**EXECUTIVE SUMMARY**

This thesis work allows us to enter the world of feed, which will analyze the factors that gravitate in the development of the industry, to create a more favorable scenario.

In the first chapter, we find the introduction, which explains the importance of developing a strategy for the company.

The second chapter is devoted to the theoretical framework that underpins the work, carrying out a historical survey on the company and its evolution.

In the third chapter, will define the method of investigation used, and the problem will analyze, describing the particular situation of the provider market.

Chapter IV will be that of development, is selected the case study, and will outline a strategic functional area of Marketing Plan.

Finally, in the last chapter, conclusions and suggestions are presented.

**CHAPTER I**

**I.1 INTRODUCTION**

The fundamental interest to carry out this research, is to emphasize the importance of strategic planning in the development of SMEs.

This work is part of a more comprehensive joint study on the different functional areas of the company. This thesis focuses on Marketing.

For developing any strategy, the enterprise should consider 4 aspects which allow you to achieve success: analyse the situation, define where is heading, as it will make it, and the monitoring with their respective evaluation.

*Bastien S.A* . is founded in the year 2000, focused on the production of bakery and pastry, with premises of direct sales to the public.

Recasts strategically three years later, closing the premises of sale and creating two divisions: one of processed products and other inputs.

The first with a clear strategy of differentiation and division of inputs with a distinctly low-cost strategy.

To date both divisions have created new departments, local events, and direct selling.

Today the company has signed agreements of distribution associated with large suppliers and is in advanced stages of negotiation of new partnerships.

In this work, we probe into strategies of Bastien S.A. business units, we will investigate how they manage to create sustainable competitive advantages, analysing its interrelations and finally see your corporate strategy.

**CHAPTER II**

**II.1 COMPANIES AND ITS EVOLUTION**

**II.1.1 relevant historical milestones**

Modern enterprise has started from the craft company. We highlight three fundamental periods to study the evolution of the company:

1st **the craft time.**

2nd **the industrial age.**

3rd **the post-industrial period.**

Regarding the *craft era*, it is characterized by certain factors, which are as follows:

-Workers engaged all day in your work. The breaks were motivated by the natural conditions, stations or at night.

-Working with an almost inexhaustible energy, since it came from the muscles of people and animals, wind, water or fire.

-Working with simple little complex tools and obtained the products one by one, not in large quantities. The ability of the worker was what worth, since the tools used for the manufacture of products were simply an extension of his body, a minimal support.

-Communications who used to move products were very precarious, since the routes and transport had to be carried out on foot, horseback, sailing, etc. The necessary technologies were very expensive and could not afford it.

-The worker was a craftsman, who knew his craft, usually learned it from their parents or other ancestor connoisseurs of matter, but almost never were workers without a minimal notion of the trade.

-The employer was the father of the family at the heart of the company, who, in addition to being one more worker was who decided and organised the production of the products.

In the *industrial age*, born by the so-called Industrial Revolution, the system undergoes a profound transformation. In 1750, Jaime Watt invented the steam engine and created the first industrial companies.

At that time, craftsmen leave their houses and workshops to go en masse to work in factories. Man sells his work and exchanges it for a salary, you can, your needs when you have some time free.

Industrial development is brutally accelerated in 1850 with the use of electricity. Production reached unsuspected limits. Men, raw materials and manufactured products are subject to the laws of supply and demand, but also, as inexorable consequence of the situation to the new needs and satisfactions created. In particular, there is a supply of cheap labor, one gets to work in inhuman conditions.

The factors that characterize this time are:

-Working hours will be reduced gradually (there is no fixed working hours, are van established schedules of twelve, ten or eight hours).

-Working with unrecoverable and contaminating energy. The coal, oil, and uranium, not only are running low, they use contaminates nature. Many experts believe that solar power will become the main source of energy of the 21st century.

-Working with increasingly sophisticated machines, which for its operation only require care or surveillance of a worker without any profession and, eventually, even on a smaller scale, since with the passage of time machines need less attention now that their technology is designed that workers can be controlled more and more number of them.

-Communications acquired a great development. Traveling by highways, railroad, aircraft, etc. The information is transmitted by telephone, Telegraph, radio, cinema, television, etc.

-The need to manufacture in large quantities requires that employers are governed by principles of standardization, specialization, timing, concentration, maximization and coordinating the work.

-Tasks are paid according to the performance that gets the worker, depending on both procurement and person, developed, the rhythm method with that run, the ability and the interest of the operator. The production is made by dividing the work in elementary, simple and repetitive tasks.

-Entrepreneurs need to manufacture large quantities of products, in series or specialized, and so must have special machinery, highly qualified workers and strong capital, so to make their sales in large markets and in massive amounts.

-Businessmen relations with workers become, over time, from being purely economic to become a true "human relations".

The *post-industrial era*, also called the technological revolution, was born as a result of the great progress made by the computer. We are going towards an economy in which the main activity and jobs will be linked, automatic machines and robots.

The civilization of the production being replaced by the knowledge. Things are simplified from the quantitative point of view, but are complicated in the intellect, with the corresponding requirement of some men that marginalize his physical potential to rely increasingly on his imagination, intelligence, creativity and training. They expected economic and social changes of incalculable magnitude.

The factors that characterize the post-industrial era are:

-The fixed and rigid work schedules will be changed for flexible hours and work part-time, since it will lack important punctuality, for not being necessary synchronization tasks.

-Will replacing the first industrial era by inexhaustible and non-polluting energy sources: solar plants, installations of geothermal sources, wind power, biogas, energy from satellites, and others... They are facilities that, for the moment, and in a limited way, are already in operation.

-Get new raw material coming from outer space or of the

seas and used tools such as computers, video, optical fibers, or robots.

-Manufacturing of the future will be massive, since the market will require elaborate many varieties of similar products in order to customize them.

-New industries will no longer be electromechanical be electronic (microcomputers in banks, shops or homes); space (laboratories and power plants); Oceanic (cultivation of marine plants, flocks of fish) or biological (creation of reserve, obtaining materials living organs). \*

-Information and the civilization of knowledge will be developed rapidly, as rapid and complete data collection, arranged in the so-called *data banks* and served on the communication of artificial satellites.

-Problems of human relations will be transformed into problems socio-technical, as man and machine two factors of activity that are needed, and complement each other. Born in specifically industrial enterprise studies known as man-machine systems.

-The problems of the production companies are not only industrial. Increasingly engage the ecological, political and social.

-The factors of production, intangible capital and the ecological will acquire increasing importance.

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\* *Encyclopedia Microsoft Encarta*, 1998.

**II.1.2 authors and publications**

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**II.2 STRATEGIC MANAGEMENT**

**II.2.1 Introduction**

The meaning of the term strategy, comes from the Greek word Strategos, chiefs of army, traditionally used in the field of warlike operations.

In recent years the concept of strategy has evolved in such a way that, on the basis of this, has emerged a new school of management and a new way of targeting organizations, called "strategic management".

The use of the term management strategy means much more than military acceptances thereof. For the military, the strategy is simply the science and art of using armed force of a nation to achieve aims determined by their leaders.

Management strategy, is a term where few authors coincide in their meaning, but arises from the need to have it.

The last 20 years were 5 times more turbulent than the previous 80 years. Technological, political changes, the global economy and the growing social crisis, confirmed that the world poses new, diversity and transience. This world is full of uncertainty, the variables are becoming less controllable, the most precious value is speculation, handled with assumptions and the ability to interpret.

These changes have as limit the creativity and innovation of people and this has to do with the strategy. Which is to discover, guide, not control and leadership ideas.

Management strategy basically means the adaptation of resources and skills of the Organization to the changing environment, taking advantage of opportunities and evaluating risks according to objectives and goals.

We use the strategy in uncertain situations, non-structured, non-controllable, i.e. in situations where there are other side whose behavior we can not predict.

You have a strategic purpose implies having a vision for the future, it should allow guide, discover and explore. The sense of direction must answer: what company would want to be?, where do we want to go?. One of the keys to business is to be clear about the current and future business, not to sit to decide without knowing where you want to go.

**II.2.2 strategic planning**

The concept of strategy, can be analyzed taking three elements that complement one another and form a whole. These elements are:

II.2.2.1 Vision

One of the key tasks of leadership is to sense the Organization's address. Strong leaders seem to have a vision for where this should go. Furthermore, they are sufficiently eloquent to be able to communicate your vision to others, in terms that can influence people and consistently articulate his vision until it becomes part of the culture of the organization.

A vision statement should give clear answer a:

                     What products are offering the market?.

                     Do we think that they are "different"?.

                     What benefits will bring these products to the customers?.

                How are we going to structure our relationships with providers?.

                How are we going to organize the distribution of products?.

                How we develop our value proposition to employees?.

                Why should they work for us?.

II.2.2.2 positioning

The strategy must choose the positioning required for the company and its products in the consumer's mind.

Positioning is to find an empty space in the mind of the customer, to occupy it before the competition. This action results from two strategic maneuvers: segmentation and differentiation.

