Dunkin’ Brands Group Inc

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Dunkin’ Brands is a leading franchise company dealing in quick-service restaurants that serve hot beverages, frozen drinks, baked goods, and ice cream (Brizek 4). The brand owns over 18,000 service points in more than 50 countries worldwide, with 11,000 restaurants under the Dunkin’ Donuts brand in 33 countries and 7250 Baskin-Robbins outlets in 50 countries (Brizek 4). The founder, William Rosenberg, opened the Open Kettle in Quincy, Massachusetts, in 1950 and later named it Dunkin Donuts. The company’s mission statement, which came straight from the founder, seeks to “make and serve the freshest, most delicious coffee and doughnuts quickly and courteously in modern, well-merchandised stores (Brizek 5).” Since the company rebranded to Dunkin’ Brands, it has been guided by values including honesty, transparency, humility, integrity, respectfulness, fairness, and responsibility (Dunkin’ Brands n.p). Dunkin’s guiding principles include leadership, social stewardship, execution, innovation and fun.

History of the Company

William Rosenberg opened his first restaurant in Quincy, Massachusetts, in 1948 and named it Open Kettle. He opened the coffee and doughnuts restaurant after observing that the two items were very popular in construction sites and factories in America. He later rebranded to Dunkin’ Donuts and opened his first franchise restaurant in 1955. In 1963, Dunkin’ opened its 100th restaurant, with Rosenberg’s son becoming the CEO at the age of 25. The brand was then under Universal Food Systems, a conglomerate of small food businesses, but after 1963, constituent businesses of the conglomerate were closed, and the restaurant rebranded as Dunkin’ Donuts. Allied Lyons, the owner of Baskin-Robbins, procured the Dunkin’ Donuts business, and the two businesses combined in 1990. By 1998, the company had expanded to over 2500 restaurants and $2 million in annual transactions. In 2004, the Dunkin’ headquarters moved to Canton, Massachusetts, and the brand was sold as Dunkin’ Brands in December 2005.

Structure of the Company

Dunkin’ Brands has a complex traditional hierarchical organizational structure as it revolves around the products and functions of the restaurants and the franchises, as well as the many geographical locations where the restaurants are located (Burke 3). The structure has recently evolved to a matrix and multinational structure where information flows through digital means of email and video conferencing. The structure focuses less on hierarchical power and more on trust, the credibility of

information, and the results (Burke 3). The board of directors consists of ten members, with Nigel Travis as the overall Chief Executive Officer, Raul Alvarez as the lead director, Carl Sparks, Linda Boff, Irene Chang Britt, Anthony DiNovi, Michael Hines, Sandra Hobarch, Mark Nunnelly and Roland Smith (Burke 3).

Serving under the CEO are the Chief Financial Officer, the official in charge of communications and sustainability, the heads of international operations, the Chief Information Officer and the official in charge of legal operations and human resources. Other national and international divisions include culinary, franchising, marketing, enterprises, innovation, and supply. Due to the location of the restaurants and franchises, the structure has been flattened to eliminate hierarchy, and most information flow depends on trust between the regional and divisional heads (Burke 3).

The Marketing and Distribution Strategies of the Company

Dunkin' Brands Group competes in the quick service restaurant field through the Dunkin' Donuts brand for baked goods and the Baskin-Robbins brand for ice cream goods (Pilch 22). Its growth strategy focuses on increasing the average store sales in the US market, expanding on the West Coast, and expanding in the emerging Asia Pacific and high-value markets in Europe (Pilch 22). Dunkin' Brands majorly relies on the traditional marketing strategies of television, radio, and points of purchase despite the major shift by companies towards digital marketing strategies. The brand further uses the Facebook and Twitter platforms to engage guests, answer queries and offer information on new products and services. Furthermore, Dunkin' Brands launched an app in 2014 where customers can order and pay for snacks, and at the same time, the corporation can keep tabs easily on popular foods and beverages as a marketing strategy to balance sales (Pilch 22).

