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Student's Full Name:	Amer abdel – Karim ahmad Judeh

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E-SIGNATURE: Amer Judeh

DATE: 22/09/2022

EIU Paris City Campus

Address: 59 Rue Lamarck, 75018 Paris, France | **Tel:** +33 144 857 317 | **Mobile/WhatsApp:** +33607591197 | **Email:** paris@eiu.ac

EIU Corporate Strategy & Operations Headquarter

Address: 12th Fl. Amarin Tower, 496-502 Ploenchit Rd., Bangkok 10330, Thailand | **Tel:** +66(2)256923 & +66(2)2569908 | **Mobile/WhatsApp:** +33607591197 | **Email:** info@eiu.ac

Business Plan for Just Toyz

Presented to Just Toyz CEO

Presented by Amer Judeh

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Main Body:

Executive summary:

Problem statement

This document is a strategic plan to help Toyz company grow and expand in several new markets and increase its competitiveness to reach the highest degree of profitability.

Proposed Solution

We will implement a number of strategies (vertical integration Forward strategy, marketing partnership strategy, and Differentiation Focus) that will enable the company to reduce its production costs and achieve additional profits, in addition to entering into strategic partnerships to achieve integration in the company and distinguish some highly sensitive products that have a dedicated category for them. (Children) from other products.

Value

The application of the proposed strategies in this research will give more flexibility in selling its products and bring them benefits and accelerate the company's spread in new markets. Where the company sells its products to the final consumer instead of selling them to retail stores, it will return to the retail stores' share of the profits, which is estimated at 20%, in addition to giving it the flexibility to reduce selling prices and compete with other companies in terms of prices, and this will require partnership with delivery service companies, as This option is better economically and more widely than the option of opening retail stores for the company. Also, to distinguish a category of the company's game products manufactured with high quality, the company will control a category of wealthy consumers and give them high profits estimated at 50% of the cost.

Final thoughts & next steps

Planning is important for companies to face challenges and increase flexibility in dealing with economic changes.

One of the most important strategies used is entering into business partnerships and entering new markets to increase the market share of our products and increase the spread of our brand, which leads to increased sales and to achieve profits, we must also consider direct dealing with the final consumer, which will enable us to see customer feedback to meet their future requirements.

Accordingly, through the proposed business plan, we expect to increase our market share by 3%.

Introduction:

The strategic plan includes under the science of management and planning, and it is defined as a document that includes several decisions, procedures and steps necessary to achieve the company's goals.

Through the company's business plan, the necessary steps to be followed by (owners, managers and employees) will be clarified in order to reach the future results and goals of the company and will enable them to understand how to use the company's resources and allocate them in the right place.

An effective strategic plan explains not only where the organization is going and the actions needed to make progress, but how it will know whether it is successful or not.

Vision:

We aspire for the company to be one of the largest companies selling toys in Japan and United Kingdom, and to start opening new markets in several countries in preparation for global reach.

Mission:

Our company sells toys through wholesale online to outlets that specialize in selling toys.

What distinguishes our company is the quality of our goods and innovative ideas, in addition to our reasonable prices and the speed and accuracy of delivery of goods to outlets.

SWOT Analysis:

Strengths

- We have ambitious owners and management.
- Good liquidity.
- We have employees with a good level of experience and competence.
- We have a good reputation among customers in the market.

Weaknesses

- Need more liquidity to meet the company's expansion plans.
- Need to hire and train more workers.
- We do not own the exclusive and trademark rights to our products.
- Limited markets in which we operate.

Opportunities

- There are several partners who would like to enter partnerships with us.
- There is a great understanding and experience of the owners and management with the needs of the company.
- Nobody sells our product in Canada.
- Customers want a product similar to ours.