Position is cut out segments of the market who need or wish to things other than other segments and build a product to take ownership of that difference.

The positioning is not the product, but what you do with the minds of potential customers or people who want to influence.

The position is essentially a business strategy, gives the answer to the question: how to differentiate from others. Once you know who is and differentiates it from the other, all the decisions become something much easier.

There are positions based on the age of consumers, the second marks and others are developed in a manner almost natura, according to strategies of expansion of lines and marks.

However, for a long time was the segmentation of the market, such as positioning strategy. But today, can not ignore that the consumer is not a simple subject, but complex. It does not have a single profile but several and when choosing a product, changes its position according to the circumstance, the subjectivity of the consumer is not static but dynamic. Then the possibility of segmenting depends on the emphasis put by the consumer in each category, and the positioning is to possess which is dominant.

The conclusion about the positioning is that ever a product has a single positioning and the question is: which of the possible is more valuable at one time?.

For a long time the positioning was approached as if it has magical virtues and the analysis was to determine whether or not a product was positioned, but the real problem is to know is Yes or not positioned correctly!.

There are at least five possibilities, and the strategy to apply is quite different in each case:

   The product this well positioned in their respective segments.

   That the product does not have any positioning, ignorance of those who consume it and why.

   That the product has a bad positioning.

   That the product has an undefined position. For example: ice cream.

   The product is desposicionado. For example: health products desposicionan to cigarettes, alcohol and fat.

The emphasis on one or another position, does not depend on the market, but the rigor of the theoretical models used for analysis, the creativity and the experience of the team responsible for the definition of the strategy. The characteristics of the current markets are:

   Markets too segmented.

   Acceleration of the life cycle of products.

   Change of habits and attitudes of consumers.

   Growth of competition: global economy.

The consumer receives too much information, making it difficult to reach without noise and with clear messages.

For this reason it is necessary to carry out permanent repositioning in the different life cycles of products. Reset means to find a new concept which harmonizes with the former, but that fits the time and the circumstances of the market in the consumer's mind.

II.2.2.3 Strategic Plan

The vision and positioning allow to set objectives and targets. From these, can develop a strategic plan, that would be the way to achieve the vision with the desired positioning.

The strategy exploits and leading ideas. A plan reacts, connects and coordinates the process of linking the ideas with action. Later we will exhibit the difference between planning and strategy.

**II.2.3 strategic guidelines**

**II.2.3.1 strategy levels**

   Corporate strategy (Board of Directors, Corporate Staff). At this level the strategy involves the definition of the mission, vision and goals of the Organization, through the determination of the business, the distribution of resources between the different areas of business, the formulation and implementation of strategies that cover individual activities and the contribution of leadership for the entire organization.

   Business strategy (Division Manager, Staff). At this level, the strategy is to interpret the general direction of the corporate level approaches to turn them into concrete strategies for specific business.

   Functional strategies (functional managers). At this level, strategies are developed in manufacturing, marketing, research and development, etc., to help achieve the strategic objectives set by the general managers of the corporate levels and negocios.\* \*

In a specialized organization, where there is no defined business areas, business level and corporate level are the same.

\* Harold Klintz & Heinz Weihrich, *Administration, a global perspective*, 1988, pag 73.\_

Illustration No. 1

**Components of the strategic management process**

**II.2.3.2 five competitive forces model**

The ultimate aim of any strategy is given by maximization of the return on investment in the long term.

A competitive strategy arises from the relationship between a company and its environment, in which interact variables relating to competition, consumer (demand) and the local, national and international context.

So that a company will achieve success, your strategy should be adjusted to the environment where it operates, or must be able to reform it to take its own advantage through the selection of strategy. In general, companies fail when its strategy is not already set to the environment where they operate.

The main technique used to analyze the competition in the industry environment is the five forces model. When each of these forces to be stronger, there will be more competition in the industry and lower will be the performance index for.

Illustration No. 2

   **The rivalry with existing competitors.** The ability of competition to create new products, lower prices and increase its advertising has a significant impact on the profitability of a company. If the rivalry within an industry is very intense, the earning potential is low.

   **The power of negotiation of customers.** A customer having a great purchasing power can make lower prices and eliminate the profitability of a business.

   **The bargaining power of suppliers.** In the same way, an influential provider can increase prices and eliminate the potential of an activity to generate profits.

   **The threat of new competitors.** If new companies can easily enter to compete in its sector, the profitability will be affected.

   **The threat of products or substituted services.** Replaced products are those who, with a different strategy, initiated a new sector, leaving total or partially obsolete the previous. Substitute products do not refer only to products or services with a different technology. Also one can speak of substitution in the case, which the same product is marketed in a different way, through other distribution channels, packaging (packing) non-conventional, and others.

On the basis of analysis of these five forces we can determine the degree of attractiveness of the sector and the opportunities and threats of this. These factors explain the difference in profitability between one area and another.

In the analysis of the degree of competition in a sector, we must consider as collaborate in this entrance and exit of the same barriers.

II.2.3.2.1 barriers to entry / exit

Another of the elements to be considered in the competitive battle, are the barriers of entry and exit to the market.

These barriers are Hard elements (disbursement of funds on infrastructure, equipment, machines, etc.) such as economies of scale, capital requirements, degree of vertical integration, etc. and Sofa elements (investment in training of human resources, marketing, sales, services customer, management in general), are dynamic, i.e., are maintained over time.

The current approach, is a minimum critical mass of Hard with possible elements Sofa, which turn out to be not so easily imitable in the short term. In this way achieved the most dynamic protection from the industrial sector to which it belongs the company and high investment risks are reduced at a time of great turbulence, as the current.

The competitive analysis must be dynamic, is projected into the future. You must analyze each force individually and see if it plays in positive or negative way.

If five forces play in the negative, the structure will determine a very low profit or loss for the sector industrial.\*

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Application of Porter's 5 forces model in annex No. 6, p. 116

**III.2.3.3 generic competitive strategies**

Once the analysis of competition with which we in the sector, is must choose one of the following competitive strategies.

***Leadership based on real costs lower than all competitors.***

It is related to the productivity and operational efficiency that has the enterprise and which distinguishes it from others. Implement a strategy of this type today is still a valid alternative, but because we live in a world that is technologically more and more narrow, operational efficiency tends to be quickly neutralized.

         Advantages

The leader in cost is protects industrial rivals by its advantages in costs. Its low costs mean that is vera less affected than its competitors by their increases in the price of inputs if providers powerful, and less affected by a drop in the price that can be charged to its products if there are powerful buyers. Leadership in costs usually requires a large market share, the leader in cost buy in relatively large quantities, increasing the power of negotiation. If the substitute products begin to enter the market, the leader in costs can reduce their price to compete with them and retain their share in the market. The advantage in costs of the leader is a barrier to entry, as other organizations may not enter in the industry and break the cost or price of the leader. Therefore the leader in cost is relatively safe, provided you keep its advantage in costs; and the price is the key to achieve a significant number of buyers.

* Disadvantages

The main risks are hidden in the ability of competitors to find ways to produce at lower cost. For example, if technological change makes obsolete the experience curve-based economies, new companies can apply technologies lower costs that give them advantages over the leader. The ability of the competitors to easily imitate the methods of the leader in cost constitutes another threat. This cost leadership strategy carries the risk that the leader, with obstinate effort to reduce costs can lose vision of changes in the preference of customers. Therefore, the leader in costs cannot resign from the differentiation of the product even economical products. \*\*

***Leadership based on the differentiation***

It is the sense of differentiating itself from the rest, having a competitive advantage that can be maintained over time and is difficult to imitate.

It's creating features perceived as unique by the consumers. It can be based on design or brand image, technology, product attributes, services to consumers, sales, etc. Generates a unique value to customers and thus to establish a higher price.

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\* Charles w. Hill & Garret R. Jones, *strategic management, an integrated approach*, 1997.pag. 126

Create competitive advantages imply perceive or discover new and better ways to compete in a sector and transferring them to the market.

Determining the differentiation pathways:

         The variety of the product. Is it related to the technological and physical characteristics of the product, and its flexibility to meet different needs of demand.

         The ability to meet needs (accomplished positioning).

         The possibility of reaching the customer rather than the competitor. It is hand operational functional benefits and symbolic advantages on the other (positioning).

The positioning is perceived and valued attributes of an ideal satisfactor, a combination of functional and symbolic. With its functional and symbolic expectations demand, determines the size and power of the advantage. The advantage is in the hands of the consumer and by the perceived value. This value is a relationship between perceived quality profile and what you pay for it -

         Advantages

Differentiation protects a company from the cometidotes to the extent that customers generate loyalty to the brand for their products. Differentiators can pass on increases in prices to customers since they are willing to pay the higher price. The brand loyalty and differentiation also created a barrier to entry to other companies seeking to enter the industry. New organizations are forced to develop their own distinctive ability to compete and to do so is very costly.

