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INTERNATIONAL
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COVER PAGE AND DECLARATION

	Master of Business Administration (M.B.A.)
Specialisation:	
Affiliated Center:	
Module Code & Module Title:	
Student's Full Name:	
Student ID:	
Word Count:	
Date of Submission:	

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Introduction

Background of Just Toyz

Just Toyz is an impressive example of how a Thai internet startup can evolve into a multimillion-Baht enterprise in just a span of three years. The company has successfully leveraged the power of e-commerce, tapping into both the UK and Japanese markets to wholesale a broad spectrum of toys, ranging from stuffed toys and action figures to board games and electronic toys. Beyond this, Just Toyz takes pride in the high-quality standards of their products, ensuring all are safe and eco-friendly.

Purpose of the Report

The purpose of this report is to develop a comprehensive strategic plan for Just Toyz as requested by the CEO, Mr. Ted Willard. This plan aims to support the company's future growth and solidify its foothold in the international market. To do so, a comparison of strategic schools will be outlined to identify which one best supports Just Toyz's growth trajectory. A competitive advantage strategy will be suggested to aid the firm in strengthening its market share in both the Japanese and UK markets. Furthermore, the report will also provide recommendations for Just Toyz's short-term and long-term goals, culminating in a holistic strategic plan that encompasses an executive summary, mission and vision statements, SWOT analysis, and definite goals.

Comparison and Selection of Strategic School

Definitions of Strategic Schools

Strategic schools of thought are distinct frameworks through which we understand, analyze, and determine strategies within the scope of management. The ten strategic 'schools of thought', identified by Henry Mintzberg, Bruce Ahlstrand and Joseph Lampel in 'Strategy Safari,' can be categorized as prescriptive (what strategies should be) and descriptive (what they are and have become).

Prescriptive schools include the Design, Planning, and Positioning schools, which stress rationality and a logical process. Descriptive schools, like the Cognitive, Learning, Power, Cultural, Environmental, and Configuration schools, focus less on how strategies should be formulated and more on how they form and evolve.

Critical Analysis of Different Strategic Schools

Design School

This approach focuses on SWOT analysis and fits strategies to the company's strengths and weaknesses. However, it tends to simplify the strategy formulation process, potentially overlooking complexities that may arise.

Planning School:

In this method, the formulation process involves detailing plans through formal procedures. While this promotes organization and control, it can lead to inflexibility and inability to adapt to unforeseen changes.

Positioning School:

The emphasis here is on analyzing the industry and then defining the company's position. The school provides a strategic vision on competition and market trends. However, its process-oriented nature can limit creativity.

The descriptive schools aim to portray strategy in specific contexts like how it is cognitively perceived, learned over time, embedded in culture, impacted by power relations, or influenced by environmental factors.

Selection of Suitable Strategic School for Just Toyz

In contemplating a strategic school for Just Toyz, we must consider a few different options from the renowned ten schools of strategy, as identified by Henry Mintzberg, Bruce Ahlstrand, and Joseph Lampel. Among these, the dominant theories are design, planning, positioning, entrepreneurial, cognitive, learning, power, cultural, environmental and configuration.

Upon critical review, the positioning school of strategy resonates well with the peculiarities of Just Toyz's business model. This school emphasizes a market-driven approach, placing the company's core competencies at the center of strategic planning. Business entities, according to this school, should strive to identify a unique position in their competitive landscape and articulate a clear value proposition for their targeted customer segments.

Just Toyz operates in an industry that is characterized by intense competition with product differentiation becoming an increasingly significant source of competitive advantage. Its current business model, which spans across regional boundaries implying varying consumer preferences and regulatory climates, underlines the need for positioning as the suitable strategic school.

This approach acknowledges product offerings' significance, market segmentation, and distinctive competencies, all pertinent to Just Toyz's current progress and future

aspirations. It would enhance its capacity to identify and respond to market shifts, provide tailored products to specific customer segments, and could differentiate its offering, depending upon regional preferences and socioeconomic factors.

Furthermore, this school's guiding principles would enable Just Toyz to leverage its strengths to attain a competitive edge and expand its customer base. It would encourage innovation, prompt pertinent alliances, and foster a customer-oriented focus, which could significantly fuel Just Toyz's growth trajectory.

