

MARKET DEVELOPMENT STRATEGY

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-Can har done through targeting new yeographical markets, catering to new termographic markets, or selling to industrial

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PRODUCT DEVELOPMENT STRATEGY

 Developing new products or Developing new products or modifying existing new products so that they appear new.
 A logical strategy for companies that understand the needs of customers.

Example: Selecta fee Cream in the insurance of the control of development.

In using product development

- strategy:
- Companies can expand their product range
 Acquire rights to produce someone else's produce.
- Example: Suyen Corporation

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GROWTH STRATEGIES

DIVERSIFICIATION STRATEGY

- Introducing new products in new markets The "capital-intensive"
- yet the "riskiest" strategy · Can be done through vertical and horizontal

integration Example: Universal Group of Companies

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Buying in a product and "branding"

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- It derives cost advantages due to economies of scale.
- A bigger firm gains bargaining power
- •The entrepreneur gains more power and access to resources as the business grows bigger.

CHALLENGES IN A GROWING BUSINESS

- The pursuit of growth is bound to increase the pressure on the company's existing set of employees to produce or sell more.
- · Growth means having to deal with greater number of concerns.
- · Rapid growth could result into the
- company's resources being stretched too

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Management buyons
-tewaraged buyons
-tewaraged buyons
-temployee stock ownership plan (ESOP)
-Employee Stock Ownership Trust (ESOT)
-teveraged plan
-safe to outsides

- Ways to raise the value of the business:
- Concentrate on keeping casts under control

 Focus on getting healthy margins

 Ensure that the capital equipment are up-todate and properly maritished
- Maintain good munagement team Get all financial statements in order Business broker investment banker

Sudden departure of top people
 Supplies and materials needed to meet

- orders are lacking

 Large and increasing discounts to
- customers

 Payroli taxes are not promptly paid
- Payrofi taxes are not premptly paid
 Demands from the creditors that payments be made in cash
 Growing complaints from costumers about poor service and product quality Reorganization

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CHAPTER 12

Organic Growth at Sonnentor Thecasesolutions.com



MARKET DEVELOPMENT STRATEGY

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- Can be done through targeting raws
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PRODUCT DEVELOPMENT STRATEGY

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Example: Selecta Ice Cream

In using product development strategy: Companies can expend their product range

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Buying in a product and "brending"

Example: Suyen Corporation Thecasesolutions.com **GROWTH STRATEGIES**

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EXIT STRATEGIES





SELLING THE BUSINESS

Management buyour -leveraged buyour -Employee stock ownership plan (ESOP) -Employee stock Ownership Trust (ESOT)

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 Growing complaints from costumers about poor service and product quality

Reorganization

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MARKET PENETRATION STRATEGY

- Selling more of the company's existing products or services to its existing customers
- Can be done through price discounts, more aggressive promotion, distribution of efforts, and modest product improvements



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MARKET DEVELOPMENT STRATEGY

- Selling the company's existing products to new market.
- Can be done through targeting new geographical markets, catering to new demographic markets, or selling to industrial buyers

NEW GEOGRAPHICAL MARKET

- Selling existing products to customers in new locations

NEW DEMOGRAPHIC MARKET

 Offering the same product to a segment of the market which have different characteristics

EXPANDING TO INDUSTRIAL BUYERS

- Small businesses start selling their products to individuals, but later graduate to providing services to industrial buyers or big ventures

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PRODUCT DEVELOPMENT STRATEGY

- Developing new products or modifying existing new products so that they appear new.
- A logical strategy for companies that understand the needs of customers.

Example: Selecta Ice Cream In using product development strategy:

- Companies can expand their product range
- Acquire rights to produce someone else's product
- Buying in a product and "branding" it

Example: Suyen Corporation

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Introducing products
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CHALLENGES IN A GROWING BUSINESS

- The pursuit of growth is bound to increase the pressure on the company's existing set of employees to produce or sell more.
- Growth means having to deal with greater number of concerns.
- Rapid growth could result into the company's resources being stretched too thinly.

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SUCCESSION IN A FAMILY-OWNED BUSINESS

1) Start business succession planning early.



2) Involve your family in business succession planning discussions.



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Look at your fa accordingly.



4) Get over the inhave an equal s



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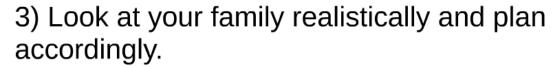
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planning early.



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4) Get over the idea that everyone has to have an equal share.



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