a group of them that will be listed below:

The are some core values that I see in the company are:

- Innovation
- Distinction
- Sharing
- Integrity
- Respect for child rights

Also, some other values that will inspire, drive and motivate crews to change in the future which are:

- The Change is important and essential
- one team one target
- Inspirations
- Patience
- Self-motivation
- Self-awareness



Fig -2 Vision, Mission, Values, and Competencies

### **Analyze the current situation:**

Since strategic management is a continuous process where the plan and method to achieve the vision, mission and goals, therefore, at the current point in time, a detailed study must be done of the company's presence in the market, as to what are the strengths it possesses, the weaknesses that threaten it, and the opportunities that can be exploited and the threats that it may encounter, and therefore it is an examination of the internal factors. External factors that have a direct impact on business performance include the economy, competitors, government policies, and regulations. Company culture, employees, business resources and cash management are internal factors that influence a business.

One of the common tools for situational analysis is SWOT, TWOS and STEEPLE.



Fig -3 SWOT Analysis

Sine the SWOT Analysis will help Toyz understand its strengths that will be useful in the new project, its weaknesses that must be overcome to be successful in launching new products, opportunities for it to succeed in the new project and the threats it perceives to succeed in the new project. Also allows the group/individual to deal with everyday problems and look at traditional strategies from a new perspective. and it is a planning tool used to understand the strengths, weaknesses, opportunities and threats involved in a project/work. It serves as a framework for the organization and use of data and information gained from the analysis of the state of the internal and external environment.

#### Internal analysis

- Strengths points
  - a. Abundant financial resources
  - b. Established brand name



- c. Lower production costs
  - d. Superior management
  - e. great growth
  - f. Excellent marketing skills
  - g. supply chain distribution
  - h. Employee commitment
  - i. Reputation
  - j. Strong leadership
  - k. Talents
  - l. A successful work teams
  - m. Skills and experiences
  - n. Technology
- weakness points
    - a. No real ability to identify market insights
    - b. Unsuccessful international expansion/s
    - c. Limited market shares
    - d. Low R & D Budget
    - e. Narrow product line
    - f. Poor market image
    - g. Poor marketing skills
    - h. Weak management skills

#### External analysis

- Opportunities
  - a. Rapid market growth
  - b. Expansion in the global market
  - c. Integration

- Threats

The threat analysis process is not simple, because some affect the industry as a whole and others affect the company in particular, so we will go into the details below:

a. STEEPLE Analysis

STEPLE analysis allows companies to fully understand the potential effects of external forces and factors and how to address them. This analysis can give the company a competitive advantage, increase sales, and reach consumers faster. It also allows the company to stay up to date with the latest trends, conduct market research and anticipate potential changes. STEPLE analysis helps companies in general in the process of continuous improvement in the quality of products or services provided by the company, which helps in meeting customer needs.

