Reeds SBU Company’s Strategic Plan

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Executive Summary

The paper discusses a company by the name of Reeds SBU Company, which specializes in the production and sales of hardware, software, and systems. It will be overseen by a CEO. Under him/her will be a team of managers, a CFO, and three presidents for each SBU. It has been doing well for 14 years, and by its vision, time has ripened to expand its service to international markets. Its strategic plans in 5 years’ time will focus on improving and expanding the markets, which will call for increased exports. The firm will analyze the level of success, which also depends on operations, financial reports, and human resources. Unlike marketing, services, and human resources, finance will be centrally managed.

Overview of the Company

Reeds SBU Company is a multidivisional firm operating in several markets in Domestica. The company is owned by two partners, Richard Jones and Roy Alberts. The firm has three strategic business units, namely Hardware, Software, and Systems. It is headed by a CEO who is the overall overseer. Each SBU is led by a president who works closely with the CFO in charge of managing the finances of the firm. Under these five executive managers are departmental managers. The team makes the corporation’s long-term strategic decisions.

Mission and Vision Statement

Mission: To lead in international market share, exports, and supply of quality hardware, software, and systems.

Vision: Reeds SBU Company seeks to broaden the international market for our products as well as provide creative products that firmly compete in the market. To improve the production and operations processes with goals of reducing production costs and providing high-quality products to acquire customer satisfaction. To offer employee satisfaction via accommodating policies and focusing on quality.

Strategic Intent (SWOT Analysis)

To achieve the strategic directions, we will embrace the following four strategies.

Strengthening the profitability of the company and broadening its operations will improve the firm's profile. We will expand the existing markets and open up new avenues. Domestica, which is already serving as a market, will open six more plants to add to the existing ones. We will capitalize on exporting to other countries depending on their economic, social, and political levels. However, in the meantime, we would be exporting to Ceres due to the low economic status and government control. Due to the industrialization taking place in Enigma, we will capitalize on hardware plants since the region is less developed. Borealis, Domestica, and Abend land will form our major markets.

To make informed decisions based on the findings focusing on the areas of weakness for remedies. All the managers will be directly answerable for the operations under their jurisdiction. All actions should focus on the improvement of production, automation, employee incentives, suggestive programs, and the final goal of lowering production costs. All SBUs will start with a 3% defect rate.

To open up new international markets and seize the opportunities in the dynamic economies. It will be achieved by marketing our company globally. We will actively market the company via the Internet, social media, media houses, and printed articles.

To compete favorably in the market and handle the challenges and threats in marketing, production, and management of the Reeds SBU Company. Reeds SBU Company will create outstanding products to stand out from the competitors.

Evaluation

Every SBU will work as a single independent unit from the other but under the same overall umbrella. Each will carry out the following marketing and exporting. (Bright & Cortes, 2019)

Having started some plants already, for instance, in Domestica, will give amiable case studies when establishing new markets. It will strengthen our zeal to reach the international communities. Regional markets have different characteristics that call for an extensive analysis of market size, culture, per capita income, political stability, and level of technology. The company will select a foreign market based on the listed characteristics. The software products will be exported to Borealis and Abendland. The hardware products will be sent to Enigma and Domestica, and the systems will be exported to Borealis and Domestica. We will differentiate and customize our products to penetrate the competitive market in Abendland. The country has an advanced economy and massive market despite the hard entry barriers. We will ride on the healthy mutual relationship Abendland has with our home, Domestica, to penetrate the barriers. (Porter, M. E., 1985)

We will base our future on our previous weaknesses. Each fall will be an opening for a more significant and stronger rise. The financial reports will be a dependable source of information to show areas that need improvements. Company and industry reports will be issued every period to assist in planning and decision-making and to monitor the findings. The reports should include income statements, balance sheets, and other relevant reporting tools. The balance sheets will give the total company's assets, liabilities, and equities. The income statement will provide an overview of the firm's financial position. Due to the high depreciation rate on the SBU, we will be adding capacity in each to maintain the starting and increase the capabilities. For cost-benefit relationships, each SBU will have service personnel oversee the cost-benefit relationship.

In opening up for new opportunities, we will emphasize marketing. Marketing decisions for every unit will involve pricing, budget, sales, further market research, and product awareness. The prices for each SBU item or service will be charged independently. On average, the price per unit will be $500 to factor in large customers qualifying for discounts as well as the premium charges to small customers. The minimum cost will be $400 while the maximum $800 for the same unit, depending on the region and time of sales. The budget to meet these errands will be included in the yearly budget. It will cater for ads, promotions, and trade exhibits. However, it will not provide for the sales personnel.

Selling and buying SBUs will be done to diversify divisions. The sales terms will be agreed upon by managerial teams, which have to agree on the pricing. When purchasing an SBU, we will analyze its sales and profit history. A representative from each firm will be signing the agreement treaty. During expansions of an SBU in existence, we will be upgrading budgets to reflect the larger SBU.

To deal amicably with the threats, we will ensure that human resources issues are adequately catered for. Employees are the face of the company. They are critical factors in production, and a slight mistake can cost the company billions. We will assume accommodative policies in the selection, development, compensation, and remuneration of the employees. The core impact will be a reduction in turnover and improved performance. Reeds SBU Company will provide average industry wages and benefits according to each country's laws. The budget for meeting these costs will be indirectly included in the value of the products.

Finances for Reed's SBU Company will be centrally controlled. The sources of funding will include, but are not limited to, buying stocks, issuing bonds (10-year), or credits. Selling stocks will involve adjusting capital and share amounts to generate funds. The 10-year bonds will be called after two years, totaling four periods.

Conclusion

Reports and market research provide competitive data for the business environment. Spending on research to develop products and services will match the standards of the changing markets. Standardization will play a vital role in expanding the market to meet customer needs. The goals are to increase the number of products, the customer served, economic value added, expand the international market, and improve the quality of the products. (Project Management Institute, 2021)

References

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