

Journal of Business & Leadership: Research, Practice, and Teaching (2005-2012)

Volume 7
Number 1 *Journal of Business & Leadership*

Article 6

1-1-2011

The Lesson of Strategy: A Case Analysis of An E-Commerce Commercial Food Services Equipment Retailer

Robert J. Mullaney
Concorde Career Colleges, Inc.

Follow this and additional works at: <https://scholars.fhsu.edu/jbl>



Part of the [Business Commons](#), and the [Education Commons](#)

Recommended Citation

Mullaney, Robert J. (2011) "The Lesson of Strategy: A Case Analysis of An E-Commerce Commercial Food Services Equipment Retailer," *Journal of Business & Leadership: Research, Practice, and Teaching (2005-2012)*: Vol. 7: No. 1, Article 6.

DOI: 10.58809/KHTD7663

Available at: <https://scholars.fhsu.edu/jbl/vol7/iss1/6>

This Article is brought to you for free and open access by the Peer-Reviewed Journals at FHSU Scholars Repository. It has been accepted for inclusion in *Journal of Business & Leadership: Research, Practice, and Teaching (2005-2012)* by an authorized editor of FHSU Scholars Repository. For more information, please contact ScholarsRepository@fhsu.edu.

THE LESSON OF STRATEGY: A CASE ANALYSIS OF AN E-COMMERCE COMMERCIAL FOOD SERVICES EQUIPMENT RETAILER

Robert J. Mullaney, Concorde Career Colleges, Inc.

Literature on strategy is reviewed and applied directly in comparison to an e-Commerce company in the South Florida area. Practical managerial implications are discussed and laid out in an easy to follow format which provides insight to entrepreneurs and business leaders who are in need of a greater understanding of strategy. A comprehensive review of the company's current strategies, industry position, internal and external forces, GAP analysis, and plans for action preempt a conclusion that puts it all together; a conclusion which has led the company towards significantly greater financial and operational success.

Long-term, well-devised strategy development is a complex process that considers many detailed variables. It is often a daunting task for business owners, especially entrepreneurs or small business owners without formal business education, to conduct the appropriate research, analysis, and decision-making processes required for a sustainable business strategy. The concepts discussed in this case entail the implications that could arise should there be a lack of a sustainable strategy, as well as those in the presence of one. A stream-lined process for analyzing the major components are then discussed, compared to the literature, and expressed through the actions of the e-Commerce company's success in the strategy development process.

The case was developed by three major methods. The first and primary method was by interview inquiry. The owner and founder of Equip-N-Ship.com and associates were provided with a series of questionnaires used to assess their knowledge and application of strategic concepts and analysis in late 2009. Next, financial statements and any initial attempts at business plans were reviewed. Finally, in-depth interviews, based on the questionnaire responses and other information, were conducted to further clarify past approaches, current status, and willingness to work towards a sustainable, long-term strategic plan.

The rationale behind the interview method of inquiry was to produce a high quality, genuine, and meaningful picture of the thought processes, business knowledge and background, and willingness to change in which to base a solid foundation for creating a sustainable, long-term business strategy. Without a clear picture of past and potential business efforts, moving forward towards developing a strategy would be restricted to trial and error. The questionnaires and interview questions were thought provoking and in the end, delivered an in-depth educational experience.

ASSESSMENT OF EQUIP-N-SHIP

Introduction to the Industry and Company

Equip-n-Ship is a Miami based national commercial food services equipment retailer. As a relatively new startup and an online only operation, its beginnings have indicated a promising future. Equip-n-Ship specializes in selling commercial grade restaurant equipment such as ice machines, coolers, stoves, ovens, and the like. Long term strategy, however, has not received its due diligence for sustainable success during the present challenging economic times. The website is currently being redesigned as an attempt to make some short-term positive changes. The need is evident for a strategic plan specifically designed and supported by the existing practices and literature of e-Commerce business.

Literature on IT and the Internet

Drucker (2002) noted that the "truly revolutionary impact of the Internet is e-Commerce" (p. 4). Alw-Rawi, Sabry and Al-Nakeeb (2008) indicated that "e-Commerce can be shaped by a variety of factors such as the economic, political and social environments in addition to the quality of the ITC infrastructure..." (p. 20). In a study by Premus and Sanders (2005) to determine the extent of purchasing activity and the relationship of information technology use, they found that "firms that are lagging in IT capabilities and progressive procurement practices may soon find themselves in competitively weak situations from which it may be difficult to recover" (p. 17). Equip-n-Ship's CEO and Founder is an IT professional by trade. Managing the talents and keeping abreast of the latest technological offerings are of the upmost importance and an area it is hoped that Equip-n-Ship will stand out in. The indication that

"companies are currently investing millions of dollars in technologies such as Enterprise Resource Planning (ERP) systems, real time access to points of sales data, web based auctions and catalogs, electronic bulletin boards for suppliers, as well as

Collaborative Planning, Forecasting, and Replenishment (CPFR)" (Premus & Sanders, 205, p. 17)

is just a testament to the importance of the technological aspect and especially with relevance to e-Commerce and Equip-n-Ship.

In comparing on-line shopping or e-Commerce to more traditional brick and mortar storefronts, Wasserman (2009) identified why storefront shopping can not be like on-line shopping. He described that the ability to review products, best sellers, searching, shopping affinity and brevity of the experiences would not compare. Alw-Rawi, Sabry and Al-Nakeeb (2008) credited Laudon and Laudon (2007) for indicating that the growth "of e-Commerce can also be attributed to the unique features of the Internet and the Web such as ubiquity, global reach, universal standards, richness, interactivity, information density, personalization and customization factors" (p. 20). In their study of e-Commerce development in the Gulf region, they examined "some of the challenges e-Commerce faces by looking at both local and global factors with a particular focus on the area of technological advancement" (Alw-Rawi, Sabry & Al-Nakeeb, 2008, p. 19) and developed thirteen drivers to consider for e-Commerce development:

- 1) e-Commerce awareness and education levels
- 2) Government support
- 3) Law awareness for e-Commerce
- 4) ICT infrastructure & Technology Advances
- 5) Endorsement of Banks to on-line payment systems
- 6) Change Management (from traditional approaches to digital approaches)
- 7) Establishment of effective regional online business models
- 8) Global/ External forces
- 9) IT skills & English language fluency
- 10) Cultural and Social factors
- 11) User confidence in online transaction, trust and security
- 12) Usability and interactivity of websites
- 13) Industry standards and competitive advantage (p. 27).

