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Trader Joe Case Study

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Introduction

Planning, leading, organizing and controlling are usually considered essential aspects of organizational management. Observably, the presented case scenario at Trader Joe offers very important lessons to new entrepreneurs who would want to start successful startups by applying a unique approach in the market. Trader Joe boasts of a successful dip in the grocery industry, managing to stay ahead of its competitors through the application of a highly differentiated management process to manage its grocery store chains.

Question 1

Trader Joe has very clear plans to organize, lead and control its grocery chains. It is essential to first understand these critical functions of the management process. Planning involves making decisions that determine the course of actions in an organization. Organizing on the other hand involves coordinating organizational activities and resources in an attempt to achieve success. Leading, however, is an essential aspect of managing and motivating people to remain focused on organizational goals. Lastly, controlling involves monitoring and evaluating activities to ensure they are in line with the organizational objectives. In planning and organizing its operations, Trader Joe, unlike its competitors operate small and compact stores that only feature products demanded by the customers. Ideally, this kind of planning has ensured that the store maintains an exceptionally high turnover on the small number of items sold.

As an organizing strategy, Trader Joe works directly with their suppliers. Buying directly from producers does not only give them the opportunity to skip the middle man but also ensures that they gain more control over their supply chain system.

Arguably, working closely with their suppliers, Trader Joe is able to offer their customers exactly what they need. The organization operates on a strict policy of *one in, one out* which gives them the opportunity to maintain a small number of items in its product line. Trader Joe boasts of an outstanding workforce that is observably dedicated to serving its customers. In the application of leading and managing, Trader Joe seems to be a leader in the grocery industry by paying its employees more than the average pay in the industry. This strategy does not only ensure that the employees remain dedicated to the organization but also increases employee retention rates. Notably, happy employees usually tend to offer good services to the customers. Besides the higher pay, Trader Joe also trains its employees on best customer service practices to ensure that they provide their customers with an unparalleled shopping experience.

Question two

The success of Trader Joe in the grocery industry can potentially provide important lessons to new entrepreneurs who want a start in the industry. Going through the case scenario, entrepreneurs can draw pertinent lessons that include; high product differentiation by offering unique products that cannot be substituted by others in the markets. Entrepreneurs have also learned the idea of keeping the workforce happy and motivated in order to achieve success at the early stages of the startup. However, the most critical lesson learned from Trader Joe is the idea of offering quality products at considerably lower prices to attract customers for a new startup.

Question three

Considering the highly unique management practices at Trader Joe, surely there is a need for Hazel who has just graduated to learn a few essential soft skills prior to working at Trader Joe. Essentially, the non-traditional work environment at Trader Joe would require Hazel to be equipped with the following arguably important soft skills; the skills of being ambitious, adventurous, enjoy smiling and having a strong sense of values. Trader Joe would expect Hazel to carry herself as a team leader with essential leadership skills to enable her to imbue her part-time employees with a customer-focused attitude.

Question four

According to the CNBC reports, consumers have voted for Trader Joe as the leading grocery chain in the United States. Notably, this success is largely attributed to its highly differentiated management strategies. It is reported that Trader Joe values great customer service in contrast to their competitors. According to this publication, Trader Joe offers lots of bargains that are not available anywhere else to their customer (Redman, 2019). Arguably, this is what has helped the organization to stand out over the years. It is essential to note that Trader Joe's customer service remains to be one of the key reasons why customers are attracted to the store. It is noted that consumers are not only attracted by product variety and lower prices but also the general shopping experience. Trader Joe's closest competitor in the grocery market is Whole Foods. The latter observably operates an almost similar business management process particularly in the management of employees, the products they offer and the treatment of customers. I do believe that Trader Joe will still remain in business for the better part of the foreseeable future due to their non-conventional form of management that cannot be easily copied by its rivals.

References

Redman, R., 2019. *Trader Joe's takes the top spot on grocery retailer ranking*. [online] Supermarket News. Available at: <<https://www.supermarketnews.com/consumer-trends/trader-joe-s-takes-top-spot-grocery-retailer-ranking>> [Accessed 6 December 2021].

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