Threats

STEEPLE Threats:

- **Social.** Cultural differences between societies in Japan and the United Kingdom
- **Technological.**
 1. We need employees who are fully versed in dealing with electronic marketing.
 2. Cost of technology investment and training.
- **Economical.**
 1. Expansion plans need high liquidity, which leads to an increase in borrowing and entering financing risks.
 2. Economic changes in the era of technological development and the existence of alternatives at lower cost.
 3. Negative currency differences considering selling in the markets of different countries.
- **Environmental.** No Threats
- **Political.** The difference in government policies in foreign trade from one country to another
- **Legal.** The system followed in each country and international agreements in trade
- **Ethical.** No Threats

The Five – Forces (Powers):

1) Potential entry of new competitors.

There is always the possibility of new competitors entering it, so it is necessary to search for different distribution channels and reduce costs to increase competitiveness.

2) Rivalry among competing firms.

To reduce the risk of competing with other companies, we must add new features to our products and provide excellent service

3) Potential development of substitute products.

Always consider the development of alternative products and keep pace with the market

4) Bargaining power of consumers/ buyers.

Considering marketing at competitive prices if the product is purchased at high rates and the buyer does not care about its quality

5) Bargaining power of suppliers.

Always looking for alternatives with regard to suppliers

Toyz Analysis:

- We must address the company's weaknesses through available opportunities, as shown below:

Weaknesses	Opportunities
<ul style="list-style-type: none">- Need more liquidity to meet the company's expansion plans.- Need to hire and train more workers.- We do not own the exclusive and trademark rights to our products.- Limited markets in which we operate.	<ul style="list-style-type: none">- There are several partners who would like to enter partnerships with us.- There is a great understanding and experience of the owners and management with the needs of the company.- Nobody sells our product in Canada.- Customers want a product similar to ours.

- We must focus on the strengths of the company to face the threats to the company through as follows:

Threats	Strengths
<ul style="list-style-type: none"> - There are similar products to ours in the market at lower prices. - We need employees who are fully versed in dealing with electronic marketing. - Cost of technology investment and training - We do not have enough data about our customers and their opinions of our products. 	<ul style="list-style-type: none"> - We have ambitious owners and management. - Good liquidity. - We have employees with a good level of experience and competence. - We have a good reputation among customers in the market.

Goals:

When defining company goals, we must seriously consider each of the goals' metrics and ensure their effectiveness and how well we apply them, SMART helps in evaluating the quality of goals and measures of their success.

The word SMART idiomatically is an abbreviation for a number of words that represent the criteria that work in setting goals, and they are as follows:

S is an acronym for "Specific" which means "Specific".

M is an acronym for "Measurable" which means "measurable".

A is an acronym for "Actionable" which means "Achievable".

R is an acronym for "Relevant" which means "Realistic".

T is an abbreviation for "Time" which means "limited in time".

In detail, the meanings of the above terms:

1- Specific: Clear goals should be written and refer to a specific part of the work, rather than general goals, when creating a goal, be as brief and specific as possible. The more specific the goal, the more likely it is to achieve it.

2- Measurable: You can actually set measurable goals and thus track them and measure results whether or not you have made progress.

3- Verifiable: There are goals that are impossible to achieve, some of which are absolutely impossible because they contradict the rules of physics Natural, including what is impossible because of the data you have, but from a marketing point of view, your goals must be achievable and realistically drawn based on your skills, current resources and time frame, so you cannot expect.

4- Realistic Relevant: It should be relevant to your business and important to you so think Carefully before setting your goals, do they align with your area of business.

5- Timed: The last condition of smart goals is that the goal must have a deadline or a specific time frame to achieve it, it will be difficult for you to reach your goals if they are not specified in a certain time frame, and in addition, you will not be motivated to achieve your goals if you do not specify a time and date to start and end.

a. long – term goals:

Financial goals. One of the most important long-term goals is to increase revenues and achieve profitability for the company, and to achieve this requires increasing the company’s capital, which is what the company must strive for by offering a subscription to attract more investors and increase working capital.

1. Searching for new investors During the next two years
2. Introducing financial institutions as partners in the company and obtaining financing to increase the company's operations During the next year
3. Increase annual sales 25% by year.

Growth goals. The company aims to grow by producing new types of toys and planning to expand its operations in other countries.

1. Marketing and selling new types of toys in line with market requirements and increasing market share 25% in the next two years.
2. Marketing and selling the company's products in Canada during the next year and searching for new markets in the next three years
3. Establishing partnerships with international consumers.