Describing IT, some believe that

"It has become a commodity and, as a consequence, corrodes competitive advantage as it automates functions throughout an organization... This corrosion is the result of best practice more and more rapidly turning into universal practices and traditional sources of advantage drying up" (Vandenbosch & Lyytinen, 2004, p. 10).

Vandenbosch and Lyytinen (2004), in response to an article by Nicholas G. Carr, quoted him as identifying IT differently from past technologies in two distinct ways. The first was that IT's "growth and change potential is unprecedented and still continues, and second, it is the most versatile and flexible technological platform the human race has ever created" (p. 10). Vandenbosch and Lyytinen (2004) stated how Carr "maintains that true competitive advantage is elusive and IT alone is not sufficient to achieve it... Firms can be more if it is competitive through IT only if it is an integral part of their general business strategies" (p. 11).

Action Plan

A thorough analysis of this on-line company will consist of a review of all pre-existing business practices and initial short-term start-up strategies. The owner and associates will be interviewed based on questions derived from the existing literature on e-Commerce practices. Following the interview and review of existing strategies, a SWOT analysis will be drafted in order to identify strategic gaps, confirmed with the owner and business associates, and literature supported recommendations will be provided.

Following a firm understanding of Equip-n-Ship's overall industrial, environmental, stakeholder, and operational positions, the supported recommendations will be followed through, including the creation of a mission statement, vision statement, and value system to guide the owner and employees to success. Without such guidance, Equip-n-Ship's potential may realize the same fate as many of the dotcoms and e-Commerce businesses before it.

An Entrepreneurial Startup

Considering Equip-n-Ship as a renewed start-up, it was important to identify those factors that would most appropriately enable success. Bahide (1992) identified some winning approaches to entrepreneurial start-ups that included the necessity to:

- 1) Screen opportunities quickly to weed out unpromising ventures.
- 2) Analyze ideas parsimoniously. Focus on few important issues.
- 3) Integrate action and analysis. Don't wait for all the answers, and be ready to change course (p. 150).

Bahide (1992) also found that over 70% of entrepreneurs initially got their ideas from either modified or exactly replicated past work experiences; such was the case with the Founder of Equip-n-Ship.

EQUIP-N-SHIP'S BACKGROUND AND EXISTING STRATEGIES

Values

Currently Equip-n-Ship has no specifically indicated values or statement, only thoughts about what they may be. After an interview with the CEO and Founder of the company, it was evident that in 2004 Equip-n-Ship's beginnings consisted of hitting the ground running and meeting the demands of opportunity at the time. The values of Equip-n-Ship were essentially nonexistent.

When asked by Hodgettes (1999) what the biggest challenges are for managers in the 21st century, Porter responded in part that "there is a need to move to the next level of understanding that creating superior customer value, and justifying different price levels for different products, is an integral part of competing" (p. 33).

Vision

As with Equip-n-Ship's values, there was none other than a thought of what a possible Vision Statement might sound like. The sacrifice of time, forethought, and effort were not yet invested in this aspect for Equip-n-Ship. With regards to values, "the key is not what core values an organization has but that it has core values at all" (Collins & Porras, 1996, p.67). As summarized by Collins and Porras (1996), "building a visionary company requires 1% vision and 99% alignment" (p.77). The vision was beginning to form to have a vision for Equip-n-Ship.

As per Collins and Porras (1996) "companies that enjoy enduring success have core values and a core purpose that remain fixed while their business strategies and practices endlessly adapt to a changing world" (p. 65). Stressing the importance of vision and core purpose, Collins and Porras (1996) described the example of how 3M was able to sell off "several of its large mature businesses- a dramatic move that surprised the business press- to refocus on its enduring core purpose of solving unsolved problems innovatively" (p. 65).

Vision "provides guidance about what core to preserve and what future to stimulate progress towards" (Collins & Porras, 1996, p. 66). Collins and Porras (1996) explained how "a well-conceived vision consists of two major components: core ideology and envisioned future" (p. 66). Further defining core ideology, they explained how "leaders die, products become obsolete, markets change, new technologies emerge, and management fads come and go, but core ideology in a great company endures as a source of guidance and inspiration" (Collins & Porras, 1996, p. 66). The character of a company is what defined core ideology in that it was "a consistent identity that transcends product or market life cycles, technological breakthroughs, management fads, and individual leaders" (Collins & Porras, 1996, p. 66).

In order for a vision to be effective, it must "embody the core ideology of the organization, which in turn consists of two distinct parts: core values, a system of guiding principles and tenets; and core purpose, the organization's most fundamental reason for existence" (Collins & Porras, 1996, p. 66). Equip-n-Ship appeared to be on the right track with seeking a comprehensive analysis to assist it with this purpose.

Mission

At the time of this initial strategic analysis Equip-n-Ship had a vague mission, but nothing in the form of a Mission Statement, and nothing for that matter that was even so formal as to be written down. "What on earth should a Mission Statement look like and what should it say?" responded the CEO upon inquiring about this. Using the existing literature for support, it was described as "when prepared as a formal organizational document, a mission statement may be presented under the maze of labels, including 'creed statement,' 'statement of purpose,' 'statement of philosophy,' or a statement 'defining our business'" (Pearce & David, 1987, p. 109).