         Disadvantages

The main problem focuses on the capacity in the long term of the company to maintain its exclusivity perceived according to the criterion of the customers. Competitors are moving quickly to imitate and copy to the successful differentiators.

A differentiation strategy requires the company to develop a competitive advantage by making selections in terms of product / market / distinctive, that reinforced each other and United skills increase the value of a good or service in accordance with the criteria of consumers. However, the disadvantages of a differentiation strategy are in the ease with which competitors can imitate a product differentiator and the difficulty of maintaining a higher price. When differentiation occurs in design or physical characteristics of the product, differentiators are at great risk since imitation is easy. The risk is that, with the passage of time, some products become popular, for which the importance of differentiation decreases as customers become more susceptible to the price. When differentiation arises from the quality or reliability of the service or any intangible source, the company is much safer. It is difficult to imitate intangible sources, and the differentiator may reap the benefits of this strategy for a long time. However, all the differentiators should monitor copycats and take care not to charge one higher price than the one who will establish the market.

***Segmentation (concentration)***

The third strategy is to concentrate in a specific group of customers, a segment of the product line or a geographic market. The strategy is based on the premise that the company is able to serve a smaller strategic objective more efficiently than broad coverage competitors. As a result, the company is different to better meet the needs of a specific mercado-meta, or reducing costs by serving that market, or both things.

         Advantages

The competitive advantage of a segmented company comes from the source of their distinctive ability (efficiency, quality, innovation and ability to satisfy the customer). It protects from rivals to the point that it can provide a product or service that they can not supply. This capability also gives you power who is concentrated, about their buyers and that may not get the same thing somewhere else, this five force protection allows who concentrates yields on its investment above average. Another advantage of the segmentation strategy is that it allows a company to stay close to its customers and respond to their changing needs. Admitted potentials have to overcome customer loyalty generated by who is concentrated, and the development of customer loyalty also reduces the threat of substitute products. The difficulty which sometimes experiences a great differentiator to manage a wide range of market segments is not a problem for who concentrates.

* Disadvantages

With respect to the powerful suppliers, a concentrated company is at a disadvantage, since you buy small volumes and, therefore, is held by the suppliers. However, since you can transfer of price increases to loyal clients, this disadvantage may not be a significant problem. For companies that are concentrated in small volumes, production costs often exceed those of a low-cost company. High costs may also reduce the profitability if who concentrates is obliged to invest enough in the development of a distinctive skill (such as expensive a product innovation) in order to compete with a different company.

The three generic strategies here explained, belong to the static models of strategy describing the competition at a specific time. The reality is that the advantages that deliver generic strategies only last until competitors copied them or exceed them. Copied or bettered the advantages become a cost. The copier or the innovative only may exploit its advantage during a limited time span rather than its competitors react. When competitors react, the original advantage begins to weaken and need a new initiative.

**II.2.4. CORPORATE STRATEGIC PLAN**

The corporate strategic plan could not proceed without the prior existence of strategies and once this is viable, planning them can be programmed and make them operational.

**II.2.4.1 strategic planning**

Strategic planning reigned in the world of management until the early and mid-1980s, this time long-term planning, was transformed in the Guide to the action of the companies.

The sophistication of the planning process, gave him the name of strategic, which was the alternative to control the future. This strategic planning emerges as an exclusive activity of senior managers, as its essence had to do with the future, your anticipation and its compression.

Currently the majority of business enterprises practice strategic planning, although the degree of sophistication and formality with which to do so varies considerably.

Planning is carried out in an atmosphere of uncertainty, no one can know with full certainty what will be the external and internal environments. Consequently, it is necessary to make assumptions or forecasts over foreseeable conditions.

The basic methodology is based on a process of analysis, formulation and implementation of the strategy. What raises the classic SWOT, based on the following premises:

* The formulation of the strategy must be controlled and formalized as a process disaggregated into different phases.

* The strategies that emerge from the process should be explained and implemented through objectives, plans and programmes of action.

Perform an analytical process that emphasizes logical relationships and decisions cascade, developing the definition of a hierarchy of objectives, the construction of a skills profile based on the adequacy of synergies and an analysis of strengths and weaknesses, and a careful evaluation of the fulfilment of the hierarchy of objectives. \*\*\*

The practical steps of planning shown below are of general application.

* Attention to the opportunities

Attention to opportunities in external conditions as within the organization is the true starting point of planning. All managers must make a preliminary analysis of possible future opportunities and warn them clearly and fully, identify their position in the light of its strengths and weaknesses, determine what problems want to solve and why and specify what expect to win. The establishment of realistic targets depends on this service. Planning requires realistic diagnosis of situations of opportunity.

Establishments in the second step of the planning objectives is to establish objectives across the enterprise, and subsequently for each of the subordinate units of work. This should be done both for the long and short-term. Objectives specify the expected results and indicates the points which terminals should be, greater emphasis will be done and what will be fulfilled through the entanglement of strategies, policies, procedures, rules, budgets and programs.

     \*\*\* Executors Aurelio Lopez, *Business organization*, volume 1, Chapter 4.

The objectives of a company orient the main plans that reflect them, define the purpose of each of the most important departments. The objectives of the main departments control at the same time the objectives of the subordinate departments, and so on. In other words, the objectives form a hierarchy. The objectives of the minor departments will be more precise if subdivisions administrators understand the overall objectives of the company and goals which are derived from them. Also, should be administrators the opportunity to contribute ideas to both of its goals the company establishment.

  Development of premises

The third logical step of planning is to establish, to circulate and gain acceptance to use decisive planning premises such as forecasts, basic policies and the existing plans of the company. It is in all these cases of assumptions about the conditions in which the plan will be put into practice. It is important that all administrators involved in the planning are in accordance with the premises. Moreover, the most important *principle* *planning premises* this is "much better understanding and greater agreement between the individuals responsible for planning with respect to the use of consistent planning assumptions, both more coordinated planning of an enterprise will be."

The forecasts are important in the development of premises: what kind of market there? What is turnover? What are the prices? What products? What the technical advances? Costs? The wage index? Rates and fiscal policies? New plants? Policies on dividends? The political and social conditions? How will the expansion be financed? What are the trends in the long term?

  Determination of alternative courses

The fourth step of the planning is to seek and examine alternative courses of action, especially those who are not noticeable at first glance. There is no plan for which there are no reasonable alternatives, and is often the less obvious alternative is the best.

The most common problem is not to find alternatives, but reduce their number in order to analyze the most promising. Still relying on mathematical techniques and computer, there is a limit to the number of susceptible of an exhaustive analysis alternatives. Usually, the planner should proceed to a preliminary examination to discover the most fruitful possibilities.

  Evaluation of alternative courses

After the search of alternative courses and examination of its advantages and disadvantages, the next step is to evaluate alternatives and weighing them in the light of assumptions and goals. It may happen that some course of action seems the most profitable, but that required a large outlay of capital at the same time and offers a long recovery period; another may seem less beneficial but may involve less risk.

Many alternative courses are available in almost every situation and there are so many variables and limitations on the grounds that the assessment can be extremely difficult.

  Selection of a course of action

This is the point where the adopted plan, the real point of decision making. Occasionally, the analysis and evaluation of alternative courses will reveal that two or more are recommended, so that the administrator can choose to follow various courses of action instead of one single.

  Derivatives plans

It is rare that once taken the decision, planning can be concluded, as stated is to formulate plans resulting in support to the basic plan.

  Transfer of figures through budgeting plans

After the decisions taken and established plans, the last step to give them meaning, is transferred to figures into budgets. The overall budgets of a company represent the sum total of its receipts and expenditures, with profits or surplus resulting, and budgets in balance sheet items most important, as cash and equity investments. Each department or program of a trading company or any other can have its own budget, by the ordinary expenses and capital investments, which must be in respect of the general budget.

**II.2.5** . **Strategic functional of the Area of Marketing Plan**

To fulfill its mission, an organization must leverage their most important strengths, overcome or attenuate its main weaknesses, avoid serious risks, and take advantage of promising opportunities.

Opportunities and threats often originate outside the organization.

**II.2.5.1 *Objectives of the marketing.***

The next step in the strategic planning of marketing consists of determining the marketing objectives. They have to keep closely related goals and global strategies of the company.

We have said that strategic planning required to adapt the available resources with market opportunities. Bearing in mind this, each goal will be assigned a priority according to their urgency and e potential impact in the area of marketing and, of course, in the organization. Then the resources will be assigned according to these priorities.

**II.2.5.2 *Positioning and advantage differential.***In the third step in planning strategic marketing decisions two complementary: how to position a product on the market and how to distinguish it from the competition. Positioning refers to the image of a product in relation to products competing directly with him and also with others selling the same company. Once positioned itself a product, it is necessary to identify a viable differential advantage. Differential advantage means any characteristic of the organization or brand that the public considers suitable and distinct from those of the competition. And, on the other hand, a company must avoid a differential disadvantage of your product.