Employee goals. The most important thing for employees of companies is to achieve stability in their lives, and this can be expressed from two aspects, the first is job stability, meaning their continuity of work, and the other side is financial stability, meaning salary increases and job promotion.

1. Determining sales commissions for employees at according to the achieved sales volume during tow yare, according to the following table:

Yare	Planned sales/Baht	The percentage of increase in sales over the planned percentage	Commission percentage
2023	1,000,000	10%	1%
		20%	2%
		30%	2.5%
2024	1,500,000	10%	1%
		20%	2%
		30%	2.5%

2. Promoting distinguished employees and upgrading their positions by evaluating their performance at the end of each year.

Social goals. One of the most important risks facing societies at the present time is the scarcity of resources, and therefore it is necessary to take advantage

of recycling the materials used in manufacturing and preserving the environment.

1. Marketing and selling products made from recyclable materials during the next two year.
2. Increasing awareness of environmental risks by advertising our products during the next two year.

b. **Short -term goals:**

1. Update the layout from the company logo.
2. Increased company website visits by 25% By the end of the first quarter of 2023.
3. Update the packaging design to make it more environmentally friendly.
4. Increase sales 10% in the next quarter of the year.
5. Increase salary and benefits payments to employees in proportion to the company's increased sales.
6. Create alliances with new suppliers.
7. Development of the quarterly maintenance plan for all devices and websites.
8. Promote products with innovative advertisements in social networks.
9. Provide quarterly employee training to ensure that each of them conforms to the company's customer service profile.

Competitive advantage:

One of the most important features of the company is that it was able, in a short period, to achieve a great spread in two of the most important global markets (Japan and the United Kingdom), where the company is characterized by having an effective sales department and high quality products at reasonable prices. It targets an important group of society (children), in addition to having a distinguished customer service that helps it communicate with market requirements.

Strategy:

The aim of this report is to help Toyz company grow, Companies follow many strategies, and the strategies vary from one company to another based on their strategic objectives and where they want to reach, Below we will choose some strategies that are compatible with the company:

1) Vertical Integration:

It is one of the forms of enterprise expansion, and this strategy is only in the growth stage or maturity, and there must be a large budget and progress in the market and achieving huge profits for expansion, growth and spread and is divided into two types:

- **Vertical Integration Forward**, the company sells its products from its distribution to wholesalers, who in turn sell it to the final consumer. However, if the company sells its products to the final consumer directly, the company will have implemented a forward integration strategy by entering the buyer directly on the site and ordering games with certain specifications, The company sends it to him without mentioning an intermediary. This strategy achieves two main objectives for the company:
1- Reducing the cost to the company, which leads to an increase in its control over the prices of its products. 2- Taking advantage of the profit that the wholesalers were getting by doing its part, which leads to an increase in the company's profits.

- **Vertical Integration Backward**, This strategy is used when the company supplies production requirements for itself without relying on suppliers: Of course, the integration achieves two main goals 1- Reducing operating cost (reducing price) 2- Selecting and controlling the quality of materials used in production, and the company usually uses this strategy when it needs products With a specific quality, in addition to that its products require large quantities of raw materials, which leads to integration and reduce production costs.

2) **Horizontal integration:**

The main objective of the horizontal integration strategy is to control the market and this is done through controlling or merging with other companies working in complementary fields and related to the company in order to benefit from their experiences as partner companies and not competition.

3) **Diversification strategy:** The diversification strategy is applied by adding either new markets, products, or services in the company, which leads to achieving cash flows for the company and reducing the risks that one of the products may face.

4) **Porter's Generic Strategies:** Through this strategy, the company seeks to achieve its goals "Michael Porter" suggested a general formulation of the strategy, through which the company expresses its orientation and its dealings with the market, on the following lines:

1. Cost Leadership - It is one of Porter's strategies that the company uses to achieve a competitive advantage by reducing the prices of its products and services to become less than what competitors offer, This strategy is used and is useful in markets where price is an important factor.