A mission statement is a statement that "provides the foundation for priorities, strategies, plans, and work assignments. It is the starting point for the design of managerial jobs and structures. It specifies the fundamental reason why an organization exists..." and are described as a "general declaration of attitude and outlook" (Pearce & David, 1987 p. 109).

According to Pearce and David (1987) "an effective mission statement defines the fundamental, unique purpose that sets a business apart from other firms of its type and identifies the scope of the business's operations in product and market terms" (p. 109). They described eight components that mission statements should consist of:

- 1) The specification of target customers and markets
- 2) The identification of principal products/services
- 3) The specification of geographic domain
- 4) The identification of core technologies
- 5) The expression of commitment to survival, growth, and profitability
- 6) The specification of key elements in the company philosophy
- 7) The identification of the company self-concept
- 8) The identification of the firm's desired public image (Pearce & David, 1987 p. 109).

Long and Short Term Goals for Equip-n-Ship

No long or short-term goals were written or identified; only conceptualized. Hopes and dreams is what was communicated to be the motivation for Equip-n-Ship's Founder to move forward with the idea of incorporating and selling restaurant equipment online; but it will not

necessarily lead to successful implementation or business practices. One of the goals that was discussed dealt with exploring past the US borders and into multiple nations. This was vaguely explained, particularly identified, and definitely not an impossibility with e-Commerce.

Yip (1989) explored the strategic elements in the decisions to go global or remain domestic or even multidomestic. He explained that some of the globalization drivers that need to be considered were of market, cost environmental and competitive in nature. Furthermore, Yip (1989) emphasized how the development of a core business strategy, or as he defined it "the basis of sustainable competitive advantage...is usually developed for the home country first" (p. 29). Only after this core business strategy can a business proceed to the next steps of internationalizing and globalizing the business. Equip-n-Ship has plans to initially go global, or at least as much global as the internet will permit. It is understood that many national internets and internet providers are managed and guarded against certain sites like those of US businesses and media.

Some of the benefits of a global strategy explained by Yip (1989) include:

- Cost reductions;
- Improved quality of products and programs;
- Enhanced customer preference, and
- Increased competitive leverage (p. 33).

As hopeful and attractive as the above list may appear, it is the intention of Equip-n-Ship to demonstrate at least local, statewide, and regional sales activity and reach, as Yip (1989) suggested, before seriously considering a strategic component addressing the next step of multinational expansion. Other goals will be explored later in the implementation section below.

The Identification of How Equip-N-Ship is Socially Responsible

Again, there were ideas discussed during the interview, but no substantial "plan" on corporate social responsibility. To help explain what corporate social responsibility was and to help emphasize the need for it, a copy of some of the most relevant existing literature was provided to the CEO and his associates for their leisurely review. Amongst those provided was an article by Carroll (1979) which offered an insightful literature review summary of what corporate social responsibility actually means (see p. 499). In defining corporate social responsibility and its incorporation into Equip-n-Ship's strategic plan, Carroll's (1979) basic definition was considered. She stated that "corporate social responsibility requires that (1) a firm's social responsibilities be assessed, (2) the social issues it must address be identified, and (3) a response philosophy be chosen" (p. 504).

A List of Assumptions and Facts Of Equip-N-Ship

A list of assumptions revealed that perhaps prior to this initial interview, assumptions were never really discussed. Nor were the actual facts of the business from a strategic point of view. Further discussion revealed that the development of this aspect, presented as a reflective exercise, will benefit the owners and customers of Equip-n-Ship.

POSITION IN INDUSTRY

Market Share

Currently, Equip-n-Ship has virtually no competitive position or market share in the industry. Since January, 2009 Equip-n-Ship has lain virtually dormant due to the economy and the lack of time afforded to make it a successful business. Like many business owners, the Founder was trying to manage a full-time day job as a Chief Information Technology Officer for a large corporation while uploading, designing, and managing the Equip-n-Ship website.

Revenue

At one point, while on sabbatical in early 2006, the founder was able to dedicate about 4 weeks to upgrading the website, uploading new products, and managing orders and sales. In less than a four week period over \$75,000.00 worth of revenue was produced. Sales activities had sky rocketed, phone call inquiries were unmanageable and after a short time, potential business inquiries and customers were either unattended to or disregarded completely due to the lack of time and commitment.

Gaining/ Losing Ground

Currently, Equip-n-Ship has lost all ground and momentum it may have had during that brief run in 2006. There is an enormous opportunity to take advantage of in this industry and efforts to reform and implement a long-term sustainable strategy are in the works. The owner was willing to disclose all and make every sacrifice necessary to build a legitimate strategic plan.

Earnings

Since 2004 when Equip-n-Ship was incorporated, earnings have been slim. There was a net loss the first year from 2004-2005, a brief profit of approximately \$47,000 made in 2006, \$16,000 profit in 2007, \$12,000 in 2008 and a period of inactivity and zero profit of the first three quarters of 2009. Total profits were also supplemented by manufacturer rebates for meeting and selling a fixed amount of their products per year. The last quarter of 2009 has been set aside and dedicated to reforming, strategizing, and

planning for a new initial launching of Equip-n-Ship's e-Commerce shopping cart webpage and the parent corporate website Equip-And-Ship, LLC.

INTERNAL AND EXTERNAL ENVIRONMENTAL FORCES

Internal Analysis

In addressing who exactly, or at what level strategic decisions should be made, and more specifically with multinational corporations, Hamel and Prahalad (1983) found that "managing strategic responsibility in situations of such ambiguity forces the firm to look far beyond traditional structural mechanisms in order to enact an appropriate division of strategic responsibility between headquarters and affiliates" (p. 341). In other words, depending on the unique circumstances such that Equip-n-Ship may be faced with in dealing with different customers, undetermined factors will likely be a strong determinant in who will be the ultimate decision maker.