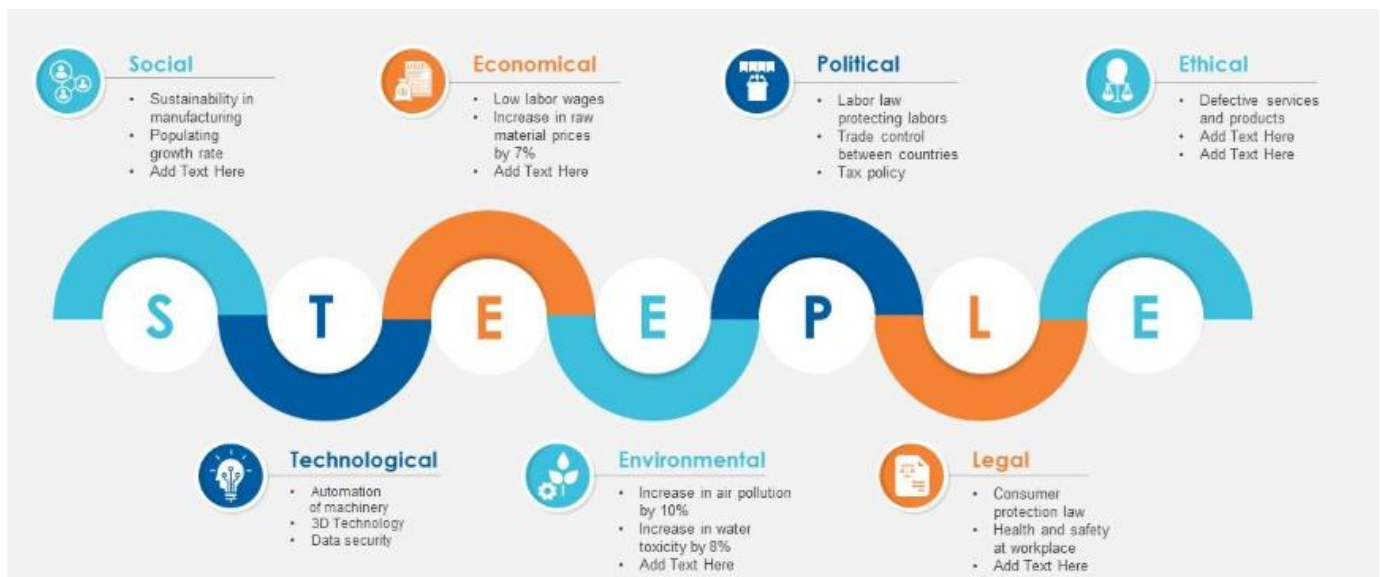


Fig -4 STEEPLE Analysis

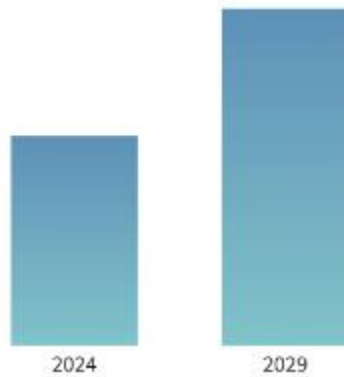
Here are the factors that contribute to a STEEPLE analysis:

Since the company and business are in the growth stage, and the product has a global scope, then the expansion will be in another country. After researching and noting that the largest markets are the North American markets, while the fastest growing is in Asia and the Pacific, so we will analyze the situation according to the Chinese market and the situation there is the fastest growing market in line with Current business stage.

## Toys and Games Market

Market Size

CAGR 9.91%



The study period 2018 - 2028

Base year for estimation 2021

CAGR 9.91 %

Fastest growing market Asia Pacific

The largest market north america

Market focus low

Key players



Fig -5 Size of the toys and games market

## PEST Analysis of China

### P olitical

- The country has good trade relations with most of the other powerful nations.
- China has proper strategies to maintain the low cost of the raw materials.

### E conomic

- In China, the labor cost is significantly low, and hence many reputed companies prefer to hire employees from China.
- China has a high GDP.

### S ocial

- It has a massive population of which almost 90% of them are literate.
- The lifestyle of the people is changing and so are their choices and tastes.

### T echnological

- The country has shown advancement in technological innovations.
- China is also making strategies to inspire the people to concentrate on innovations that can be helpful for their growth.

### E nvironmental

- The country has set up some guidelines for the business.
- China is also aiming to make electronic vehicles its primary mode of transport.

### L egal

- The country has banned social media like Facebook, Whatsapp, Twitter, YouTube, which has prevented these platforms from earning revenue.
- China also has some restrictions on the investment of foreign companies.

Fig -6 PESTEL Analysis of China

From the figure above, we can delve into the external factors that may occur in business in the Chinese market.

**Social:** China has a large population, about 90% of whom are literate. This makes it easier to obtain experienced workers and employees at a lower cost. High population is one reason for low labor costs. China has about 420 million Internet users, and this number is increasing significantly, and since online business is very positive. Therefore, the country is the best place for e-commerce startups.

**Technological:** There is great progress in technological innovations. It has changed the way it is produced and distributed. The biggest tech giants such as Baidu and Alibaba, which operate around the world, can allow companies to increase their sales. Because the country has good technological support, a large number of residents prefer to use e-commerce rather than visit the store to buy products.

