Strategic Planning

Executive Summary

Market analysis is normally done to assess the company’s standing position and creating other new plans according to the market position of the company. This research paper is associated with the new company that has been acquired. The analysis will have to raise the skills and comprehension of the individuals concerning the strategy and target market and how to acquire the customer base.

Marketing Analysis

It is essential to do a marketing analysis as it is more vital on the sides of strategic planning, more so, for our newly acquired company, it will be done to raise its market state in a valuable and competent manner (Wilson, 2001). Hence, the newly acquired company can be illustrated through a proper analysis as sated below.

Target Market

The newly small-acquired company in the automobile industry is an industry which has an interest of purchasing cars for the organizational department as well as for sales and purchase (Wilson, 2001). Furthermore, educational organizations will have to be considered also in this market for the new acquired company so as to raise the market sales and profit gains at a larger scale.

Acquiring a Customer Base

In order to acquire an effective customer base, such things as advancement of the products and provision of the free charge to the customers has to be made. Moreover, it is also important to move on with the improvement in the areas of the upcoming new goods or products relying on the kind of the completion in the environment (Wilson, 2001). Therefore, the company ought to be prepared and set to assist the clients all the times in the sell having the best price effective approach. Hence, this can of strategy will at no circumstance be taken for granted in whatsoever situation in an event of acquiring a large number of customer base.

SWOT Analysis

Strengths

The newly acquired company’s strength is taken as an on hand product as well as service. Being there of the product in the small and limited markets as well as the fixed clients appears to another strength of the company. Additionally, this firm has a new technology which can be transformed and developed in the growth of the new products in the market.

Weaknesses

Not all new acquired companies have only positive strength, however, there also exists their shortcoming or weakness they go through. The newly acquired company has a number of weaknesses. The weaknesses are that the company can make fewer sales of products. In addition, shortage of market shares usually takes an aggressive gain. Furthermore, the company is known by the less number of people, thus, its brand image in the market aspect is smaller due to its small size.

Opportunities

This Company has all the privileges to take in the global market so as to expand its business. Furthermore, this newly acquired company is capable of making the most effective clients all away through the growth of the highly developed products for it to make a good brand image.

Threats

Competition is considered to be the foremost threat of this company, thus, the company needs to use a lot of capital to make it a bigger company. It takes time for a company to improve, therefore, this company’s improvement will take some time to reach the needed standard in the market situation since the company has very less promotional business activities that can boost it.

Financial Statements

The formal documentation records of the capital activities generally will have to be presented in financial statement of this newly acquired company. The quantity or sum total of the capital in the report will define the financial strengths as well as the performance of the company. Furthermore, the company’s liquidity in the report, depending on its finance, has an effect on the daily business transactions and the time on the entity efficiently.

Balance Sheet

The total assets of the newly acquired firm are taken care of by itself informing of the cash as well as inventory. The company also uses plant and machinery as its assets. Nevertheless, the company has nothing inform of liability that comes from the bank loans. Therefore, the company has nothing to protect it from the state of bankruptcy. The company’s equity is as well considered to be very much impressive since the company runs short of liabilities (Kwok, 2008).

Income Statement

The profits as well as the Loss Statement and Income Statement of the newly acquired company generally accounts for the company’s financial performance generated from the either the profits or the loss gotten in a certain period of time. From this accounts, the incomes of this company was earned, however, with a small gain of its sale. In addition, the company on the period that ended was raised because of the company increase of wages and salaries to its employees (Kwok, 2008).

Cash Flow Statement

This newly acquired company’s cash flow is found to be very low. Little operating business activities are the cause of the low in the cash flow. Therefore, due to this, there is lack of investment in this company, thus, lack of financial capability is the leading problem to the company (Porter & Chen, 2014).

Summary of the Relevance of Porter’s Five Factors

There is an extensive problem in this newly acquired company due to the threat of entrant into the business. In other words, this company experiences issues like any other business company that newly entered into the market. This company has to prepare and use stiff tactics to make sure that it counteracts the challenges of the new entrant. Substitute threat of the products is also a problem to the company. However, the company has better technology that can forbid the effects of the substitutes. Furthermore, the bargaining power shown by the customer is low because of the little product ability as well as the location. There is also the probability of shifting the people towards the other alternative product due to the availability of the product as well as the innovative of the product’s market. Simultaneously, the bargaining power of suppliers would be considered of less significant due to the existence of a lot of suppliers in the market to provide the materials in the customer’s decision. At this point, the competitive rivalry obviously is high because of the many attractive firms, thus, giving a chance for the expansion of the business in the most appropriate manner (Magretta, 2011).

Conclusion

According to the information above, it is summed up that the company’s market is helpful at a certain point, as it is a smaller company. The company can go through different issues in its business activities. However, in the strategic planning as well as investments, it has a better position of attaining the competitive advantage in its market activities.

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