For internal strategic planning, a long standing debate resolution was attempted by Brews and Hunt (1999) regarding the planning school/ learning school debate. They found that "formal planning and incrementalism both form part of 'good' strategic planning, especially in unstable environments" (p. 889). They summarized their findings succinctly by making a statement that Equip-n-Ship plans to adopt, "when the going gets tough, the tough go planning: formally, specifically, yet with flexibility and with persistence. And once they have learned to plan, they plan to learn" (p. 906).

Provided that Equip-n-Ship is an on-line retailer for primarily the restaurant industry, it may be of no surprise that its internal strategy is referred to as the "secret recipe." Part of this recipe, as the industry calls for, is the intricate workings of the network. The network of people, manufacturers, distributors, competitors, and resources and how these are all managed is a phenomenon that Barney (1991) referred to as "social complexity" (p. 110). In assessing Equip-n-Ship's internal strategy, or lack thereof, it will be considered that "when competitive advantages are based in such complex social phenomena, the ability of other firms to imitate these resources is significantly constrained" (Barney, 1991, p. 110).

Prior to assessing and identifying the gaps in Equip-n-Ship's internal operations, it was important to consider the context of the operations- the Internet. Porter (2001) indicated the need to "see the internet for what it is: an enabling technology- a powerful set of tools that can be used wisely or unwisely, in almost any industry and as part of almost any strategy" (p. 64). Not only are there the benefits of a widespread market for Equip-n-Ship because of the Internet, but there are also some potentially destructive components that must be considered before any found GAPS are to be addressed. Some of the most relevant internet

strategy destructive factors to Equip-n-Ship that were described by Porter (2001) are:

- Customers cannot physically examine, touch, and test products
- The ability to learn about suppliers and customers is limited by the lack of face-to-face contact
- The lack of face-to-face contact eliminates the powerful tool for encouraging purchases, trading off terms and conditions, providing advice and reassurance, and closing deals.
- Extra logistical costs
- Attracting new customers is difficult given sheer magnitude of the available information and buying options (p. 76).

Olson (2006) described how the use of the internet and information technologies alone will not ensure operational success. For such a business as Equip-n-Ship, where about 100% of business transactions are e-Commerce, this may be a frightening statement. Core competencies were mentioned as being many and flexible by necessity, and that "enterprises that integrate their operations with strategy both across functions and throughout entire product life cycles will increasingly be rewarded by investors, applauded by customers, and envied by competitors" (Olson, 2006, p. 42).

Past experiences have much to offer when considering forming a realistic strategy. Anderson, Volker, and Phillips (2009) identified some of the attitudes, usage, and satisfaction components of many small business owners' use of the internet and related technologies with regards to their business operations. They confirmed how "the internet and e-Commerce are no longer a novelty; both have become mainstream vehicles in commerce and communication" (Anderson, Volker & Phillips, 2009, p. 153). As far as what Equip-n-Ship must be concerned with, in the process of analysis and especially strategy development,

"the use of the internet must be done in a sophisticated manner that reflects the mission statement and strategic positioning of the business. Customers of today, and those of tomorrow, will not tolerate poorly designed web sites that are difficult to navigate or e-Commerce that appears amateurish and does not install trust in the customer"(Anderson, Volker, & Phillips, 2009, p. 154).

Although the alignment of the corporate mission statement and vision, as well as values is important when considering the use of IT and the internet, Porter's (2001) reminder that "to generate revenues, reduce expenses, or simply do something useful by deploying Internet technology is not sufficient evidence that value has been created" (p. 65). Equip-n-Ship is in need of specifically

identified values that its customers can see and feel through their electronic interface.

The above perspectives all served as food for thought with regards to starting to promote the mindset for the internal operations of Equip-n-Ship. Questions derived from the literature were presented, as discussed below, to further identify what exactly entailed the true internal strategic standing and potential for Equip-n-Ship.

External Analysis

Use of the internet in related e-Commerce companies have fallen in the "middle," as Porter would describe. They have failed to balance out or even address their sources of competitive advantage. Porter (1996) indicated that "...bit by bit, almost imperceptibly, management tools have taken the place of strategy" (p. 61). The mere use of the latest IT or as many use, e-Commerce templates, is an indication of failure to differentiate or "deliberately choosing a different set of activities to deliver a unique mix of value" (Porter, 1996, p. 64) to the underlying strategies. Campbell-Hunt (2000) found that "although cost and differentiation do act as high-level discriminators of competitive strategy designs, the paradigm's descriptions of competitive strategy should be enhanced" (p. 127) and thus, should be considered as a component of and not the sole means of analysis for Equip-n-Ship. Porter's (1979) 5 generic forces of:

- 1) Threat of new entrants
- 2) Bargaining power of customers
- 3) Threat of substitute products or services
- 4) Bargaining power of suppliers and
- 5) Jockeying for position among current competitors (p. 6)

are used below as a guiding source in the analysis and development of an external strategy for Equip-n-Ship.

Laczniak and Lusch (1986) identified some of the contributing factors for strategic failures based on their survey of Fortune 500 vice-presidents. Failures, they stated "...often stem from the inability to anticipate which technologies will dominate, the failure to predict shifting consumer preferences, the failure to anticipate changing political climates, as well as numerous other vagaries inherent in the dynamic macroenvironment" (Laczniak & Lusch, 1986, p. 28). They concluded their work by stating "the most essential point is that managers begin to think through the calculus of interaction between tomorrow's environment and today's strategy" (Laczniak & Lusch, 1986, p. 43). Their remote analysis is used in the external analysis section of the ENS Strategy Worksheet.

