

# Running Head: Ben & Jerry Case Analysis

## TheCasesolutions.com

Team 1: Alexis Small, Samantha Keirse, Tracy Hegedus, Rikeisha Edmonds, Yvette Hester, Cindy Tran

Objectives  
 Analyze the current business environment of Ben & Jerry's.  
 Identify the strengths and weaknesses of Ben & Jerry's.  
 Determine the opportunities and threats for Ben & Jerry's.  
 Develop a strategic plan for Ben & Jerry's.



### Company History

Ben and Jerry was founded in 1978 in Burlington Vermont by two school mates: Ben Cohen and Jerry Greenfield.

The company was well known for its Unique Flavors and unusual ingredients.

By the late 1980's, Ben and Jerry became available in every state of the Union.

Unfortunately in the 1990's Ben and Jerry's sales growth began to decline and in 1994 the company experienced it's first real loss.

Following several years of overseas sales, Ben and Jerry decided what it's next move should be.

In 1996, Ben and Jerry began to develop multiple strategies to entering the Japanese market.

### Environmental Analysis

Internal Factors	External Factors
<b>Strengths</b> <ul style="list-style-type: none"> <li>1st Independent public relations and advertising firm</li> <li>Highly motivated and highly creative employees</li> </ul>	<b>Opportunities</b> <ul style="list-style-type: none"> <li>Enter a new and profitable and relatively untapped market</li> <li>Expand into new markets</li> </ul>
<b>Weaknesses</b> <ul style="list-style-type: none"> <li>High cost of raw materials</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>Competition: Haggen Dazis and Dreyer</li> <li>Widespread government and industry in U.S. sales</li> <li>Lack of experience and resources in the U.S. market</li> <li>Lack of experience and resources in the U.S. market</li> <li>Lack of experience and resources in the U.S. market</li> </ul>

### Ben and Jerry's Current Strategies

Ben and Jerry's main strategy was to establish overseas growth, improve and diversify while maintaining a high quality product.

- The company focused on product differentiation, by creating, selling and marketing the three quality, all natural ice cream.
- By focusing on differentiation strategies, Ben and Jerry targeted a narrower segment of the market which allowed the company to gain competitive advantage over its rival competitors.
- In addition to using pricing their business strategy as a cost increase strategy, Ben and Jerry's strategies also included creating brand loyalty, franchising for company to aid economic growth as well as creating well developed advertisements.

Should Ben and Jerry enter the Japanese market?

**YES**

### Strategy Recommendation

Ben and Jerry should enter the Japanese marketplace by forming a partnership with Seven-Eleven.

### Implementation Activities & Tools

- Ben & Jerry's conduct a market research project to determine the best product to introduce in the Japanese market.
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### Operational Business Metrics

Market Share  
 Sales  
 Profitability  
 Customer Satisfaction

### Pro Forma

Item	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenue	100	110	120	130	140	150	160	170	180	190	200
Expenses	80	85	90	95	100	105	110	115	120	125	130
Profit	20	25	30	35	40	45	50	55	60	65	70

### Risk Assessment

- Competition
- Market Share
- Profitability
- Customer Satisfaction
- Operational Business Metrics
- Market Share
- Sales
- Profitability
- Customer Satisfaction

### David vs Goliath

- Haggen-Dazis was purchased by YHobby
- Haggen-Dazis tried to keep Ben & Jerry's out of supermarket
- Greenfield protested outside of Pillsbury corporate office
- Added a zero number to all prices to speed the word
- Made T-shirts, signs and ads on buses in protest
- They won and made their way into supermarkets

### Anti-Corporate Culture

- Highest paid will not receive more than 7 times lowest paid
- 7.5% pretax profits goes to social causes
- Employees make up their own title
- No commercial advertising
- 100-word essay to apply for the CEO position
- Festival and tie-dye T-shirts for stockholder meetings

### Ben and Jerry's Core Competencies

- The most obvious core competencies are social actions, product distribution, and the knowledge of how to compete with its premium product markets.
- When Merged together these core competencies results in beneficial goods to Ben and Jerry as a whole.
- The systematic problem with Ben and Jerry's core competencies is that often times, the social actions and financial activities are intertwined, which presents Ben and Jerry from other business opportunities that are outside of their current business model set in place.
- Unfortunately, by limiting themselves to one standard model the company is also limiting the possibility of expanding into more successful opportunities.
- In order to combat this Ben and Jerry needs a more efficient model set in place.

### Business Challenges

WHAT'S THE DOUGHBOY AFRAID OF?