**II.2.5.3 *target markets and market demand*** *.-* Select a market goal is the fourth step of marketing planning. A market is composed of individuals or organizations who have needs to meet, and who are willing to pay for it. For example, many need transportation and are willing to pay for it. However, this large group consists of several segments (i.e., parts of the market) with different transportation needs.

Thus, a segment will want transport efficient and cheap, while other prefer the luxury and privacy. By regular, is so impractical that a company meets all the segments that have different needs. On the contrary, it focuses its efforts in one or more of the segments. Thus, a market target is the Group of people or organizations to which a company directs its marketing program.

In a new company, managers must to thoroughly analyze the markets to identify potential. In a company already established, should systematically review changes in the characteristics of their markets goal and the alternate markets. At this time, will decide to what extent and in what way divide the total market and then concentrate on (that is, parts of the market) segments that are most promising for marketing success.

Markets goal are selected according to the opportunities. And to analyze their opportunities, a company needs to predict demand (i.e., sales) in their markets goal. The results of the forecast of demand will indicate if it is worth growing markets or if it is necessary to find other markets. We will return to deal with the demand forecast later in this chapter.

**II.2.5.4 *Marketing-mix***Then executives devise a marketing mix, i.e., the combination of a product, the way will be distributed and will be promoted, and its price. These four elements will have to meet the needs of the market or markets goal and, at the same time, meet the marketing objectives. We will then examine the four elements and expose some of the concepts and strategies you'll learn in subsequent chapters.

§         Product. Needed strategies to manage existing products over time, incorporating new ones and leave those who fail. Also strategic decisions about the use of trademarks, packaging and other characteristics of the product as guarantees.

§         Price. In this case, necessary strategies refer to the location of the customers, the flexibility of prices, items that belong to the same product line and sell pipes. Also be designing pricing strategies to enter the market, especially when it's a new product.

§         Distribution. Distribution strategies include the administration of the channel or channels through which ownership of the products is transferred from manufacturers to the purchaser and in many cases, the system or systems through which goods are carried from the place of production to the point of purchase by the customer. Strategies that apply to intermediaries, such as wholesalers and retailers are.

§         Promotion. Strategies are needed to combine the individual methods, such as advertising, personal selling and sales, in a well-coordinated campaign promotion. In addition, promotional strategies conform to product pass the early stages to the final stages in its life cycle. strategic decisions about each method of promotion are also adopted.[[1]](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2F111.221.29.49%2Fbvsandbox.aspx%3F%26dl%3Des%26from%3Des%26to%3Den%23_ftn1" \o "" \t "_top)

The four elements of the marketing mix are interrelated: decisions made in one area affect often elsewhere. Here is an example, in the design of a marketing mix undoubtedly affects the fact that the company chooses to compete on price or on one or more elements. When the price is their main competitive weapon, with other elements you should support aggressive prices.

Each element of the mixture contains a multitude of variables. For example, an organization will sell one or many products, which may or may not be related to each other. The product or products will be distributed through wholesalers to the retailers without the benefits of wholesalers and even directly to the final consumer. Ultimately, managers must select a combination of elements that satisfy the markets goal and meet the goals of the Organization and marketing among the multitude of variables.

**II.2.5.5 *Annual marketing planning****.* In addition to the strategic planning that spans several years, a more specific and more short-term planning is also essential. Thus, the strategic planning of marketing in a company leads to the preparation of an annual marketing plan. An annual marketing plan is a detailed programme of activities conducted in the year for a division or an important product. Note that it is a written document.

Normally prepares a plan for each product and division of the company. Sometimes, depending on the circumstances in which it is individual for major brands and markets plans are made. As its name implies, an annual plan usually cover a year. But exceptions occur.

Porter advised to assess two factors in the enterprise (breadth of market goal and differential advantage) and then select an appropriate strategy. Porter generic strategies model recommends three options to keep in mind:

* *Cost leadership* .-It is when a company tries to satisfy a broad market developing a standard product at low cost and then to sell it more cheaply than the competition.

* *Differentiation* -Used when you create a different product, perhaps original through its unparalleled quality, its innovative design or any other feature; and with that reason may impose a higher price. This strategy can be used to penetrate a large or small market.

* *Concentration in a segment* -A company or a strategic business unit focuses on a part of the market and try to satisfy it with a totally different or very cheap product. By the market, the regular goal is distinguished by some factor such as geography or special needs.

Illustration No. 3 \*

Most mission statements focus on growth, i.e. want to increase revenues and profits. Looking for growth, a company has to take into account both its markets and its products. You must then decide whether it continues doing what takes place at the present time, only that more efficiently, only that more efficiently, or ventured into new businesses. There are four strategies for growth:

* *Market penetration* -A company tries to sell more of their products in their current markets. Support tactics include investing more in advertising or in personal selling.

\* Guil Shidlo *Mejkarim to the jebrot goes migzar to prati*, Tel Aviv University Press, 1989.

* Another option is that a company tries to become the only source offering preferential treatment to customers who focus all their purchases on it.

* *Development of the market* -A company still selling their current products to a new market.

* *Product development* .-This strategy calls for creating new products to sell in new markets.

* *Diversification-* A company develops new products to sell in new markets.[[2]](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2F111.221.29.49%2Fbvsandbox.aspx%3F%26dl%3Des%26from%3Des%26to%3Den%23_ftn2" \o "" \t "_top)

Illustration No. 4

A very important model for Marketing of a company planning is the parent company of the Boston Consulting Group, which classifies business units in products:

         *Star* that have large shares in the market and high growth rates, but at the same time representing high rates of investment company so they keep producing.

         *Cash cows* they have great market share and do business in mature industries, most of their customers take time with them and they remain faithful, so marketing costs are not high.

         *Questions* Are characterized by having little participation in the market, but high rates of growth of the industry. This type of units have failed to gain a foothold in a very competitive market in expansion. For this type of unit strategic question is whether it is possible to win a good share in the market and be profitable.

         *Dogs* Have little participation in the market and operate in industries with low rates of growth. The strategy of marketing to them aims to maximize potential profits minimizing costs or promoting a differential advantage to obtain market share. Another option is to reduce investment or cancel them.[[3]](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2F111.221.29.49%2Fbvsandbox.aspx%3F%26dl%3Des%26from%3Des%26to%3Den%23_ftn3" \o "" \t "_top)

Illustration No. 5

**II.2.6 five-year plans**

**Concept**

The setting medium-term indicating the way in which it must be distributed is resources to implement the strategies. If they do not have or certain resources are available, it is necessary to examine the strategies and modify them to adapt them to the availability of resources. Where there is an excess of some resource, it is also convenient to reassess strategies, since changing them can allow better use of resources. When functional plans are attached to the satisfaction of managers, they will provide also a solid base to develop tactical plans in the short term to ensure the implementation of the same.

The usual time for medium-term plans dimension is five years, although companies with a highly-developed technology or long waiting periods for research and production tend to use longer time dimensions.[[4]](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2F111.221.29.49%2Fbvsandbox.aspx%3F%26dl%3Des%26from%3Des%26to%3Den%23_ftn4" \o "" \t "_top)

**Content of the five-year strategy**[[5]](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2F111.221.29.49%2Fbvsandbox.aspx%3F%26dl%3Des%26from%3Des%26to%3Den%23_ftn5" \o "" \t "_top)

* *Linking of budgets with the strategy,* the implementation of the strategy requires an administrator to participate in the process of drafting the budget, organizations units need fairly loose budgets, to carry out the part that corresponds to the strategic plan. It is necessary that there is a wide combination of effort to strengthen competition and/or developing new ones. Organizational units, in particular those responsible for the performance of core activities for the strategy must be with the number of appropriate personnel, you must assign the background of operation enough to carry out its work efficiently, who put into practice the strategy must select requests for subordinates again capital and higher budgets of operation distinguishing between what would be attractive and what can mean a significant contribution in relation to the cost of the implementation of the strategy and enhanced competitive capabilities.

Also must submit to his superiors a persuasive and well-documented case of resources / assets competitive if there are that are needed to carry out 30 corresponding parts of the company's strategy. The Manager of the implementation must also be willing to move resources from one area to another to support new initiatives and strategic priorities, the major units in the old strategy that has a critical role may need more people, different systems of support, new equipment, additional facilities, and increases above average in their operating budgets. Responsible for the implementation need to be active and energetic transfer resources, reduce some areas and anchor widely the activities that play a critical role.

* *Creation of policies and procedures that support the strategy,* changes in the strategy usually require some changes in the practice of work and in the way in operations are conducted whereby when calling people that they alter the procedures and the established through, this always upsets the internal order of things.

The perception of policies and procedures help in various forms to the task of the implementation of the strategy:

-New or recently revised policies and procedures that provide a guide of top-down operations administrators.

-Policies and procedures that help align the actions and conduct by the strategy throughout the organization by setting limits on independent action by analyzing individual trends and the efforts of the Group on the intended trajectory.

-Policies and standard operating procedures that help to impose consistency required in the form in which they will operate special activities for the strategy in the operation units geographically scattered.