THE IDENTIFICATION OF GAPS

Strengths

The strengths of Equip-n-Ship at the time of the interview were extremely limited. Other than the CEO's expertise in the IT field, knowledge of the industry, and networking/ relationships he had established over the past few years, very little more was identified. The website that was developed was a template that was purchased from a web-hosting site and only about 30% of the available products were uploaded.

Weaknesses

As the interview progressed, the lack of short and long-term planning was evident; as was the indication for how much work needed to be done. From a background analysis standpoint, the information appeared to exist, but was not presented or documented in a formal manner. Rather, the information regarding Equip-n-Ship was stored deep inside the mind of the CEO and needed to be released.

The values, vision, and mission of the company needed to be explored, decided upon, and aligned. The absence of these was definitely a weakness. In fact, in order for Equip-n-Ship to obtain more products from distributors and manufacturers contracts needed to be signed. Prior to these signings, distributors and manufactures rely heavily on the feedback about the company by their researchers. Things they look for include exactly what Equip-n-Ship was missing-everything. Plans were spoken of regarding developing a "parent" website that would appeal to these distributors and manufacturers needs, instead of just hosting the shopping cart retail site that was catalog-like.

Other things that were missing and presented as weaknesses to Equip-n-Ship were firmly established short and long-term goals, a sense of social responsibility, and any objective, recent assessments of the internal and external environments. Regarding the internal environment of Equip-n-Ship, core values, assets, priorities, and drivers were not identified or established.

Opportunities

The opportunities presented in the interview and after the ENS Strategy Worksheet (see below) was completed by the CEO were plentiful. It was as if Equip-n-Ship had the opportunity to reestablish itself from scratch. All of the missing components from the weaknesses section above were included on the ENS Strategy Worksheet. These included exploring and developing a set of core competencies, core values, vision, mission, long-term and short-term goals, a sense of corporate social responsibility, an internal and external analysis of the environment, and an overall comprehensive strategic plan.

Threats

The ultimate threat to Equip-n-Ship was to not prosper. With no action or effort Equip-n-Ship would remain dormant and be extinguished as an e-Commerce corporation. The threats to Equip-n-Ship were the immediate competitors that are on-line and that have long-term established networks and relationships with distributors and manufacturers that only time could permit. Porter's 5 external forces and generic strategy were used to explore the external environment, as was the STEEP analysis. The answers and end products of this detailed analysis are presented below.

CONCLUSIONS FOR EQUIP-N-SHIP'S NEW INITIAL REVIEW

The conclusions from the review indicated a desperate need for comprehensive strategy development. Equip-n-Ship had what appeared to be a huge market and opportunity in which to move on provided the appropriate steps and time was invested in paving its path for success.

RECOMMENDATIONS FOR EQUIP-N-SHIP, LLC.

Strategy

Equip-n-Ship needs as strategy. Strategy making processes were explored by Hart and Banbury (1994) to determine what best practices exist for firm performance. Their findings indicated that "firms able to accumulate several modes of strategy into a complex strategy-making process 'capability' appear to outperform less process capable organizations on virtually every performance dimension save current profitability" (p. 265). They also emphasized that beyond actually having a strategy and implementing it, "the process through which strategy is made holds the potential for competitive advantage and requires purposeful design and management attention (Hart & Banbury, 1994, p. 266). Such incorporation is what Equip-n-Ship hopes to exercise herein.

Hamel and Prahalad (1989) described how strategic intent, of which to build a strategy around,

"encompasses an active management process that includes: focusing the organization's attention on the essence of winning; motivating people by communicating the value of the target; leaving room for individual and team contributions; sustaining enthusiasm by providing new operational definitions as circumstances change; and using intent consistently to guide resource allocations" (p. 64).

Strategy, or as Equip-n-Ship and some others call it, that "secret recipe" was best described in the example of when Hamel and Prahalad explained that "Honda was building a

core competence in engines. Its US rivals saw only 50 cc motorcycles" (p. 70). A strategy in itself might be to manage the perceptions other competitors have of a corporate strategy and intent.

Implementation of Recommendations

It was recommended that Equip-n-Ship develop and address those issues listed in the GAP analysis and produce an implementable strategic plan. Using the related literature on strategy development, a strategic worksheet (ENS Strategy Worksheet) was created to guide in this effort. Divided into two parts, the worksheet introduced each section with the basic underlying concepts as a "review" to prepare the mindset necessary to answer the questions that follow.

The "review" was followed by a selection of some of the most relevant questions derived from the many tools of strategy researchers. It is important to note that when the questions were presented to the CEO and workers, the author's names were not included. This was not relevant for the situation at hand and was not academic in nature nor was it to be published. However, in the copy below, the authors have been added back into the text and bolded for credit purposes.

The worksheet was provided to the CEO and two part-time employees of Equip-n-Ship. Once completed, the three worksheets were consolidated and summarized in the End Products section below (Appendix A). With much cooperation, a strategy draft for Equip-n-Ship was developed.

Actions

The strategic actions steps that were followed for Equip-n-Ship's analysis yielded the End Products of Appendix A. These are the specified steps that were taken to produce the ENS Strategy Worksheet End Products, or the actual deliverables Equip-n-Ship will use to guide future business operations. After the completion of each indicated section the action steps were followed. Action steps were adapted from material provided in a doctorate level strategic management course at Nova Southeastern University.

Feedback Analysis & Assessment

In determining whether or not the efforts of a company actually yield a workable strategy, Hambrick and Fredrickson (2001) offered a series of questions to help in such an initiative. Components of another tool for use in a recurrent assessment and progress measurement with strategic plans will be the Balanced Scorecard by Kaplan and Norton (1992). Components of each were blended to meet the specific needs of Equip-n-Ship. Such components include financial indicators, effectiveness of internal processes, customer satisfaction, achievement of long and

short-term objectives, product sales and volume as well as revenue and number of distributor and manufacturer contracts obtained.