**Economic:** This aspect may be a little worrying in China as the cost of labor is significantly low, leading to reputable companies preferring to hire employees from China. They can also hire experienced labor from this country at a much lower price than other countries and the GDP there is high. Therefore, the purchasing power of the people of the country is also significantly higher but the inflation rate in China is high and the cost of real estate is on the rise which can slow down the growth of the economy in The future, which may affect its growth.

**Environmental:** China has approved some laws and business guidelines for the purpose of securing and stabilizing environmental standards for production. Their impact is detrimental, as it may increase the cost of production and reduce profit. Since e-commerce has zero impact on the environment, as there is no energy consumption or exhaust, then there is another positive aspect in our favor there.

**Political:** China has a good trade relation with most other powerful countries, but its conflict with the United States and the countries of southern China may have a major impact on political stability at any moment. Therefore, this point is considered a threat to business, as it naturally changes the serenity of the ideal business environment for investors and drives away risk-averse people.

**Legal:** In China social media such as Facebook, WhatsApp, Twitter and YouTube have been blocked and there are some restrictions on foreign companies' investment and currently the state is texting and drafting e-commerce business laws, which is somewhat uncomfortable. The state has some laws on taxes and

intellectual property, but there is no law to validate the online contract between the seller and the buyer. It may increase the risk of online transactions for e-commerce sites.

a. Porter's Five Forces Analysis

This analysis is essential, as Porter's five forces analysis directly points to the sources of threats to business



Fig -7 Porter's Five Forces

### Threat of Potential Entrants

New entrants to an industry can pose a threat to existing companies in the market as they can change the competitive environment and can take away from existing companies' profit shares. The entry of new companies into the market results in the price of products becoming lower in order to compete for consumers. However, the entry of companies into existing markets requires high costs to raise their entry barriers, as new entrants tend to hesitate to start a business if there are many barriers to entry. Some of the ways in which a new entrant may emerge include acquiring an existing company and diversifying products. Here at Toyz Company, its entry into the Chinese market may follow one of these methods.

### Bargaining power of Buyers

It is one of the five forces mentioned by Michael Porter in the framework for evaluating and managing competition. It is noted that when the negotiating power of buyers is high, it gives them high negotiating power to pressure the seller to reduce his price or increase the quality of his products. In our new market,

which is the Chinese market, diversity exists, many products, and sellers are available in abundance. Therefore, it may pose a threat to business as the power of buyers is greater.

### **Bargaining power of suppliers**

In China, in contrast to the bargaining power of buyers, here the negotiating power is stronger at the expense of suppliers, as there is little nomination of suppliers, and there are no individual products, where business owners can complete backward integration as an expansion of the business.

### **Threat of substitution**

It is the threat that results when the market, competitors, or competitors outside the industry offer new products or services that are alternatives to existing products or services that are more attractive, easier to use, and less expensive. Therefore, we always remember that change is continuous, and flexibility and agility in the thinking of leaders and management methods may save the business from collapse. And bankruptcy.



Fig -8 Threat of substitution

### **Power of complementary goods /service providers**

Another competitive factor among manufacturers, complementary services play an important role in slowing or slowing down growth and profit, so it is necessary to take this into consideration when preparing the strategic plan.

## Our Goals:

A goal is a point or goal that one wants to reach in order to achieve something, whether personal, professional, commercial, humanitarian...etc.

It is essentially a point that, after reaching it, calls for pride, achievement, or achieving something. It is part of the goal theory.

Therefore, it is not an easy process, but setting real goals, whether long or short-term, that contribute to the success of your business, requires that the goals be smart to the extent that they are specific, measurable, achievable, relevant, and built on a basis at a specific time, usually from Before senior management or the CEO writes long-term goals, for example a specific goal for three years, then this goal is transformed into a set of annual goals or projects, and the tactical level is appointed to follow up and supervise their achievement, and management at the tactical level converts these annual goals into Short-term monthly goals.



Fig -9 SMARTER goals

### **Setting goals for Toyz:**

The way of thinking in the process of setting goals is usually consistent with the vision and the mission, and the strategies used are harnessed for the purpose of achieving them. Therefore, our goals at Toyz Company will be set to achieve the goals that, as a result, enable us to perform the mission and achieve the vision.

