

Logoplaste Case Analysis



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Challenges

- Need for larger productive basis to satisfy demands of clients (FMCG companies)
- Lack of necessary time and resources to respond to clients' demands
- Industry growth rate ; risk of losing opportunity window

Strengths

- Customer retention rate
- ILab
- Price competitiveness
- Strong knowledge base
- Centralized back office
- On site production

Weaknesses

- Lack of human capital
- Lack in communication skills

Situational Analysis

Opportunities

- Local recruitment of country managers
- Market growth in the rigid plastic packaging market

Threats

- Currency Risks
- Cultural / Regulatory differences
- Centralised control
- Pressure for global expansion

Strategic Methods

Market Development

Bidding for large-scale projects in new locations



- Gain access to a new customer base
- Business diversification
- Manufacturing and technology clusters
- Taking advantage of the high market growth potential
- Securing sustainable growth through global expansion



- Difficult access to financial investment due to lack of relationships
- New range of products result in an increase of product complexity
- High investment in human resources
- Lack of local market knowledge



Product Development

Provide a higher level of service and sophistication



- Better reputation and fulfilment of customers' demands



- Requires recruitment
- Investment in R&D
- New machinery needed

Market Penetration

Targeting local firms operating in current markets
Decline invitations to new markets



- Higher margin due to smaller scale
- High negotiation power
- Lower initial cost



- Saturated market
- Inability to react to customers' demands

Acquisition

Expected sale of a Graham Packaging



- Logoplaste as a top three industry player
- Opportunity window due to increasing market potential in North America
- Increased buying power for raw material
- Technological synergies
- Gaining knowledge in off-site production



- High financial risk due to accumulated debt and potential credit disapproval
- Presence limited to North America
- Limited strategic options for the future
- Negligible growth over last years

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