REFERENCES

- Al-Rawi, K., Sabry, K. & Al-Nakeeb, A. (2008). Driving Factors for e-Commerce: Gulf Region Review. *Academy of Information and Management Sciences Journal*, 11(2), 19-32.
- Anderson, S. J., Volker, J. X. & Phillips, M. D. (2009). Traditional Small Business Web Site Attitudes, Usage, and Satisfaction, *Journal of American Academy of Business*, 15(1), 147-154.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
- Bhide, A. (1994, March/April). How Entrepreneurs Craft Strategies That Work, *Harvard Business Review*, 150-161.
- Brews, P. J. & M. R. Hunt (1999). Learning to Plan and Planning to Learn, *Strategic Management Journal*, 20, 889-913.
- Campbell-Hunt, C. (2000, March). What have we Learned about Generic Competitive Strategy? A Meta-Analysis, *Strategic Management Journal*, 127-154.
- Carroll, A.B. (1979, October) A Three Dimensional Conceptual Model of Corporate Performance, *Academy of Management Review*, 4(4), 17-26.
- Collins, J. C., and J. I. Porras, (1996, Sep/Oct). Building your company's vision, *Harvard Business Review*.
- Drucker, P. (2002). Managing in the next society. New York: Truman Talley Books.
- Jones, G. R. & George, J. M. (2003). *Contemporary Management* (3rd Edition), Boston: McGraw-Hill Irwin.
- Hambrick, D. C. and J. W. Fredrickson, (2001). Are You Sure You Have a Strategy? *Academy of Management Executive*, 15(4), 48-59.
- Hamel, G. & C. Prahalad (1983, Oct-Dec). Managing Strategic Responsibility in the MNC, *Strategic Management Journal*, 341-51.
- Hamel, G. and C. K. Prahalad, (1989, May/June). Strategic Intent, *Harvard Business Review*, 251-69.
- Hart, S. & C. Banbury (1994, May). How Strategy-Making Processes Can Make a Difference, *Strategic Management Journal*, 251-69.
- Hodgetts, R. M. (July, 1999). A Conversation with Michael E. Porter: A "Significant Extension" Toward Operational Improvement and Positioning, *Organizational Dynamics*, 27(1).
- Kaplan, R. S. & Norton, D. P. (1996, Jan/Feb). Using the Balanced Scorecard as a Strategic Management System. *Harvard Business Review*, 76.
- Laczniak & Lusch (1986). Environment and Strategy in 1995: A survey of high-level executives, *Journal of Consumer Marketing*, 3(2), 27-45.
- Laudon, K. & Laudon, J. (2007). Management Information Systems: Managing the digital firm. NJ: Prentice Hall.
- Mintzberg, H. (1987, July/August). Crafting Strategy, *Harvard Business Review*.
- Olson, E. G. (2006). Not by technology alone: Sustaining winning strategies, *Journal of Business Strategy*, 27(4), 33-42.
- Pearce, J. A. II and F. R. David, (1987, May). Corporate Mission Statements: The Bottom Line, *Academy of Management Executive*, 109-16.
- Porter, M. E., (1979, March/April). How Competitive Forces Shape Strategy, *Harvard Business Review*.
- Porter, M. E., (1996, Nov/Dec). What is strategy? *Harvard Business Review*.
- Porter, M. E., (2001, March). Strategy and the Internet, *Harvard Business Review*.
- Prahalad, C. K. & G. Hamel, (1990, May-June). The Core Competence of the Corporation, *Harvard Business Review*, 19-91.
- Premus, R. & Sanders, N. R. (2005). Differentiating Purchasing Practices of Firms Based on Information Technology Use, *Academy of Strategic Management Journal*, 4, 9-21.
- Shin, S., Cope, R. F., Cope, R. F. III., & Tucci, J. E. (2006). Internet Pricing: Best Effort versus Quality of Service, *The Academy of Information and Management Sciences Journal*, 9(2), 1-9.
- Vandenbosch, B. & Lyytinen, K. (2004). Much ado about IT: A Response to "the corrosion of IT advantage" by Nicholas G. Carr, *The Journal of Business Strategy*, 25(6), 10-12.
- Wasserman, T. (2009). Why Can't Shopping be like Online Shopping? *Brandweek*, 50(27), 26.
- Yip, G. S. (1989, Fall). Global Strategy in a World of Nations, *Sloan Management Review*.

Robert J. Mullaney is an Occupational Therapist and a Business Doctor. He received his Bachelors Degree from Florida International University in Miami, Florida and has been a practicing Therapist in the State of Florida for 10 years. He completed his MBA with specialization in Health Services Administration in 2005 and his DBA with Specialization in Management in 2010 from Nova Southeastern University. Dr. Mullaney has been an Adjunct Professor and Program Director in Higher Education for 4 years and the President & CEO of BusinessDrs.com since March, 2010. As the Founder of BusinessDrs.com, he has had the opportunity to work with stellar companies in the aspects of Productivity Enhancement, Waste Reduction, Human Capital Relations, and Strategic Planning; which are the areas of academic interest to him as well.

APPENDIX A**ENS STRATEGY WORKSHEET END PRODUCTS**

Equip-n-Ship, LLC. (ENS)
Initial Analysis End Product Report, Sept. 7, 2009.
Prepared by Dr. Robert J. Mullaney

PART I: ENS IS

- CORE VALUES FOR EQUIP-AND-SHIP, LLC. .
- VISION STATEMENT FOR EQUIP-AND-SHIP, LLC. .
- MISSION STATEMENT FOR EQUIP-AND-SHIP, LLC. .
- LONG-TERM & SHORT-TERM GOALS FOR EQUIP-N-SHIP, LLC.
- THE IDENTIFICATION OF HOW ENS IS SOCIALLY RESPONSIBLE.
- A LIST OF ASSUMPTIONS OF EQUIP-AND-SHIP, LLC. .
- A LIST OF FACTS OF EQUIP-AND-SHIP, LLC.

