

Trouble Brewing for Green Mountain Coffee Roasters

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Agenda

Introduction & Background	Value Chain
Industry Analysis	Financial Analysis
SWOT Analysis	Current Issue
Porter's 5 Forces	Recommendation/Conclusion

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Recommendations & Conclusion

1. Products to become biodegradable
2. Expand from one manufacture
3. Product differentiation



Industry Analysis

- Products
- Products segments
- Sales breakdown
- Competition



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Financial Analysis



	2016	2015	2014	2013	2012
Revenue (USD) (\$M)	2,296	2,170	2,046	1,915	1,816
Operating Profit (\$M)	426	416	396	374	346
Net Profit (\$M)	174	176	176	166	146
EPS	0.60	0.57	0.57	0.54	0.48
Book Value	\$6.00	\$5.71	\$5.28	\$4.87	\$4.52

Introduction & Background



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Current Issues

- K-Cups are currently not recyclable.
- Some of the K-Cup portion pack technology is going to expire in 2017.
- Many defect complaints have been detected.



References

1. <http://www.greenmountaincoffee.com>
 2. <http://www.coffee.com>
 3. <http://www.k-cup.com>
 4. <http://www.entrepreneur.com>
 5. <http://www.fool.com>
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Operating Profit (\$M)	426	406	386	354	340
Net Profit (\$M)	174	176	176	166	160
EPS	0.80	0.77	0.76	0.72	0.70
Book Value	18.00	17.13	16.06	14.87	14.23

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Strengths

- Partnerships
- Patented technology
- User friendly
- Brand Equity
- Broad coffee selection



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GREEN MOUNTAIN COFFEE ROASTERS, INC.

WEAKNESSES

- One manufacturer
- Can only brew one cup at a time
- Water-down coffee
- K-cup patents expire soon
- The K-cup varieties are too expensive



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Opportunities

- Expand the Away from Home Market
- Expand to more than one Manufacturer
- K-cup Technology not recyclable
- Keep expanding into consumer homes
- Growth in U.S. coffee market



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