Task 2: Innovative and Strategic Thinking

Course Code: D081

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**SWOT analysis**

**Discuss at least TWO potential risks that the company from the scenario may encounter in entering the new market and describe the impact on the company.**

1. Market uncertainty is one of the potential risks.Since the company is venturing into a new country (India), it faces the risk of uncertainty in the market. There are no existing customers or loyal customers. The company has to start afresh by attracting and building new customers. The company is not sure how the new boats will be received in the new country. Although the foldable plastic boat is new in India (traditional fishers use nonmechanized boats), which is ideal for the boat to enter the market, customers are always reluctant to change. The new foldable market will take time to be embraced by the locals. The company may need to wait for longer to capture the market and start making high profits. The company could also run into losses and become bankrupt. It is unknown what the product sales would be and if it would even be worth the investment.
2. The other risk is associated with production. The company is going to produce an unprecedented product. Will the company be able to design and produce affordable products that will meet all the requirements? Can the boat be made of recycled plastics? Can it be foldable and portable? How about the employees to produce it? What is the cost of producing these boats? These are questions that show how risky the venture is in terms of production. The raw materials might need a lot of work to be assembled. The company would need to test a series of paper products and waterproof coatings to determine which would be suitable for fishers in India. All these processes require a lot of money, and this may drain the company financially. A lot of time is as well spent.

B1. Conduct a SWOT analysis of the company in the scenario by identifying and explaining at least two internal strengths. The identification of each strength requires more than just listing each element. Consider a sentence or two that relates the strength to the given scenario.

1. Innovation: innovation is one of the strengths of the company. The company has a culture of innovation. The company will use its innovative ways to develop and design the foldable plastic boat from the recycled plastics needed in the new country. The company’s innovative ways will be crucial in entering the new market.
2. The other strength is the company's collaborative culture, where all employees are involved in decision-making. The employees' opinions can prove to be very important to the organization. The employees also have a sense of belonging, which makes them more productive. With increased employee productivity, the company is poised to make big profits. Again, employees can come with creative and innovative ideas to help the company, unlike when their opinions are suppressed.

**B2. Conduct a SWOT analysis of the company in the scenario by identifying and explaining at least two internal weaknesses. The identification of each weakness requires more than just listing each element. Consider a sentence or two that relates the weakness to the given scenario.**

1. One of the company's internal weaknesses lies in its organizational structure. The company's flat structure can make the decision-making process longer and harder. Decisions can be delayed because everyone's input is required. The many opinions contribute to greater weighting possibilities. The process is time-consuming and could lead to delays when making critical decisions.
2. The other weakness has to do with a lack of leadership. Since the founders and employees are equal, the company lacks a leader who can make decisions and lead the company. Leadership is paramount in any organization. That is why companies have CEOs and presidents. The leadership helps the company come up with goals and objectives to be achieved. This company does not have any front leader who can lead the others in a particular direction.

**B3. Conduct a SWOT analysis of the company in the scenario by identifying and explaining at least two external opportunities. The identification of each opportunity requires more than just listing each element. Consider a sentence or two that relates the opportunity to the given scenario.**

1. Availability of a wider market is an opportunity for the company. India is a fishing company which means the fishermen will need the boats for fishing. The fishing industry in India is an important one, and the company will enjoy a large market of over 14 million people in the fishing industry. Market expansion is also possible in other Asian countries. India also has an excellent business climate, which is open to new partnerships for improving the fishing experience.
2. The other opportunity exists in the ability to make boats from cheap raw materials (recycled plastics). The NFDB wants the boats to be made of plastics used in India to reduce waste products. This is an opportunity for the company to capitalize on cheap raw materials to make more profit. Again, by using plastics, the company fulfils its ethical statement of being environmentally friendly.

**B4. Conduct a SWOT analysis of the company in the scenario by identifying and explaining at least two external threats. The identification of each threat requires more than just listing each element. Consider a sentence or two that relates the threat to the given scenario.**

1. One external threat in India is the unknown workforce. The U.S company has been forced to employ Indian workers who are unfamiliar. This may disrupt the smooth working conditions established by the home employees. The employees may demand high salaries and remunerations, which might drain the company financially. The high cost of labor remains a significant threat to the company.
2. The second external threat is the possibility of new entrants into the market. Other companies may improve the idea and sell the boats at a lower cost kicking the U.S company out of the market. Local manufacturers could steal the boat's design and, since they understand the local market better, sway buyers to purchase their products. The manufactures also have a home advantage.

**C. Based on the SWOT analysis from B1 – B4, identify and explain TWO strategic recommendations for the company. (Examples would include the business-level strategies from lesson 8 of the modules.) Please Note: Identifying each of the two strategic recommendations requires more than just listing each strategy. Consider a sentence or two that relates the recommendations to the SWOT analysis for the case study company.**

1. One of the recommendations is that the company should do rigorous research to find the unknowns in the new country. The company should research how to expand the market, the needs of the Indian employees, their suitable working conditions, and how to remunerate them best. The company should also research the best production methods and identify possible areas of growth.
2. The other recommendation is that the organization should appoint a leader who will lead the whole team. The leader will provide the necessary guidance and information towards implementing the venture. The leader should have good leadership skills like integrity, cooperation, hardworking, visionary, innovative and creative, team builder, and good communicator. Such a leader will be of great importance as the company prepares for the new challenge.

**C1. Justify one strategic recommendation from part C by explaining, in detail, the benefits of that recommendation. Again, this recommendation needs to connect back to the SWOT analysis.**

I will justify the second strategic recommendation of the company appointing a leader. A leader will help the company move to another step especially this time it is preparing for a new venture. Big companies have CEOs, presidents and directors who are responsible for all activities of those organizations. They are responsible for success or failure of the organization. I believe it is the high time the founders appointed an experienced leader who can steer the company to the next level. The company can tap on the leader’s wisdom and experience to venture into the new market in India. The leader will guide the organization in making critical decisions while motivating the employees among other activities.