PART II: ENS INTERNALS

- A LIST OF THE CORE COMPETENCIES OF EQUIP-AND-SHIP, LLC.
- A LIST OF EQUIP-AND-SHIP, LLC. ASSETS.
- A LIST OF KEY VALUES OF ENS TO GUIDE IN TIME MANAGEMENT AND PRIORITIZATION OF ACTIVITIES AND ACTIONS FOR IMPROVEMENT.
- A LIST OF STRATEGIC DRIVERS FOR EQUIP-AND-SHIP, LLC.

PART III: ENS EXTERNALS

- A LIST OF THE EXTERNAL THREATS OF EQUIP-AND-SHIP, LLC. .
- A SOLID EXTERNAL ENVIRONMENTAL ANALYSIS FOR ENS OF WHICH TO BASE FUTURE DECISIONS ON.

PART I: ENS IS**Equip-n-Ship Core Values**

ENS is Service, Honesty, Efficiency & Reliability, Diligence, Integrity & Perseverance

- **ENS is Service**

- Equip-N-Ship provides compassionate and personal customer service to all of its customers and business associates.
- Equip-N-Ship provides a wide variety of quality restaurant equipment to entrepreneurs and business owners around the world.
- Equip-N-Ship provides an ease of search, selection, and ordering of products from its on-line store.
- Equip-N-Ship contributes to a wide variety of charities according to its customer preferences.

- **ENS is Honesty, Efficiency & Reliability**

- Equip-N-Ship is reliable with all orders and shipping.
- Equip-N-Ship assures quality products in a diligent manner.
- Equip-N-Ship upholds itself on the pillars of honesty to all involved parties of its operations.

- **ENS is Diligence**

- Equip-N-Ship will work in a total diligent manner with regards to all customer and vendor related business transactions.
- Equip-N-Ship works from start to finish for its customers locally and around the world.

- **ENS is Integrity**

- Equip-N-Ship will always demonstrate institutionism, or knowing right from wrong, and doing "what's right" for its customers, the community, and the environment.

- **ENS is Perseverance**

*- Equip-N-Ship will perseveres through all challenges posed by the changing economy to deliver unaffected quality and care to its customers and business associates.
- Equip-N-Ship is determined to persist with urgency, all customer or business associate related activities to ensure all parties are happy, and to enable that all entrepreneur and business owners dreams can come true.*

Equip-n-Ship Vision

Equip-N-Ship will be known for its Preferred Recipe for success in providing the food industry with the equipment and supplies it needs to satisfy all appetites worldwide.

Equip-n-Ship Mission Statement

Equip-N-Ship is a Miami, Florida based company that exists to make business owners, entrepreneurs and hungry people's dreams become reality across the globe. To do this, Equip-N-Ship uses its Core Values of ENS is Service, Honesty, Efficiency & Reliability, Diligence, Integrity and Perseverance as a roadmap to provide an on-line restaurant equipment and supplies shopping experience unlike any other with ease and user friendliness. Equip-N-Ship recognizes those things that are most important to its customers and contributes to the charity of choice of its customers on a per-transaction basis, uses and sells the most energy efficient and reliable products available, and keeps the worldwide community at its forefront of business operations.

Equip-n-Ship Long & Short Term Goals

Long Term Goals

- 1) *Equip-N-Ship will become an overarching company by acquiring many small to medium sized companies within the restaurant and food services industry by 2012.*
- 2) *Equip-N-Ship will produce revenues in excess of \$1,000,000.00 by 2011; enabling a position for Public Offering.*
- 3) *Equip-N-Ship will become the industry leader, known for its special Preferred Recipe to satisfy all Appetites, with regards to restaurant equipment and supplies.*

Short Term Goals

- 1) *Equip-N-Ship will increase its product offerings to 500 within the first year of operations.*
- 2) *Equip-N-Ship will increase the number of website inquiries to over 10,000 per month within the first year of operations.*
- 3) *Equip-N-Ship will launch a Equip-N-Ship Outlet companion website to offer even more products that are either resold, used, out of production, and or discounted significantly to satisfy even more customers.*
- 4) *Equip-N-Ship will receive excellent customer feedback as evidenced by on-line comments, news press, and any other media within the first year of operations.*
- 5) *Equip-N-Ship will have a recognized corporate identity that provides fierce competition as evidenced by the percentage of the market share it will service within the first year of operations, (September 29, 2010).*
- 6) *Equip-N-Ship will produce \$500,000 in revenues within the first year of operations (September 29, 2010).*
- 7) *Equip-N-Ship will be contacted by one smaller company within the first year of operations to be acquired or bought out by Equip-N-Ship.*

Equip-n-Ship's Identification of Corporate Social Responsibility

Equip-N-Ship will provide its customers with the opportunity to choose their charity of choice for a percentage of their purchases to be donated to. It will be the honor of those at Equip-N-Ship to handle all charitable documentation requirements for the benefactors and our customers. Equip-N-Ship will also make all efforts to offer the most energy efficient, reliable, and environmentally friendly products and to keep the worldwide community at the forefront of its business practices.

Equip-n-Ship Acknowledges that:

- Owners assume that hard work and strategy will pay off.
- Customers think ENS is just another on-line retailer.
- Non-customers think ENS is just another on-line retailer.
- Desired assumptions are that Equip-N-Ship is a highly successful on-line restaurant equipment retailer that is the first choice of business owners.

Equip-n-Ship Aims to clarify that:

- Yes, ENS is another on-line equipment retailer, but, its pricing, customer focus, support, reliability, ease of use, and social responsibility stand it out above the rest.
- Equip-N-Ship strives to offer the best restaurant equipment pricing and support, with the easiest to use and most reliable on-line ordering process; all delivered with superior customer focus, support, and social responsibility. Because we all are our customers.