Dunkin' Brands further does geo-targeting and offers products based on geographical space preferences, such as offering more hot beverages in cold regions and frozen drinks in hot regions (Pilch 23). The data collected through mobile apps will inform the direction of innovations and new items added to the list of food options. Dunkin' Brands operates with the mobile app, the DD card and the loyalty programs to keep track of visitations and offer favourite items on the menu as a means to keep people coming in and expand the customer base. Unlike its main competitor, Starbucks, Dunkin' offers quality but low-priced products just above the accepted minimum, enabling it to serve the larger middle-class group (Pilch 23).

Financial Data

The current share price on 1st April 2018 for Dunkin' Brands Group Inc. stands at $59.69. This is as the share prices attempt to stabilize after a drop from its one-year high of $68.45 on the 25th of January 2018.

	A	B	C	D	E	F	G
1	**Assets**				**Liabilities**		
2	Current assets	$			Current liabilities	$	
3	Cash and short term investment	1,112			notespayable	32	
4					accounts payable	16	
5	total accounts recievable-net	103			wages payable	31	
6					Miscellaneous Current Liabilities	393	
7	invetory Miscellaneous Current	103					
8							
9					Total Current Liabilities	472	
10	total current assests	1,317					
11							
12					Long-Term Debt	3043	
13	net property, plant and equipment						
14							
15	Buildings	51			Provision for Risks & Charges	14	
16	Land & Improvements	36					
17	Machinery & Equipment	52			taxes	315	
18	Construction in Progress	7					
19	Other Property, Plant & Equipme	157			Other Liabilities	85	
20	Accumulated Depreciation	-134					
21							
22					Total Liabilities	3929	
23	total net property, plant and equ	169					
24							
25							
26	Other Long-Term Investments	2			**Stakeholders Equity**		
27	LT Investment - Affiliate Compan	141			Retained Earnings	-705	
28					Additional Paid-In Capital/Capital Surplus	724	
29					Cumulative Translation Adjustment/Unrealize	-8	
30	Total Investments and Advances	142			treasury stock	-1	
31					Other Appropriated Reserves	-1	
32							
33	Intangible Assets						
34	Net Goodwill	888			total shareholders equity	8	
35	Net Other Intangibles	1,357					
36							
37	Other Assets	64					
38							
39	total assests	3,937			total liabilities and stakholder's equity	3937	
40							

The Dunkin' Brands Group Balance Sheet for the 2017 Year

Source: (Dow Jones, n.p)

(All the values are in USD million. Also, some values have been rounded up to the nearest whole number, which explains the final imbalance)

The listed assets for the Dunkin' Brands Group include prepaid expenses, accounts receivable assets, cash and short-term investments, property, equipment, plant and land assets, and intangible assets like goodwill, investments, and advances. On the other hand, the listed company liabilities include long-term debts, accumulated wages, and miscellaneous current liabilities.

The Dunkin' Brands Group Income Statement

(All values are in thousands except the per-share values)

From the full-year results for the Dunkin' Brands Group, the company posted a net income of $350.9 million. This is 79.4% more in comparison to the previous year (Dow Jones n.p). The main expenses accrued by the company include the acquisition of general supplies and goods processed for sale, expenditures on sales and administration of day-to-day activities.

Interesting Facts

Institutional investors hold 93% of the company's outstanding shares, majorly because of the 100% franchise model, where revenue is derived from royalties and franchises (Dunkin' Brands n.p). This leaves the brand with very little operational advantage. The annual net income for Dunkin' Brands Group Inc. rose by 79.42% between December 2016 and December 2017, which was a big margin compared to the previous financial years (Dunkin' Brands n.p).

I would invest in the company as it has a vigorous and aggressive plan to grow and dominate the beverage industry in the USA. The business strategy set up by the company appeals to its customers; as a result, the company has witnessed continuous annual growth in terms of income and geographic expansion to reach a larger customer base. This reassures me and other potential investors of favorable profits.

Works Cited

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