Applying the positioning school's strategic orientation would provide Just Toyz with a robust and adaptable roadmap for lasting growth. It would guide the company in establishing its brand's unique position within its competitive landscape, laying the groundwork for sustainable and scalable success.

Competitive Advantage Strategy

Understanding of Competitive Advantage

Competitive advantage encompasses the unique capabilities that allow an organization to outperform its rivals. Firms can secure a competitive advantage through various mechanisms - cost leadership, differentiation, or by focusing on a distinct market segment. Ultimately, the goal is to create a niche or superior value proposition that others cannot easily replicate, enabling the firm to secure a larger market share, higher profit margins, or both.

Competitive advantage, particularly in the context of international business, becomes critical as firms navigate varying customer preferences, regulatory landscapes, and cultural

nuances. To sustain a competitive advantage, firms like Just Toyz must continually update their strategizing, ensuring their offerings stay relevant and compelling, amidst rapid technological advancements, fluctuating market trends, and stringent sustainability expectations.

According to Barney (1991), to achieve and maintain a competitive advantage, a firm must possess resources that are valuable, rare, inimitable, and organized.

Present Market Situation of Just Toyz in Japan and UK

As of now, Just Toyz has established its footing in both the UK and Japanese markets. Despite the competitive nature of the toy industry, Just Toyz has managed to secure a portion of these markets through its high-quality products, eco-friendly options, and a seamless online shopping experience.

In Japan, a country noted for its advancements in technology and an appetite for innovation, Just Toyz capitalized on its broad range of electronic toys and games, catering to a tech-savvy audience. Meanwhile, in the UK, the emphasis has been on high-quality, safe, and sustainable products that resonate with the local demographic's eco-conscious and quality-oriented preferences. It is heartening to note Just Toyz's commitment to giving back to society, as part of its corporate social responsibility ethos, a factor that could enhance its brand image and loyalty among consumers.

However, the company operates in a dynamic and competitive environment, and the need for a strong competitive advantage strategy is explicit. The variability in customer preferences based on geographical, cultural, and socioeconomic factors necessitates a careful study of local markets in both the UK and Japan. Consequently, a multifaceted strategy

should be adopted that caters to these contrasting markets while bolstering Just Toyz's competitive advantage.

Strategies for Strengthening Market Share

To further enhance Just Toyz's market share in Japan and the UK, a dual strategic approach, encompassing both product differentiation and cost leadership, could be beneficial.

Porter (1980) argues that competitive advantage could be achieved through cost leadership, differentiation, or focus.

Product Differentiation Strategy

For Just Toyz, product differentiation could be driven by leveraging its unique strengths. The company already offers an impressive range of quality products diverse enough to appeal to various age groups and preferences. However, there is room to further increase differentiation by focusing on innovative and unique toys that cater specifically to the UK and Japanese markets. A detailed understating of the unique cultural and societal preferences of these two markets could guide innovative product developments.

In Japan, the demand for technologically advanced and educational toys is high, while in the UK, there is a growing demand for eco-friendly toys, influenced by increasing environmental consciousness. Thus, tailoring product offerings to match these specific market preferences offers an opportunity to differentiate and attract new customers.

Cost Leadership Strategy

Just Toyz could implement a cost leadership strategy without compromising the quality of their products. It primarily revolves around improving operational efficiency and reducing production costs. By focusing on its supply chain management, maximizing

production efficiency, and negotiating supplier contracts, Just Toyz could effectively reduce operational expenses. This improvement enables price competitiveness, which is a key driver in attracting cost-conscious customers and hence improving market share.

Kim and Mauborgne's (2014) Blue Ocean Strategy encourages firms to seek uncontested, or "blue," market space, and illustrates how differentiation and lower cost can co-exist to create value innovation.

Key Success Factors for This Strategy

For the product differentiation strategy, understanding the customer base is crucial. Market research to garner insights on customer preferences, emerging trends, and technological advancements is essential. Fostering an innovative culture within the organization that encourages experimentation and novel ideas will also play a significant part in the strategy's success.