Since the dismantling of the old procedures, policies and the institution of new ones alters the nature of the internal working environment, responsible for the implementation of the strategy can use the process of the change in policy as a powerful lever to change the corporate culture in form producing an effective adjustment with the new strategy.

* *Best practices and a commitment to improving institution continued, e* l movement of the processes of comparison to research, study and establish best practices have stimulated a greater awareness of the Administration about the importance of re-engineering (the redesign of business processes) the control of total quality and continuous improvement programmes. Total quality control is a philosophy to manage and establish business that emphasis on continuous improvement in all phases of operations with 100% accuracy in carrying out the activities on the participation of employees at all levels and in the delegation of authority in them, in the design of the computer-based work practices, in the processes of comparison and completely satisfy the work based on the team, in the processes of comparison and completely satisfy the expectations of the customer.

The effective use of techniques of total quality Control / continuous improvement is a valuable competitive asset that can produce significant competitive capabilities.

* *Installation of support systems* strategies of the company can not be in practice or run properly without having multiple support systems for business operations, major airlines cannot provide a service of world-class without a computerized reservations system, a quick and accurate baggage management system and a rigorous program of maintenance of its aircraft.

Innovative and cutting-edge support systems can provide a basis for competitive advantage if they provide a company capabilities that rivals could not match.

* *Design of reward systems that support the strategy* , strategies may not be put in practice and execute with efficiency real unless the organizational units and individuals are committed to the task, administrators of the company usually try to achieve a compromise at the level of the entire organization to carry out the strategic plan motivated people and rewarding them for a good performance.

The function of the system of reward "is to make the members of the Organization personally satisfying and economically beneficial to help the company to execute their strategies in a competent way, please customers and achieve the strategic vision of the company"

One of the biggest challenges is the implementation in practice of the strategy is to use motivational techniques that create a sincere commitment and successful attitudes between the employee

**II.2.7 functional Plan marketing**

Is a document in which, detailing what is expected to achieve in a specific area, costs, time and the [resources](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos4%2Frefrec%2Frefrec.shtml) to use for their achievement; in addition to a detailed analysis of all the steps that must be taken to achieve the proposed aims. You can address the economic aspects, the technical, legal, commercial and social aspects.

Finished the [analysis](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos11%2Fmetods%2Fmetods.shtml%23ANALIT) and set the objectives of the [Plan](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos7%2Fplane%2Fplane.shtml) business at the level of the Corporation or business units, it is necessary to develop the functional strategy in each area.

In our case, defines the decisions to be taken, mainly regarding the choice of the marketing mix: product decisions, price, [distribution](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos11%2Ftravent%2Ftravent.shtml) and [promotion](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos%2Fpromoproductos%2Fpromoproductos.shtml) .

**Structure of a Marketing Plan**

*Executive summary*

It is a ranked summary of the document, in which the most relevant aspects giving the investor a global picture should highlight what you want to achieve.

*Introduction*

It consists of perfectly describe what is proposed. It should be clear enough what the plan and what is intended with the.

It comes to be a more or less formal definition, the aim of the project: the product or service.

*Analysis of the situation*

Provides a [knowledge](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos%2Fepistemologia2%2Fepistemologia2.shtml) of the economic environment in which it operates the company and the response of the competitors. Allows, in a Word, to objectively analyze the circumstances that may affect the project.

General conditions: are those that affect all the [System](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos11%2Fteosis%2Fteosis.shtml) economic or the entire sector in which the company is involved. They can be technological, economic, social, environment, [policy](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos10%2Fpoli%2Fpoli.shtml), legal, cultural, etc.

Conditions of the competition: occurs in detail the main potential competitors, their products, their weaknesses, strengths, market share [suppliers](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos6%2Flacali%2Flacali.shtml%23influencia) and strategies and tactics that are current and foreseeable in the future.

Conditions of the company: as for competitors, describes the current products, experience and know - how, relations with the [suppliers](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos6%2Flacali%2Flacali.shtml%23influencia) and financial agents

*Analysis of the target market*

This is achieved by defining, in turn, to the [customer](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos11%2Fsercli%2Fsercli.shtml) of the product on the market, where to buy, with how often and why, both for consumers and for those who use good as an intermediate to produce from it, others [property](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos16%2Fconfiguraciones-productivas%2Fconfiguraciones-productivas.shtml) .

To define the market [objective](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos16%2Fobjetivos-educacion%2Fobjetivos-educacion.shtml) , demographic, geographic, psychological criteria are used, and lifestyle.

*Problems and opportunities*

Marketing plans often point to opportunities and highlight problems and determining the best way to deal with them.

*Objectives and goals*

Understanding that objectives in the Marketing Plan, are those who are proposed to achieve with the, the goals are a [Description](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fmonografias.com%2Ftrabajos10%2Fanali%2Fanali.shtml) more precise and explicit of these objectives. The latter have to meet certain objectives to be useful:

They must be precise: has to know quantitatively, if this is possible and if not, so precise, if the objectives have been achieved.

They must have a period of achievement: A date to find out if they have been achieved.

They must be feasible: their achievement in due time must be possible, because otherwise there is an abandonment of the project

Must be a challenge for people who participate in the Plan: if they are too easy to achieve or routine, involved subjects will lose [motivation](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos5%2Fmoti%2Fmoti.shtml%23desa) and the human talent available will not be taken well.

*Development of Marketing strategies*

He is the General guidelines to be followed to achieve the proposed objectives, including the analysis of the relationships of the counter agents: competitors.

A definition that clarifies quite the [concept](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos10%2Fteca%2Fteca.shtml) strategy in a business environment is: "the way in which the company aims to win " [money](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos16%2Fmarx-y-dinero%2Fmarx-y-dinero.shtml) " long term", i.e., the set of [actions](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos4%2Facciones%2Facciones.shtml) that the company puts into practice to ensure a competitive advantage long-term.

*Development of Marketing tactics*

Says the [methods](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos11%2Fmetods%2Fmetods.shtml) employees to carry out the strategies. They show how to execute the strategy defined in the previous section. They are described by the management of the [variables](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos12%2Fguiainf%2Fguiainf.shtml%23HIPOTES) of marketing, i.e., product, [price](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos16%2Ffijacion-precios%2Ffijacion-precios.shtml%23ANTECED), [promotion](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos%2Fpromoproductos%2Fpromoproductos.shtml) and square.

*Execution and Control*

This point discusses all the relevant figures of the project over time, in order to facilitate the implementation, execution and [control](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.monografias.com%2Ftrabajos14%2Fcontrol%2Fcontrol.shtml) project

*Overview*

In this subsection, become to target the benefits, costs and benefits, and it is noted clearly, differential advantage over the competitors offering the product or service

**CHAPTER III:**

**III.1 METHOD**

**III.1 research**

By the nature of the objectives, this research is exploratory character, since a real case, which is the company Bastien S.A, which will be analyzed and will propose a strategy to increase their participation in the market and the return on investment will be.

They have collected data, both analysing documentation provided by the company, such as through interviews with managers.

Use of the academic aspects seen in the MBA Usach, especially in the

Professor of corporate strategy and strategic development in Marketing.

To make the projection of sales, should be clear to marketing factors

they influence the industry to be analyzed.

Finally, to establish a screening is required to have theoretical knowledge of

strategy of companies.

In this case, certain basic assumptions shall be based on the experience gained in my tenure as General Manager of Bastien S.A. during the last 5 years.

**III.2 GUIDELINES QUESTIONS**

How to increase Bastien S.A company market share over a period of 5 years in on real market growth (corrected by IPC)?

How to increase the return on the investment over a period of 5 years?

How to finance the company's growth while maintaining the patrimonial balance in which the tendency to the liquidity of the assets is at least equal to the tendency to the enforceability of liabilities?

Like take advantage of corporate synergies to increase market without this share increase costs?

**III.3 THE RESEARCH OBJECTIVES**

Define a strategy that will allow us to increase the market share of the company Bastien S.A. in the Metropolitan Region and Region V, accompanied by an increase in return on investment, in a period of five years.

Develop functional strategic plans aligned to the strategy of the company.

Evaluate the results of each functional plan to implement corrective actions.

**III.4 PROBLEM OR SITUATION ANALYSIS**

Description and analysis of a company in which its two business units take advantage of synergies to obtain returns above the average of its industry.

Accomplished lace and corporate culture adopted, make it a unique case in our midst.

.

**III.5 Brief description of market provider in CHILE**

The company is oriented to meet the needs of prepared foods, in process or raw materials, hotels, restaurants and cafes of Santiago and Region V costa.

Because of similarities in the orders, also is attending caterers and institutions, through Sodexho and Central de restaurants.

Despite repeated offers to break into supermarkets, these have been rejected under the volumes involved and the lower profitability.

Currently, Bastien attends above 85% of the hotels in Santiago, through one or both *divisions*, being the leader in quality and service, which is reflected in their prices, always the highest market.

