

Operations and Marketing Report

SWENSEN Matches produce fire lighting matches of various sizes and quantities (in boxes). 150 people are employed in total in Victoria, with 95 people working in the main factory and 55 in Head Office.

SWENSEN Matches are facing increased costs of production in Australia and strong competition from manufacturers in South-East Asia. Additionally, inventory management and distribution channels are being poorly handled.

Wholesale customers are starting to switch to alternative brands. With this, SWENSEN Matches has dropped from being the most profitable company in the Australian market to being ranked outside the top 5. Further, there are changing legal and environmental compliance issues that need to be addressed in the next 12-18 months.

New production methods are being considered by management. Already this has been met with anger from many of the staff who work at the factory. Most of these workers have been accustomed to the existing processes and fear the loss of their jobs.

You have been employed to prepare a report for the management of SWENSEN Matches. In your report:

- Outline TWO influences on operations
- Propose and justify relevant operations and marketing strategies that will assist SWENSEN Matches improve their performance

Criteria	Marks
<ul style="list-style-type: none"> Clearly sketches in general terms TWO relevant influences on operations Puts forward for consideration and clearly supports an argument in favour of relevant operations and marketing strategies that will assist SWENSEN Matches improve their performance Makes effective use of the information provided, demonstrating extensive knowledge and understanding relevant to the question Presents a sustained, logical and cohesive business report integrating relevant business terminology and concepts 	17-20
<ul style="list-style-type: none"> Clearly sketches in general terms TWO relevant influences on operations Puts forward for consideration and supports an argument in favour of relevant operations and marketing strategies that will assist SWENSEN Matches improve their performance Makes some use of the information provided, demonstrating some knowledge and understanding relevant to the question Presents a logical and cohesive business report using relevant business terminology and concepts 	13-16
<ul style="list-style-type: none"> Sketches in general terms TWO influences on operations Provides characteristics and features of operations and marketing strategies that will assist SWENSEN Matches improve their performance Includes features of a business report and uses some business terminology and concepts 	9-12
<ul style="list-style-type: none"> Provides a basic sketch of TWO influences on operations and marketing strategies Sketches in general terms May include some features of a business report and uses basic business terminology 	5-8
<ul style="list-style-type: none"> Refers to operations influences and/or operations strategies and/or marketing strategies Uses basic business terminology 	1-4

Answers could include:

influences on operations

- globalisation, technology, quality expectations, cost-based competition, government policies, legal regulation, environmental sustainability
- corporate social responsibility
 - the difference between legal compliance and ethical responsibility
 - environmental sustainability and social responsibility

operations strategies

- performance objectives – quality, speed, dependability, flexibility, customisation, cost
- new product or service design and development
- supply chain management – logistics, e-commerce, global sourcing
- outsourcing – advantages and disadvantages
- technology – leading edge, established
- inventory management – advantages and disadvantages of holding stock, LIFO (last-in-first-out), FIFO (first-in-first-out), JIT (just-in-time)

- quality management
 - control
 - assurance
 - improvement
- overcoming resistance to change – financial costs, purchasing new equipment, redundancy payments, retraining, reorganising plant layout, inertia
- global factors – global sourcing, economies of scale, scanning and learning, research and development

marketing strategies

- market segmentation, product/service differentiation and positioning
- products – goods and/or services
 - branding
 - packaging
- price including pricing methods – cost, market, competition-based
 - pricing strategies – skimming, penetration, loss leaders, price points
 - price and quality interaction
- promotion
 - elements of the promotion mix – advertising, personal selling and relationship marketing, sales promotions, publicity and public relations
 - the communication process – opinion leaders, word of mouth
- place/distribution
 - distribution channels
 - channel choice – intensive, selective, exclusive
 - physical distribution issues – transport, warehousing, inventory
- people, processes and physical evidence
- e-marketing
- global marketing
 - global branding
 - standardisation
 - customisation
 - global pricing
 - competitive positioning