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Objectives  
- Analyze the company's internal and external environment  
- Identify the company's strengths and weaknesses  
- Evaluate the company's current strategies and propose alternatives



### Company History

- Ben and Jerry was founded in 1978 in Burlington Vermont by two school mates: Ben Cohen and Jerry Greenfield.
- The company was well known for its Unique Flavors and chunky ingredients.
- By the late 1980's Ben and Jerry became available in every state of the Union.
- Unfortunately, in the 1990's Ben and Jerry's sales growth began to decline and in 1994 the company experienced its first real loss.
- Following several years of overseas sales, Ben and Jerry decided what it's next move should be.
- In 1996, Ben and Jerry began to develop multiple strategies to entering the Japanese market.

Should Ben and Jerry enter the Japanese market?  
**YES**

### Strategy Recommendation

Ben and Jerry's should enter the Japanese marketplace by forming a partnership with Seven-Eleven.

### Implementation Activities & Tasks

- Ben & Jerry's should purchase large production equipment to produce premium ice cream that are targeted to the marketplace.
- Ben & Jerry's will not give Seven-Eleven full control on packaging design and will adjust their designs to meet the needs of Seven-Eleven.
- Outsourcing a local firm in Japan for production and production a host so they can share with the common ways and local people market.
- New staffing methods and costs need to be determined in order to assure marketing goals will meet.
- Employee training on the new production process will need to take place before production can be started.

### Expected Results, Metrics & Possible Partnership

- Share in Customer Satisfaction
- Cost Control in Japan
- Market in Productivity
- Share in Market in Japan

### Pro Forma

Ben and Jerry's Pro Forma Five Year Income Statement

Year	1996	1997	1998	1999	2000
Revenue	100	110	120	130	140
Cost of Goods Sold	40	45	50	55	60
Gross Profit	60	65	70	75	80
Operating Expenses	20	22	24	26	28
Operating Income	40	43	46	49	52
Interest Expense	5	5	5	5	5
Income Before Taxes	35	38	41	44	47
Taxes	10	10	10	10	10
Net Income	25	28	31	34	37

### Risk Assessment

- Competition
- Government
- Production Costs
- Changing with other brands on Seven-Eleven shelves
- Foreign Culture in Japan
- Shareholder Satisfaction
- Shareholder Loyalty
- Shareholder Investment
- Shareholder Satisfaction
- Shareholder Loyalty
- Shareholder Investment
- Shareholder Satisfaction
- Shareholder Loyalty
- Shareholder Investment

### Environmental Analysis

Internal Factors	External Factors
<b>Strengths</b> <ul style="list-style-type: none"> <li>Ben &amp; Jerry's unique flavors and chunky ingredients</li> <li>Ben &amp; Jerry's unique packaging</li> <li>Ben &amp; Jerry's unique marketing</li> <li>Ben &amp; Jerry's unique distribution</li> <li>Ben &amp; Jerry's unique brand</li> </ul>	<b>Opportunities</b> <ul style="list-style-type: none"> <li>Not so saturated for coffee and cream actually available products</li> <li>Ben &amp; Jerry's need to expand the market to other countries.</li> </ul>
<b>Weaknesses</b> <ul style="list-style-type: none"> <li>High cost structure</li> <li>Low production volume</li> <li>Low market share</li> <li>Lack of brand loyalty</li> <li>Lack of brand awareness</li> <li>Lack of brand recognition</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>Competition: Haagen Dazs &amp; Dreyer</li> <li>Weak brand awareness and loyalty in the market</li> <li>Lack of brand awareness and loyalty in the market</li> <li>Lack of brand awareness and loyalty in the market</li> </ul>

### Ben and Jerry's Current Strategies

- Ben and Jerry's main reason was to establish economic growth, improve and increase while maintaining a high quality product.
- The company focused on product differentiation, by making, selling and distributing the finest quality ice cream on wheels.
- By focusing on differentiation strategies, Ben and Jerry targeted a narrower segment of the market which allowed the company to gain competitive advantage over its rival competitors.
- In addition to incorporating their mission statements in current corporate strategies, Ben and Jerry's strategies also included creating brand loyalty, franchising the company and economic growth as well as creating well developed advertisements.

### David vs Goliath

- Haagen-Dazs was purchased by H&M
- Haagen-Dazs tried to keep Ben & Jerry's out of supermarkets
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- The systematic problem with Ben and Jerry's core competencies is that often times, the social activism and financial activities are misaligned, which prevents Ben and Jerry's from other business opportunities that are outside of their current business model set in place.
- Unfortunately, by limiting themselves to one standard model the company is also limiting the possibility of expanding into more successful opportunities.
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### Business Challenges