In regards to products, made up the rest of the market: NYB with less than 5%, 3%, Le Fournil 2% Lido and other enterprises which are divided the rest (less than 1%), between small clients, or to specialize in a product such as cakes grooms, chocolates, ground edge, etc.

Supplies market is more fragmented, and it is not possible, due to lack of information, performing a weighting of market shares, in addition to the inputs and outputs of the industry constants. General mode, we can say that the 4 main distribution companies in hotels and restaurants at the current time are, in order of billing: Rabié, Adelco, Bastien and BCI.

The operating cycle of the business consists of four basic stages:

         Acquisition of supplies and materials raw.-do not exists any restriction or limitation, being that the company determines your preferences under quality, costs and delivery terms.

         Products-process development responds directly to how limiting plant capacity and programming of production as a strategic decision.

         Distribution and marketing.

         Collection of the credits-established credit period is approximately 30 days.

Chile is a country open to the world, and therefore, its evolution is linked to the progress of the global economy.

However the above their long-term trend is due to internal factors.

An element of importance in the national economy is the stability and balance in the management of macroeconomic accounts, which generates credibility and provides the confidence to invest.

The national gastronomic and tourism sector has been lately benefited with Government incentive policies, thanks to these industries apart from being great job seekers, are important generators of foreign currency.

According to the rate registered in the previous years is expected maintenance of trends, being able to even register a slight improvement, which would be based on the local excess capacity and the attraction of Chile as a safe and beautiful country

Table No. 1

Table No. 2

**Chapter IV: Development**

**IV.1 Selection of the company**

The selected company is Bastien S.A., for being a leader in its industry, and given the facilities with which we had access to relevant information.

This firm is dedicated to the production of bakery and pastry products, as well as the distribution of food supplies.

The company is inserted within the restaurant industry, which we might consider aside from the food, since their products are only consumed in sales outlets to the public.

Whether they are products produced by Bastien, or distributed only by it, they will be always consumed in restaurants, hotels or banquet.

Previous, clarifies that it is another industrial sector, while you can share identical suppliers, customers belonging to a different category, called Horeca.

This market segment, prioritize quality and service above the factor price. This is due to the requirements of the category in regards to compliance with the timetable previously established for the delivery of the products to the tables. Nothing is a better product if it becomes stale or untimely.

On the other hand, its products accompany preparations of high cost, so its incidence on the total cost is less than the importance assigned to it.

Currently, the company has signed agreements of distribution associated with its key suppliers, which has allowed him to create barriers to entry, and is in advanced stages of negotiation of new partnerships.

**IV.2 Description of the company**

The company was founded in the year 2000, originally focused on developing products for their own premises for sale to the public, and deliveries to caterers.

In the year 2003, was functionally restructured the company, creating the *Division products manufactured* and the *Division supplies,* and closing the premises of sale to the public.

Both business units operate under the same trade name, and depend on the same management, sharing all the resources of the company, except for customer (sellers and call-center). One implements strategy of differentiation, while the Distributor is distinctly low-cost.

The required returns are different, even every one is subsidized by the other, being fully aware of it, to the point of responding to a methodical planning.

Since both the receiving warehouses as customers cost centers are different, took advantage of implement billing separate for each *Division*, which simplifies the calculations of result.

To date, and to the sustained increase in sales, the *Division supplies* has created the *Department's premises*, inaugurating direct stalls in the Central market of Vega and Feria Lo Valledor.

Furthermore, the *Division products manufactured* is about to begin operation of the *Events Department*, offering full service catering companies.

**IV.3 History**

Frequent claims of employers in the gourmet category, in relation to that sector it was not possible to find a supplier of quality and reliable, directors of the future company Bastien investigated the reasons that motivated such views.

Result of the analysis, was sizing up the complexity of production processes, and the narrowness of the margin of schedules available for correct processing.

This, explained the registered dichotomy, because suppliers had to usually prioritize the quality of their products, or deliveries on time.

It is thus, that the auto tax challenge was to create a company that is considered a benchmark in quality and compliance.

In the year 2002, and before the first signs of walking on the right path, was redirected the company, concentrating its efforts and resources in the horeca market.

Thanks to this, Bastien S.A. is considered by customers, suppliers and competitors as leader in quality and service, which translates into higher prices square.

The company constantly launches new products to the market, incorporates inputs, sign alliances, and discusses new distribution channels.

All this, in order to constituír the best ally of the customer, being a comprehensive, and more advantageous than its homemade supplier.

The company is also a singular within its industry case, because even though it is not the only family business, all the relevant posts are occupied by relatives and adopted management (probably due to the presence of foreigners) is release and even at odds with traditional Chilean administration.

**IV.4 company history**

**ID:**

Business name: Bastien S.A.

Rut: 96.923.320-7

Legal Constitution: August 10, 2000.

Address: Marcos Macuada 1862 independence

Tel: 7343880

Fax: 7343753

e-mail: bastien@tie.cl

**Staff:**

Executive 8

Technical 17

Workers 42

External 9

Illustration No. 6

**Organization chart**

**Managerial responsibilities**

Are five thetasks that define the responsibilities of managers:

Plan : An organization that has already defined its objectives according to their capabilities, limitations and context in general, must plan their actions and how to achieve the goals. Plans prepare direct and define the course of actions to execute for the pursuit of our objectives.

Organize : Execute and implement the plans, involves the design of an organization. Management should determine the type of organization required, as this will determine the quality of the management of plans comprehensively.

Direct : Management direction includes concepts of leadership, motivation, incentive to people and execution of tasks, so the Manager must interact with people that makes up the teams. As a tangible result of a good address, objectives and successfully reached individual goals are available.

Delegate : The allocation of tasks, responsibilities and authority in the organization is a function that determines the efficiency and quality in the management of the organization. Obviously the good selection of human resources that accompany the development of the company will be of central importance.

Control : The purpose of this management function is measuring in quality and quantity, of the execution of tasks, achieved scope, effectiveness of implementations. This measurement allows you to identify deviations or weaknesses that must be quickly supported.

*The General management* , it will coordinate the operations of all managements, and will be the convener in case of contrast of ideas, to be the representative of the interests of owners, and view the company as a whole. To this is added that Bastien is always one of the shareholders who serves as such.

*Management marketing* , main function, the evaluation of the different markets in which the company participates, defining objectives and fulfilling goals whose ultimate aim will be to get the leadership in the market. This management will make the evaluation of different combinations affect the demand and the best use of the different tools ready to affect the market share, such as the price of the products, merchandise offering, delivery times, and others.

*The Finance Manager* is responsible for issues related to the capital structure of the company and the wealth generated for shareholders, is responsible for maintaining

good relations leverage, and profitability. The means of financing are currently limited to credit from suppliers.

It is basically focused on determine the most appropriate mechanism of expansion for the Corporation and control the cost and expenditure variables generated in the different operational areas.

*The management of human resources* , will be in charge of managing staff, your needs, and give them the maximum possible comfort, always aligned with the strategy of the company, at haras maximize the productivity of workers.

*Operations management,* will be responsible forthroughout the production process, and the subsequent dispatch of goods.

**IV.5 Strategic approach**

**IV.5.1 Mission**

Become partners of our clients, providing them with all your gastronomic needs better than their own.

**IV.5.2 our purpose**

The process of change of mentality of our industry will require great effort, consistency, patience and efficiency.

**IV.5.3 our goal**

Comply with all commitments

Responsibilities

Be results-oriented

Innovate despite risks

Permanent improvement of processes

**IV.5.4 considerations to achieve the purposes**

Perseverance, continuity and long-term criteria are more important than professional knowledge as such.

Life is a wheel, loyalties are therefore the maximum asset to protect.

Build the future on the strengths, the weaknesses.

That predict the future, better is to try to create it.

Never generalize problems or solutions.

**IV.5.5 our priorities**

The satisfaction of our customers and suppliers.

Become allies, are in the same boat.

Compliance, quality and personal service as value of difference.

Sell our image, never buy it.

**IV.5.6 results**

The results shall be measured under the following indicators:

Satisfaction of clients above 95% on quarterly questionnaire

Increase in sales of 10% a year.

Increase in annual profitability above 3%

Return on investment of at least 17%, or 8% over the average of the sector

**IV.6 of the corporate culture**

With customers:

-Providing the best product available on the market.

-Deliver exactly as requested by mail or fax by the customer.

-Compliance with absolute and at any cost schedules.

-Disposal to develop customized products

-Maintenance of confidentiality and reserve.

-Total flexibility to requirements of last time of day customers, as well as refusal to all order outside time expressed by occasional customers

-Complaint of customers, first to solve the problem in real time, and later analyze responsibilities to bear the costs.

-Prioritize customer retention above the incorporation of new, and focus only on those that adapt to the purchases and Payables of the company policies

-       Not accept orders that will not be addressed in time and form. Land to the customer the technical feasibility or warn of the risks of non-compliance.