- Sales revenue 5 million dollar within 2026.
- Training 20% from top management and 80% from workers within 2025.
- Sales revenue 1 million dollar within Q3.2024 as short terms goals.
- Training 5% from top management and 10% from workers within Q3.2024 as short terms goals.
- Prototype 3 creative ideas within 2026 and motivate the employees to be more creative as each employee to submit 10 new ideas yearly.
- Prototype one creative idea within Q4.2024.

### **Strategies:**

It is a method or how to achieve long-term goals on the basis of some plans and methods used in the short term that led to achieving the ultimate goal to be reached.

It is a set of policies, methods, techniques, and methodologies followed in less time, less resources, and less effort.

There are some strategies that can be applied, but according to our vision, the cost leadership strategy contributes to achieving our goals, "the systematic analysis of competitor's and markets, of company strengths and weaknesses, the combination of these analyses producing clear, explicit, full-blown strategies." (Mintzberg, 1987).

Through our "mission", we do not want to burden children's parents, so it is a strength for us that we can work on by exploiting the possible opportunities in the Chinese market on which the expansion plan was built.

### **Cost leadership strategy:**

It is the method of pricing where the products or services provided to consumers at low prices, cheap, or purchasing by most people, Toyz as a company that does not have a long history in the field. This method contributes to increasing profits where the long -term sales goal reaches five million long and also a new market like the market The Chinese is very possible to raise the percentage of the market share.



## Competitive advantage:

The profits achieved by the Toyz company in the first three years in Japan and the United Kingdom used the same strategies (cost leadership strategies), which made it a great competitive distinction that is difficult for the market and competitors, and also made the new entry topic somewhat more difficult for new competitors

## Competitive analysis:

Conducting the competitive analysis for a competitor to a matter that gives us the holistic view of the market and generates the idea from which the plans that keep us in the forefront will be exhausted, where the view will be different and perceived the changes that may occur, but here comes the role of flexible and graceful leadership to accept were continuous change and continuous improvement.

|                 | Just Toyz | Beach Toyz | Usual Toyz |
|-----------------|-----------|------------|------------|
| Product Qaulity | 9         | 8          | 7          |
| Pricing         | 4         | 3          | 4          |
| Place           | 3         | 3          | 3          |
| Promotion       | 6         | 5          | 6          |
| Positioning     | 6         | 2          | 5          |
| Reputation      | 4         | 1          | 2          |
| People          | 7         | 6          | 6          |
| Partnership     | 8         | 7          | 8          |

Fig -10 Competitive analysis

As a result of competitive analysis, it looks that needs some continues improvement and working more in reputation, also the place it seems that customer may not fully satisfied or need some signs that attract people that we have purchased from Toys, but this factor may not bring about significant change or progress, as the end user here is children.

## KPIs:

It is the process of setting metrics to measure the progress of the goals that have been set, whether at the personal or institutional level. These metrics help to know whether we are on the right track or need a corrective step or a re-plan, as they give a comprehensive view of the current level of performance for the progress of each goal. It was set.