PART II: ENS INTERNALS**Core Competencies (What ENS is good at)**

- Business initiative follow-through
- Offering the lowest prices available
- Product ordering and delivery
- Wide selection of quality products
- Website design and ease of use
- Customer service and support
- Customer pro-activeness

Resource Bases

- Physical computer hard and software, at home working or portable working conditions and IT know-how
- Brand recognition
- High moral and motivation
- Ability to implement strategy
- Business and industry knowledge

Value Chain Operations

- Contract with a freight company and an online, semi-automated product ordering system.
- Zero overhead costs, mostly website hosting, advertisements, salaries, and Software. Percentages of sales cover the logistical costs.
- Advertisement on Google, Yahoo, Facebook, and Annual Conference and Networking events for industry professionals.
- Call center contracts have been made and business telephone and internet services are provided.
- Service related activities will increase proportionally with the increase in product sales and activity.
- Follow through on customer orders, delivery and satisfaction.
- Currently 2-3 hours per day of work by the two primary employees of Equip-N-Ship.
- Website design, business strategy development, research, product uploading, preparation for September 15-29th, 2009 re-launching of Equip-N-Ship and the corporate website Equip-And-Ship, LLC.
 - By diligent follow-through and synchronized cooperation and merging of talents and resources.
 - No formal budget, but a tentative not to exceed \$2,000/month; there will be an outline by October 1, 2009.
- Approximately \$500.00/ month not counting time invested by the owners. Product expansion
- Website enhancement
- Promotion and Advertisement
- Product sales
- Uploading new products, networking with distributors and manufacturers to offer and sell their products on the Equip-N-Ship website, keeping prices as low as possible to generate activity and sales on the website.
 - Prior to 6 months to a year of operations, no activities will be outsourced to others. Activity must generate a certain amount of sales and profit to enable the outsourcing of jobs and duties. The improvement of the

stated activities will be measured according to the success of the short-term goals and stated objectives herein.

PART II: ENS EXTERNALS

Generic General Strategy Drivers

- *The cooperation and synchronization of all talents combined with opportunities and business plans? IT skills, Industry knowledge and application skills, business and strategy skills.*
- *No follow through, no progress, no revenues and no success. ENS will provide an easy to use on-line shopping cart for industry wide, national restaurant professionals. Prices will be the lowest available with the opportunity for its customers to be socially responsible and contribute a percentage of their purchase to the charity of their choice.*
- *What is ENS's Niche? Ease of online shopping though highly sophisticated combination of software, networks, and talents for entrepreneurs and food connoisseurs.*
- *Never to be disclosed in written form. Only to be passed down in the ancient art of verbal communication and story telling around camp fires.*
- *Other distributors, on-line retailers, and manufactures who sell directly to retailers or only directly to distributors. Also, for smaller supplies such as silverware, plates, etc. the larger department stores such as Sears, JC Penny's, Macys, etc...*
- *It is a mixture of both, but product is the more dominant. Adequate, reputable, and reliable product selection for the online store at the right price will be the strongest approach. Poor products cheap will not work well. This will dictate which manufactures or distributors we will approach for contracts.*
- *Broad, wide-spread, as is the nature of an on-line business.*

5-Forces Strategy Drivers

- *There is a moderate threat level to Equip-N-Ship posed by potential new entrants into the restaurant equipment retailer industry. Equip-N-Ship is expected to start off with a limited amount of products at first, putting it in direct competition with most other medium sized on-line restaurant equipment manufacturers.*
- *Moderate to high bargaining power threat level is expected by other buyers, distributors, and retailers in the restaurant equipment industry. The more products, longer time established, and developed relationships over time all increases the competitions ability to obtain a competitive edge.*
- *The distributors and manufactures, over time, have developed strong relationships with other retailers. This makes the barrier to entry moderately difficult. However, there are those manufacturers and distributors who deal with retailers they are not necessarily happy to deal with, which poses as an opportunity for an introduction and entrance by Equip-N-Ship.*
- *Only more energy efficient products or lighter weight and substantially less expensive products are threats to the current products offered by Equip-N-Ship. There are little, if any, products that are able to refrigerate, cook, and filter food that would drastically be different from the available of emerging technology that exists now. One of the goals of Equip-N-Ship's owners is to attend the annual Restaurant Industry Conferences in order to keep abreast of new and emerging trends and products, and for networking.*
- *Most of the rivalry existing currently are between the competitors. There is no anticipation that Equip-N-Ship will emerge as a threat to them, so most of their competitive strategies are focused on each other, rather than Equip-N-Ship. Equip-N-Ship has laid dormant for about nine months, or since the beginning of 2009, so it really is not a threat at this time. Equip-N-Ship will plan a "going live" date, where it will make a blasting reentrance into the field, and it will leave the competitors in shock.*
- *They are top of the list for threats to Equip-N-Ship, but Equip-N-Ship is at the bottom of the list for them.*
- *Taking advantage of little or no attention from competitors focus on Equip-N-Ship would be the primary area for advantage. Also, keeping abreast of upcoming products and trends, new equipment offered by the competitors, and conference attendance for networking purposes will all place Equip-N-Ship at a good strategic starting point for the "live launch."*

STEEP Strategy Drivers

- *What are the interstate or international restrictions of doing business? To be determined on a case by case basis.*
- *What are the opportunities? National and international opportunities exist and initially may need to be handled on a case by case basis to ensure that all safeguards and rules/regulations are abided by.*

- *How are taxes handled? Taxes are paid by the customers who make the product purchase. Business to business related activities, taxes do not apply in the state of Florida, but are paid by the end purchaser.*
- *How are the finances and accounting handled? By the owners.*
- *Who does this? The owners. A corporate accountant will be hired once revenues reach a certain pre-determined limit.*

(NOTE: Readers are encouraged to contact the Author for details regarding this case study)