-       Reject any order which escapes the commitment of a provider with your customer, since it can be misunderstood, or worse still, adopted as standard.

-       Prices charged to a customer will be the maximum this can pay, as long as they are above the 10% margin, obey a reason for market, and do not cause distortions between the similar customer base.

-       All orders can not be delivered complete, will require notice in real time to customer, search of substitutes, or cancellation, or postponement of the clearance.

-The prices of processed products must always be the most expensive of the horeca market, and this by virtue of the raw materials used, the craft of its elaboration and compliance.

-       Customers can be captured by any of the *divisions*, but differential treatment will only be awarded to who are purchasers of processed products.

-       Discounts or promotions will be no, but each customer will have a list of prices previously negotiated and no increases for 6 months.

-       Customers who purchase products will not be accepted to our competitors. The industrial loaves, or basic bread for the staff, may only provide specialized companies and as long as the cost is at least 30% lower than the one offered by Bastien.

-       Ordering personal employees of customers will not be accepted.

-Customers who purchase only commodities will not be accepted.

With providers:

-       Purchase goals will be implemented for the purpose of negotiating good conditions.

-       Establishment of alliances, which allow the sale of supplies without direct competition, or administrative burden to clients.

-       It will prioritize long term relationship, above point offers.

-       Payments to suppliers shall be made 10 and 25th of each month, being these dates always respected, and canceling any past due invoice.

With the staff:

-       Each worker will contract and custom conditions.

-       Incorporation of staff through warnings, or recommendations.

-       No employee can remain in the same level of salary and responsibility for more than 2 years. If it does not deserve to be promoted, it will be relocated or dismissed.

-       Every worker should be able to perform at least 2 posts on a rotating basis, and you will be paid according to the more complex.

-       Increases will never obey requests, but the programming of management, according to calendar.**.**

-       The low post originally occupied by the worker at the time of their admission to the company does not imply in any way an obstacle to Ascend, but a plus.

-       The output of any worker who is shown lying, without considering the gravity of the matter will be managed. Likewise, sanctions for acts or inactions, contemplate age and behavior of the employee above their performance.

-       Any employee dismissed or resigned shall be reemployed, except in case of having been previously considered at the time of departure.

-       No one within the company, with the exception of executives, knows all processes, pricing, costs, financial information and projects.

Management:

-       Each manager is capable of handling all of the company, but will not be never simultaneously. There are no counter-orders, or duplication.

-       A decision which is proven wrong, will be immediately corrected in real time and without waiting for a meeting of guideline.

-       It will never challenge an employee outside the office, but neither is will compliment him before his peers, since it may be interpreted by others as an indirect challenge to them.

-       The company's strategy, even in broadly, is known and accepted by all managers, so that the decisions taken are aligned to it.

-       Any decision taken, required to be reviewed by at least another steering, to the maximum as soon as possible.

-       Since the company operates 24 hours every day, will always be an available steering for purposes of relevant decisions with the Manager on duty.

With the competition:

-       Consider the company as an atypical case, so it will not be governed according to policies adopted by the competition.

That serves to another does not always benefit you Bastien.

-       Analyzing various options and comment on them so that they filtered into the market. Finally adopt one or none. This immobilizes the competition and makes it to allocate resources in induced and erroneous way.

-Let space competition, for various reasons:

(1) that the customer has other contributions to Comptroller

(2) to focus on products that have higher profitability, leaving them commodities, except if they are considered essential to the client, or an excuse for the entry of a new competitor.

(3) avoid packing customer purchases, to not intimidate him.

(4) to maintain low profile, to not feed the appetite of potential competitors.

Environmental

-The company will reject any project that is contrary to its unconditional respect for life and care of the environment.

-Any proposal that involves technological change, must be analyzed in the Board meeting, requiring total consensus to be implemented.

Assets:

-       Only gives credit to those who qualify for AAA. As a result, the debts of the past 3 years add to zero.

-       All the machinery, equipment and vehicles of the company must be renewed every 5 years, or when can be fully depreciated.

-       The company must be always up to date with the technology of production, as explained in the world fairs, with up to a year's gap.

-       Although Bastien has a sophisticated computer program designed to measure, you must constantly renew equipment and software.

-       It is considered a minimum of investment in assets related to the productive area equivalent to 1% of the total turnover of the company.

-All machinery and equipment are the property of the company.

Of liabilities

-       The company has no bank debt or demandable liabilities**,** except credit from suppliers. The above be reviewed at the time of implementing a strategic plan that is more beneficial with external funding.

-       The debt with suppliers is equivalent to 40% of their goods in warehouse, and never exceeds 35% of its accounts receivable.

**IV.7 diagnosis**

Review of the situation of the company and its environment.

**IV.7.1 Analysis SWOT** :

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|   |   |   |   |   |   |   |
|   | **STRENGTHS** |  | **WEAKNESSES** |   |   |   |
|   |   |   |   |  |   |  |
|   | Consolidated company, unchanged from |   | Reduced family, and for being foreign  |   |
|   | managers or decision makers |   | few options for incorporating managers |   |   |
|   |  |   |  |   |   |   |
|   | Intricate network of contacts and loyalties |   | Concentration of all decisions  |   |   |
|   | personal |   | in very few people |   |   |   |
|   |   |   |   |   |   |   |
|   | Culture of autonomy based on the |   | Inability to transfer the culture  |   |   |
|   | confidence and experience |   | business regions |   |   |
|   |   |   |   |   |  |   |
|   | Constant addition of new customers |   | Adaptation to the incremental levels of |   |
|   | without losing the current |   | activity required to ignore management controls |   |
|   |   |   |   |   |  |   |
|   | Steady implementation of improvements |   | Discarded processes prove to be  |   |
|   | in production processes |   | more reliable long-term |   |   |
|   |   |   |   |   |   |   |
|   | Above market share of 85% |   | Absence of competitors in demanding |   |
|   | in products made to hotels |   | causes frustration in some clients |   |   |
|   |   |   |   |   |   |   |
|   | Company specialized in customers |   | Absolute dependence to fluctuations |   |
|   | Hotels, restaurants and banquets |   | cyclical and seasonal industry. |   |   |
|   |   |   |   |   |   |   |
|   | Opening of direct sales outlets |   | Palliative, but follow depending on a |   |
|   | inputs to merchants for the category |   | very specific market segment. |   |   |
|   |   |   |   |   |   |   |
|   | Solid company, that allows you to access  |   | The profitability does not cover the increase |
|   | advantageous to direct loans**\*** |   | budget between exercise and the next |   |
|   |   |   |   |   |   |   |
|   | Low level of indebtedness.  |   | Short-term debt.**\*\***  |   |   |   |
|   | Strong growth of the industry |   | Div. inputs grows more.  |   |   |   |
|   |   |   |   |   |   |   |

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\* See debt as in Annex N ° 5, p. 115

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|   |   |   |   |   |   |
|   |   |   |   |   |   |
|    | **OPPORTUNITIES** |  | **THREATS** |   |   |
|   |  |  |  |   |   |
|   | Horeca market with sustained growth |   | Attractive for large investment  |   |
|   | sales and returns.  |   | economic groups |   |   |
|   |   |   |   |   |   |
|   | Trend in the habits of the Chileans to  |   |   |   |
|   | increase consumption in restaurants  |   |   |   |   |
|   |   |   |   |   |   |
|   | Differential in price by increase of quality |   | In the event of economic decline, they would fall |
|   | It is perceived as active, no additional cost.  |   | products with higher value contribution. |
|   |   |   |   |   |   |
|   | Installation of new hotel chains |   | The bulk of the market would be in the hands of few |
|   | increasing concentration of customers  |   | customers, acentuando the current situation |   |
|   |   |   |   |   |   |
|   | Political Government of promoting the |   | Dealers of new Casinos and hotels  |
|   | tourism industry |   | they are the owners of food companies. |   |
|   |   |   |   |   |   |
|   | Economic growth and low risk country. |   |   |   |   |
|   |   |   |   |   |   |
|   |   |   |   |   |   |
|   |   |   |   |   |   |

**IV.7.2 target market**

Market segmentation

Market segmentation is defined by the conditions of operation of the companies in the industrial sector.

Since different buyers have varied interests, being unlikely that with a unique product or service to meet all buyers, but at the same time, it is practically impossible to offer each customer a product tailor-made, it will be more efficient if, first and foremost, the company identifies their reference market. This strategic approach is very fruitful process of market segmentation.

Macrosegmentacion

Depending on the operation of Bastien S.A. markets, the macrosegmentacion of the market is geographic oriented Metropolitan Region and Region V costa.

Needs**.-** needs arise by events unforeseen requirements or that exceed the capacity of the client, so you prefer to outsource the production of the products..

Buyers**.-** groups usually concentrates on hotels and restaurants.

Existing**.-** technology is not required a greater technology, but if a permanent investment in machines fast to ensure a timely and production quality, according to the demands of consumers.

Micro-segmentation.