On the other hand, the success of the cost leadership strategy largely depends on optimization of operations and the supply chain. Strategic sourcing and procurement, waste elimination, and efficiency enhancement in production processes are key. Partnerships with suppliers for long-term contracts could also grant the company greater bargaining power and hence lower purchase costs.

Grant (1996) draws attention to the importance of integrating and applying organizational knowledge, emphasizing that knowledge is a critical resource in strategic decision making.

Balancing these two strategies is paramount. Product differentiation warrants investment in research and innovation, potentially increasing costs. Here, savings realized through improved efficiency and cost leadership can be strategically channeled. This dual strategy would fortify Just Toyz's competitive advantage, driving its growth in the Japanese and UK markets.

Barney (1991) posited the resource-based view of the firm, suggesting that the firm is a bundle of resources that can be deployed strategically to create competitive advantage.

Recommended Short-Term and Long-Term Goals

Analysis of the Current Situation

Just Toyz's current situation reflects a thriving business with a robust presence in both the UK and Japanese markets. The company has done an excellent job tapping into the online retail space and capitalizing on widespread internet usage and e-commerce growth trends. It has secured a significant customer base in both markets with their array of quality, eco-friendly products. However, the competitive landscape of the toy industry requires that Just Toyz continues to innovate and evolve to sustain and improve its market position.

Porter's (1980) work on the Five Forces Model continues to be a staple in strategic management fields, providing a framework for analyzing a firm's competitive environment.

In light of the current situation, a set of short-term and long-term goals can be outlined to guide Just Toyz's future endeavors.

Short-Term Goals and their Justification

Enhance Online Presence:

An immediate goal for Just Toyz should be to improve its online visibility and user experience. This includes revamping their website to ensure it is user-friendly, visually appealing, and well-optimized for search engines.

Justification: E-commerce is rapidly growing, digital presence has become a significant aspect of a company's success. An enhanced online presence will not only attract new customers but also improve the overall shopping experience for existing ones.

Strengthen Customer Service:

In the short term, Just Toyz should also focus on improving its customer relations strategy. This involves developing a robust feedback system and implementing policies that prioritize consumer satisfaction.

Justification: Exceptional customer service can significantly affect customer loyalty and word-of-mouth referrals. A satisfied customer is more likely to make repeat purchases and recommend Just Toyz to others.

Launch Market-Specific Products:

Another short-term goal for Just Toyz should be the introduction of products specifically designed for their Japanese and UK audiences.

Justification: Fostering products that align with local trends and preferences can significantly improve market share. It demonstrates to customers that Just Toyz understands and values their specific needs.

Sustainable Supply Chain Practices:

Just Toyz should also aim to incorporate more environmentally friendly practices into their supply chain.

Justification: With increasing awareness about the environmental impact of businesses, consumers are becoming more conscious about the products they buy. Incorporating sustainable practices can enhance Just Toyz's market image and appeal to a broader customer base.

By focusing on these short-term goals, Just Toyz can solidify its current market position and pave the way for future growth. Each goal targets critical aspects of the business and aims to bring tangible improvements in the company's overall performance.

Long-Term Goals and their Justification

Market Expansion:

In the next few years, Just Toyz should consider entering new markets after conducting comprehensive feasibility studies. Potential markets could be those exhibiting similar retail trends as their current markets or other lucrative markets identified through research.

Justification: Expanding into new markets will allow the company to tap into a larger customer base. It is a crucial strategy for enhancing revenue and achieving a stable growth trajectory over the long run.

Diversification of Products:

Just Toyz should also focus on diversifying their product portfolio by incorporating a variant of toys that appeal to a broader age group or different demographics.

Justification: Product diversification allows the company to cater to varied tastes, enabling it to capture a larger chunk of the market. It also reduces dependence on a narrow product range, indirectly reducing risks associated with changing consumer trends.

Develop Own Brand of Toys:

In the long run, developing their unique brand of toys can help Just Toyz establish a stronger pool of loyal customers and stand out among competitors.

Justification: Having their unique brand allows Just Toyz to control product quality, cost, and innovation more directly. It also enables powerful branding, adding a distinct entity to the market that audiences can associate with.