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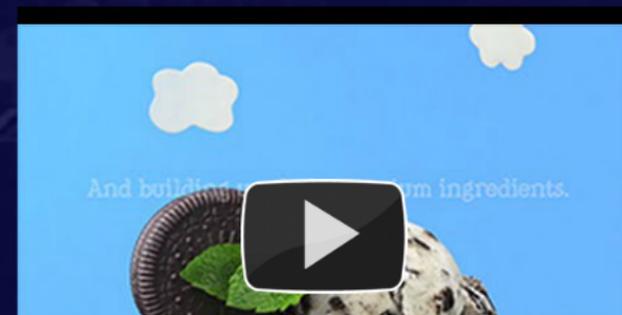
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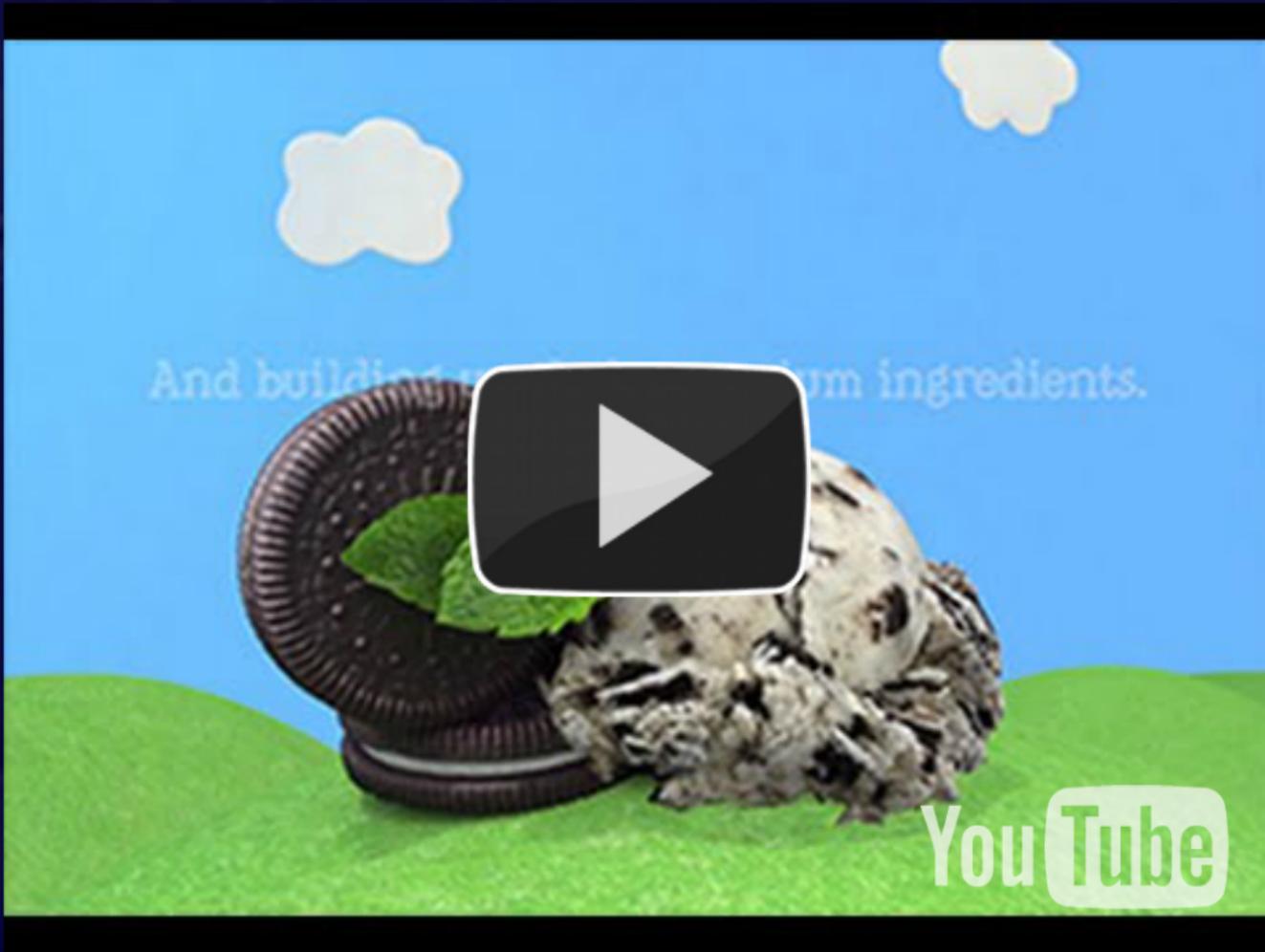
## Objectives

- Company Overview
- Business Challenges
- Environmental Analysis
  - Options
- Strategic Recommendation
  - Implementation Plan
  - Pro Forma



# Objectives

- *Company Overview*
- *Business Challenges*
- *Environmental Analysis*
  - *Options*
- *Strategic Recommendation*
  - *Implementation Plan*
    - *Pro Forma*
    - *Risk Assessment*
    - *Conclusion*



And building from premium ingredients.

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