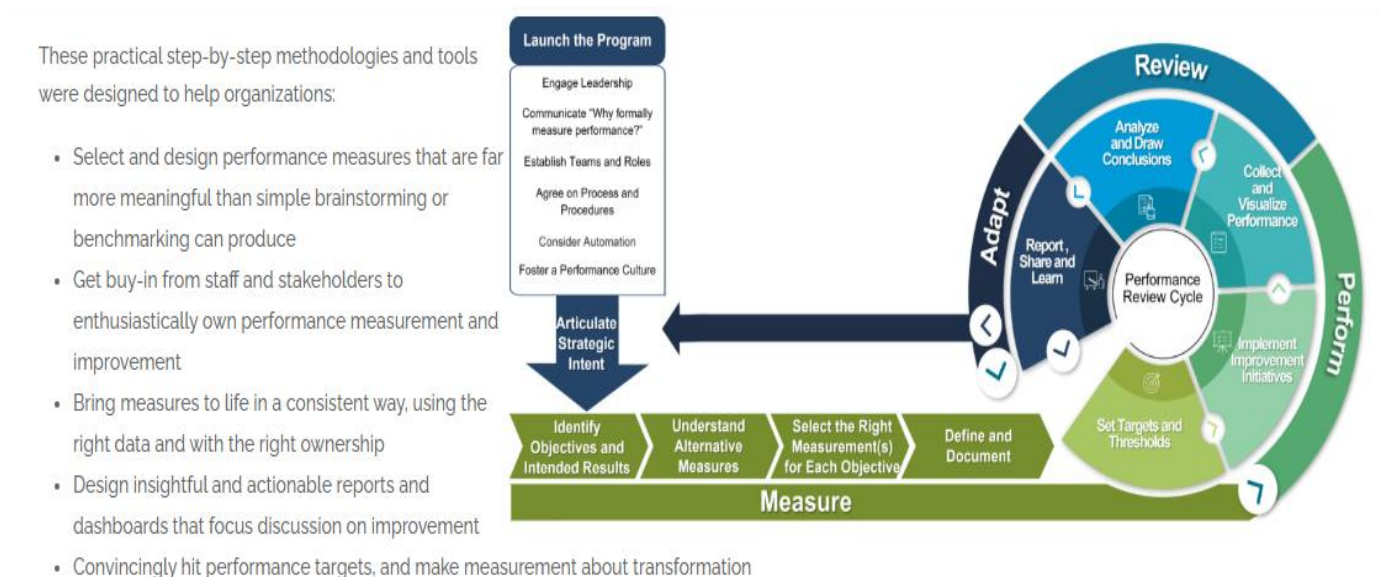


Fig -11 KPI Steeps

Going back a little to the short-term goals that we set, we see that sales during the third quarter of the current year will reach one million dollars. So, during the period of time before this date, how will we know whether we are on the right track or not:

- Let us assume that sales start in April, and therefore the short goal to be achieved is until September.
- Then we add the percentage of increase in monthly sales before the end of the third quarter.
- The percentage of Sales revenue 20% as monthly increasing.
- Progress in increasing revenue will be measured in dollars.
- As monthly basis will check the progress.
- If achieved around 80% of monthly target will develop correction plan.
- If achieved less them 50% in this case needs to replan.
- Qualified control resources to be dedicated on tracking and monitoring this KPI.
- If not available needs for hiring.

| Month     | Sales In KUSD | Increased % |
|-----------|---------------|-------------|
| April     | 0.1           | -           |
| May       | 0.12          | 20%         |
| June      | 0.144         | 20%         |
| July      | 0.1723        | 20%         |
| August    | 0.207         | 20%         |
| September | 0.248         | 20%         |

Table -1 Sales revenue in Month

## **Conclusion:**

Strategic management in institutions is essential, necessary and inevitable, as it ensures the continuation and growth of businesses and avoids sudden collapses that may occur suddenly. This does not happen by chance, but rather by developing a detailed strategic plan with a detailed analysis of all aspects and details of the institution to determine the strengths and weaknesses, study the markets, study customers, and identify market needs. And develop a solid management plan to employ qualified human resources, and leaders should not forget them, as they are the nerve that leads us to implement our plans and how they manage businesses and long-term and short-term plans. Therefore, human resources leadership intertwines crucially with the strategic plan, where workers are inspired and motivated, and a general cooperative and loving atmosphere is created in a way that makes everyone Responsible for achieving goals.

And anticipating the continuous change in the era and how to create creative thinking that applies to everyone, where everyone is responsible for the change. Most importantly, management accepts the ideas that are submitted by employees and takes them into consideration and analyzes them to avoid what happened with Nokia and several companies that were pioneers in their era and field and have now become a thing of the past.

So, strategic management is the savior in the field of business. This is what we did with Toys Company, where we prepared a strategic plan in the Chinese market, where suppliers are abundant and human resources are abundant, but with the challenges there, we tried to develop a plan that suits the market situation there.

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- About Midori Nediger    Midori spreads visual communication tricks and tips as an Information Designer at Venngage. She's particularly interested in helping people communicate complex information. Connect with her on LinkedIn and on Twitter @MNediger., & Nediger, A. M. (2024, January 25). *20+ SWOT analysis templates, Examples & Best Practices*. Venngage.  
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