Sustainability Initiatives:

Just Toyz should aim to become a sector leader in sustainable toy production and retailing over the long term. They can set targets for carbon footprint reduction, plastic use, or percentage of renewable materials used in products.

Justification: Sustainability has evolved from being a mere trend to an expectation. Leading the sustainability front can give Just Toyz a considerable competitive advantage, enhancing brand image, and resonating with eco-conscious consumers.

Action Plan to Meet These Goals

To achieve these goals, it is necessary to have a concrete action plan. For market expansion, conduct detailed market analysis for potential new markets and develop entry strategies. Diversify product range by investing in R&D, tracking market trends, and customer preferences. Develop own brand by identifying unique selling propositions, sourcing reliable manufacturers, and initiating strong marketing campaigns. Lastly, to achieve sustainability goals, analyze current environmental footprints, identify areas of improvement, invest in sustainable production methods, and empower customers through eco-friendly campaigns.

These goals and associated plans, though ambitious, would ensure that Just Toyz stays ahead of the competition and continues its rapid growth, while it remains fundamentally dedicated to its mission.

Slack, Brandon-Jones, Johnston, and Betts (2015) discuss how efficient operations and process management can contribute to the strategic impact of a business.

Strategic Plan

Executive Summary

Just Toyz, over the last three years, has managed to transform from a Thai startup to an organization with a strong presence in two international markets, the UK and Japan. The ability to capitalize on the advent of e-commerce and deliver an impressive range of quality, eco-friendly toys has propelled their success in these geographically diverse markets. The strategic plan outlined seeks to consolidate this achievement and push Just Toyz to greater heights.

The plan addresses broad areas - choosing a strategic school, building a competitive advantage, setting short-term and long-term goals, and weaving them into an integrated growth strategy. The market-driven Positioning School is suggested as the optimal strategic approach for Just Toyz. This approach, coupled with emphasis on product differentiation and cost leadership, can significantly add to the competitive advantage.

Short-term goals focus on enhancing online presence, improving the customer service function, launching market-specific products, and embedding sustainability further into business practices. The long-term goals revolve around market expansion, product diversification, creating an exclusive brand of toys, and leading the industry in sustainability initiatives. Together, these would drive Just Toyz's growth trajectory, adapting to the dynamic business environment.

Mission Statement

Just Toyz's mission is "To bring joy to children worldwide through our array of safe, quality, eco-friendly toys while being committed to sustainability and ethical business practices." This mission underlines Just Toyz's commitment to its customers, the broader ecosystem, and its internal moral compass. It embodies a dual commitment to revenue generation and society's welfare, making it a driving force behind all organizational endeavors.

Vision Statement

Just Toyz envisions itself as "The most preferred global online retailer of high-quality, eco-friendly toys, admired for its strong commitment to customer satisfaction and sustainability." This vision portrays Just Toyz's aspirations to excel in its industry, to

innovate continuously, and to lead the industry in sustainability initiatives – while never losing sight of what they value most: customer satisfaction.

SWOT Analysis

A SWOT analysis provides a comprehensive overview of Just Toyz's current standing, grounding the strategic plan in a realistic assessment of the company's internal capabilities (Strengths and Weaknesses) and its external prospects and challenges (Opportunities and Threats).

Strengths

Quality Product Range: Just Toyz offers an extensive selection of high-quality toys, differentiating itself in the competitive toy market.

Eco-Friendly Products: Its emphasis on eco-friendly toys aligns with today's eco-conscious consumers and trends towards sustainability.

Established Market Presence: Having a successful presence in two major markets, the UK and Japan, exemplifies Just Toyz's ability to cater to diverse consumer preferences.

Robust Online Presence: With a strong footing in the e-commerce domain, Just Toyz has leveraged the online shopping boom.

In their study, Slack et al., (2015) offered a framework to understand how operations contribute to delivering strategic objectives of a business.

Weaknesses

Dependence on External Suppliers: The lack of in-house manufacturing means Just Toyz is reliant on suppliers, subjecting it to potential supply chain disruptions.