2. Differentiation - The company uses it to gain a competitive advantage in its products or services that it offers over similar products or services offered by competitors, which enables it to obtain a relatively high price for its distinguished products and services by providing products of higher quality, better shape, or high efficiency, or by providing distinguished services. for clients...etc.

3. Cost Focus - Through it, the company focuses on providing products or services to a specialized market or to a specific category of customers, This strategy aims to focus on serving a specific group of customers in a better way by focusing on them.

4. Differentiation Focus - This strategy is based mainly on adding a competitive advantage to the product or service to distinguish it from others, as humans, by nature, always want to feel distinguished, through distinguished customer service or product or brand design, this strategy consists of three main axes:

1. **Product**, the company must have a distinctive product, whether by providing distinguished customer service, in terms of product quality, or being an innovative product, knowing that this requires investment in the research and development stage in a large way and a detailed market study.

2. **Pricing**, the price that suits the company can be imposed and determined at the stage of studying supply and demand in the market, through the uniqueness and scarcity of the product and service provided.

3. **Brand**, the strength of the company's brand name can be exploited in the company's interest by exploiting customer loyalty and the company's reputation in the market to your advantage.

The differentiation strategy also helps to develop in the field of work through the following points:

First: it reduces pricing competition by offering many advantages that your competitors lack.

Second: Uniqueness and Customer Loyalty Implementation of the differentiation strategy creates the conviction in your customers that there is no substitute for your services even in the presence of similar products.

Third: Greater profit margins: The differentiation strategy helps increase profits, as it depends on providing a distinctive product of high quality, while ensuring that the cost is low.

5) **Partnership strategies:**

It is defined as an agreement between two companies working in two different fields to achieve their goals, which adds value to their products or services and expands the scope of their knowledge in the market.

The following are the types of strategic partnerships:

1. **Financial partnership strategy:**

Contracting with companies specialized in financial matters such as accounting to monitor the company's business, which will allow the company to focus more on its main activity and will also benefit it, especially when it needs financing.

2. **Technology partnership strategy:**

Where companies conclude agreements with information technology companies to maintain the continuity of their work, especially in light of technological developments such as the maintenance of computers and the design of their website.

3. **Marketing partnership strategy:**

This type of partnership is beneficial for small businesses that offer a limited set of products or services such as a plastics manufacturer with a marketing company promoting the first company's products.

4. **Supply chain partnership strategy:**

The costs of this partnership are low and its operations are simple, but it is considered one of the most difficult types of agreements that can be maintained, such as film production companies, photography companies, marketing and distribution companies, where a partnership is concluded between them to produce, shoot and distribute films.

5. **Integration partnership strategy:**

This strategy is commonly used in the areas of digital products and applications by providing services to customers of both parties in a streamlined way such as partnerships between manufacturers of electronic devices with developers of programs and applications.

And last but not least, we will clarify the pros and cons of strategic partnerships through the following points:

Advantages of strategic partnerships:

- As it helps companies to establish relationships with each other and enter new markets and reduce costs and risks associated with that.
- Improving the quality of services provided to its customers and increasing customers' trust in the brand.

Disadvantages of strategic partnerships:

- The lack of continuity in establishing friendly relations with partners and the lack of respect by both sides for each other.
- Partners' lack of sufficient information about the mechanism of action of strategic companies.

Now that we have listed some of the types of business strategies used, we will choose the strategies that we recommend implementing in Toyz company that will help it grow and achieve profits:

We advise TOYZ to use a vertical integration Forward strategy so that the company sells its products from games to retail stores directly, which enables it to reduce sales channels and achieve higher profits by selling its products directly to the end consumer, and this requires developing its website and entering into partnerships with delivery companies to provide fast services And distinct, and here we also recommend following the marketing partnership strategy and

partnering with a delivery company to reduce costs and provide an integrated service. In addition, the company must follow the strategy of Differentiation Focus, as the products that the company sells are considered to be highly sensitive because they are directed at the children's category, so it must be distinguished by providing high quality products, especially for young children. As for the rest of the types of games that address the older groups, they can produce and sell them with lower quality and at reasonable prices.

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