Limited Localized Market Knowledge: Being an international company may limit understanding of cultural nuances regarding children's toy preferences in the UK and Japan.

Absence of Physical Presence: With a wholly online presence, Just Toyz may miss out on customers who prefer traditional brick-and-mortar shopping experiences.

Opportunities

Market Expansion: There are numerous untapped markets worldwide where Just Toyz can extend its reach.

Product Diversification: There is room for expanding the product range to include toys that cater to different age groups or tastes.

Technological Innovation: Incorporating technological advancements into toy designs could keep Just Toyz at the front of market trends.

Threats

Intense Competition: The toy market is fiercely competitive, with several established and emerging players.

Shift in Consumer Preferences: Rapidly changing trends and evolving consumer preferences can render certain toys obsolete.

Regulatory Changes: As a global business, Just Toyz must comply with different countries' regulations, which can change and impact operations.

Statement of Strategic Goals for the Future

Building upon its current success and in alignment with the vision statement, Just Toyz has set forth several key strategic goals for the future:

1. Expand into new geographical markets to increase their global footprint.
2. Diversify its product offerings to cater to a broader customer base.
3. Develop its own exclusive brand of toys, reflecting the commitment to safety, quality, and eco-friendliness.
4. Be an industry leader in sustainable toy production, with a significant reduction in carbon footprint and increased use of renewable materials.

5. Foster unparalleled customer satisfaction through improved online experience and customer service.

6. Cultivate a culture of continuous learning and innovation to keep pace with industry trends and customer expectations.

Detailed Action Plan to Meet Goals

To actualize these ambitious strategic goals, a detailed action plan involves the following steps:

Market Expansion:

Undertake meticulous market research to identify potential locations for expansion. Collaborate with local partners to understand cultural nuances and drive localized strategies.

Product Diversification:

Involve continuous market research and foster an internal culture of innovation. Understand target customers' evolving needs to develop a diverse set of products with their unique charm.

Own Brand of Toys:

Collaborate with designers and manufacturers to develop and prototype unique toy designs. Invest in strong branding and marketing strategy to establish brand identity and awareness.

Sustainability Initiatives:

Partner with eco-friendly suppliers, deploy resource-efficient manufacturing practices, and initiate carbon offsetting projects. Regularly monitor and report sustainability achievements to stakeholders.

Improve Customer Satisfaction:

Regularly update the website based on user feedback. Equip the customer service team with skills and tools to effectively address customer complaints. Implement customer-friendly policies and processes.

Foster Learning and Innovation:

Invest in regular employee training and development programs. Encourage feedback and idea sharing through innovation workshops or rewarding innovative ideas.

This action plan forms a roadmap that allows Just Toyz to navigate towards its strategic goals effectively. With perseverance, creativity, and a relentless focus on quality and customer satisfaction, Just Toyz is poised to transform from a successful startup to a dominant player in the global online toy retail industry.

Conclusion

Final Remark and Recap of the Strategic Plan

This strategic plan offers a comprehensive and dynamic approach to guide Just Toyz's future direction, building on its remarkable achievements thus far. It meticulously outlines a competitive advantage strategy through product differentiation and cost leadership, based on the positioning school's strategic orientation. Additionally, it highlights the need for market-specific strategies, given Just Toyz's diverse presence in the UK and Japan.

Short-term and long-term goals are laid out to streamline the company's endeavors. The short-term goals focus on improving online presence, enhancing customer service, and crafting market-specific products while embedding sustainability further into business processes. On the other hand, the long-term goals centered around market expansion, product diversification, creating a unique brand, and leading in sustainability initiatives ensure that Just Toyz continues its exponential growth trajectory.

The conclusion we could draw from the strategic plan is that Just Toyz can build a strong global brand, foster unbeatable customer satisfaction, and propel its growth by being attentive to market trends, customer preferences, and fostering continuous innovation and learning. The road to achieving the vision of becoming the "most preferred global online retailer of high-quality, eco-friendly toys" is long but with unwavering dedication and implementation of this strategic plan, it is indeed achievable. This holistic strategy lays a formidable framework to navigate Just Toyz through its future endeavors.

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