The company offers a variety of products of various qualities and prices, allowing you to reach different strata, especially that the price offered is the result of a prior assessment of the potential customer purchasing power.

The micro-segmentation criteria

[or *Segmentation by advantages*](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.uc3m.es%2Fmarketing%2Fsegmto%2Fsegmento5.htm)

or The product has the advantage that is of quality and always arrives on time.

or S[demographic egmentacion](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.uc3m.es%2Fmarketing%2Fsegmto%2Fsegmento4.htm)

or The socio-demographic characteristics of consumers are as follows:

or Market divided into regions

or Market divided into rural and urban areas

or The market is divided into quarters by purchasing power.

or *S*[*egmentacion psychographic*](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.uc3m.es%2Fmarketing%2Fsegmto%2Fsegmento3.htm)

or Based on the styles of life described in terms of activities, interests and opinions

  Culinary fashion: menu fusion, Oriental, etc.

  Trends: healthy eating, naturists and others.

or *S*[*egmentacion behavioral*](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2Fwww.uc3m.es%2Fmarketing%2Fsegmto%2Fsegmento2.htm)

or Based on the characteristics of buying behavior are divided in:

  Hotels

  Restaurants, caterers and cafeterias

**IV.7.3 Vision of enterprise based on resources**

The premise of resource-based advantage is that firms differ fundamentally because each one has a unique set of resources. For this, we carry out an inventory of assets or capacity.

**1. tangible resources**

-       Implemented direct selling market Central Vega and feria Lo Valledor.

-       Financial resources.

-       Investment with their own resources.

-       Operational computer program designed to measure.

-       Machinery and equipment suitable for the company.

**2. intangible resources**

-       Distribution partner agreements with its major suppliers.

-       Knowledge in the development of special products for bakery and confectionery.

-       Knowledge in business sales of inputs.

-       Knowledge of events.

-       Corporate image: excellent quality in their products and meet deliveries.

-       Network of personal contacts.

-       Loyalty of its staff.

-       Image of good paying company.

**3. organizational capabilities**

-       Complex procedures for the elaboration of pastry and bakery products.

-       Their principals have clarity about the strategy of the company, and extensive knowledge of the business.

-       Clear policies of managers with respect to staff, customers and suppliers.

For that we define the company as valuable resources:

* Financial resources

* Machinery and equipment appropriate

  Prestige of the company with customers, suppliers and employees, together with knowledge of complex procedures of development of its products, led by its directors with a vast network of contacts and broad knowledge of business, gives us a company that has unique sources of competitive advantage.

To assess whether they are valuable resources can indicate that there is a demand for our products has made us market leader and the higher prices.

The offer of our products is restricted, due to our complex procedures of manufacture and high quality, which will persist in time because it is difficult to imitate. In addition we have captured the value for the business because our products have a price superior to the competition, and much lower costs.

To hold the advantage it is invested in fixed assets and training of its workers and managers, permanently discussed the strategy of the company with regular meetings.

**IV.7.4 evaluation of the interrelationships of today's business**

For these, we will assess the interrelationships of our business.

Consider three types of interrelationships between business units:

-       Tangible interrelations

-       Intangible interrelationships

-       Interrelationships of competitor

**1. tangible interrelations**

They arise from the opportunity to share activities of the chain of value between related business units, for these identified the following tangible interrelationships:

( to) Market **:** interrelations

Customers (no)

Distribution channels (no)

Common geographical market (if): shared physical distribution

Co-branding: co-branding

*Competitive advantages* : lowest cost in advertising and reinforcements of images.

b) interrelations of production

Common location of raw materials: activity to share internal logistics

Manufacturing the same products (no)

Indirect function of maintenance (no)

*Competitive advantages:* lower costs by a shared system of raw materials, weight and handling of raw materials and quality control

( c) You interrelations supplies

Materials premiums (if)

Common providers (si)

To share activity is joint supply

*Competitive advantages:* Cost of inputs low, improved quality of the input, responses from the suppliers, and maintenance of inventories

d) technological interrelationships

e) interrelationships of infrastructure

-       General Management: Shared governmental relations

-

*Advantages:* lower cost of management and coordination

-Finance and financial resources: activities to share

Shared survey of capital (financing) and cash.

*Advantages:* Reducing the cost of financing

-   Accounting: shared accounting

*Advantages* : lower staff costs

-   Human resources management: recruitment and training shared

-System of computer science: computer program designed to measure.

**2. intangible interrelationships**

They come from a variety of generic similarities between business units

( to) Same generic strategy

b) Same buyer

( c) Similar value chain configuration

( d) Similar activities of significant value

Import lies in the transferred knowledge of a business to another business unit unit and allows you to get the advantage

**3. interrelationships of competitor**

They are present when the company interacts in the real or potentially with rival diversified in more than one strategic business unit.

Determine the interrelation of the competitors in different business units opens up greater possibilities for pose threats, establishing blocking positions and do reactions reciprocal.

It should bear in mind trying to change relationships with competitors in those that suits us and that are most valuable to the company.

Through interrelationships, we can predict the potential competitors.

Synergy in current units

( to) The same management unit

b) Same brand

b) Same materials raw

( c) Same suppliers

( d) Same accounting system

( c) Use of cash

( d) Share delivery vehicles

**IV.7.5 sources of competitive advantages**

Competitive strategy is based on the establishment of competitive advantages in both business units, from different sources, in that his singular lace constitutes a barrier to the highly effective input:

1) Initial investment required above US$ 2 million, without debt service.

2) Knowledge specific for the category and square.

3) Requires dedication of managers 24 hours every day

4) Network of personal contacts established over years of operation.

5) Prestige company, for both clients and providers.

6) Exclusivity agreements with suppliers.

7) Costs below market in the raw materials used by the *Division products made*, as a result of elevated shopping and cash payments.

Exemption from all the *Division supplies,* except the purchase cost.

8) Loyalty of the staff based on their age and their continuous training.

9) Monthly growth above desired, which requires continuous adjustments and decisions on the fly.

10) Leader in price, quality, and share of market.

11) Relevant internal information only known level management.

12) Family business, does not record changes of directors or incorporations.

13) Bastien is a comprehensive provider, which leaves it above the specialized, allowing you to negotiate better prices and conditions with customers.

**IV.8. analysis, description, selection, evaluation and monitoring of the application**

**IV.8.1 corporate strategy.**

Defines business in which will act the company.

We will present all the alternatives that are handled, and will finally decide.

**Types of corporate strategy**

It distinguishes between new and existing markets and new and current products.

Therefore, we get the following options:

***Current products in existing markets.***

Companies that find themselves in this situation can be in turn followed three strategies:

*Strategy of exhaustion.*

It is that takes place when both products and markets reach its maturity phase. What aims the company staying in the market with this product is to take advantage of benefits that can bring you. When a company follows this strategy, it is in danger of disappearing, even in the short term, so you must have other products and alternative markets. Clearly it is not the most appropriate strategy for Bastien S.A., which is in Frank expansion.

*Consolidation strategy*

It is that which aims to maintain the current market share, which is at odds with the decision of the company to increase its market share.

*Penetration strategy*

It consists of increasing market share, snatching competitors their participation fee.

The above, conforms more to the proposal, with the caveat that not always remove participation to competitors, but that also creates the need for customer, or urges him to abandon the compilation.

***New products in existing markets***

Product development strategy is this called. To carry out a strategy as well, it is necessary to have a strong development and Research Department. It also requires the company to keep a continuous monitoring of the tastes and needs of customers, to be able to launch products that really demands the market.

In our case it would expand the range of products offered by both divisions.

*Current products in new markets.*

Call this strategy strategy of development of the market. A company can carry out a strategy of this kind when it comes to geographic expansion, either, when tries to develop new distribution channels allowing you to reach customers than ever before were not served.

*New products in new markets.*

A strategy of this type is very expensive and risky. It is normally used by large companies with large resources. If you have success with this strategy, the benefits that can be obtained, can be very high.

Bastien s.a., as he is already analyzing open regions, would be a wasted opportunity and resources not directly enter with new built-in products.

**IV.8.2 functional strategy**

Determines how should each one of the functions of the company help the performance of the overall strategy.

**IV.8.3 competitive strategy**

Deals with defining the way to compete in business, therefore also known as business strategy.

Then we will see a classification of the possible competitive strategies, so let's distinguish between the competitive field chosen and used competitive advantage.

The competitive advantage is a feature that allows the company to avoid direct competition from rivals and to thus obtain yields that are higher than the average for the sector. The company can also search for those superior returns leaning on an advantage in costs or in a distinctive advantage.

On the other hand, a company in defining its competitive scope, can choose to go to a large competitive field, which identifies the whole of the industrial sector, or you can direct your activity to a reduced competitive environment, which is identified as industrial segment.

**IV.8.3.1 cost leadership strategy**

It consists of seek and maintain a position of lower costs with respect to the competition, this will allow the company to obtain yields that are higher than the sector average.

There is a relationship between the strategy of cost leadership and market share, this is due to having a market share sufficiently high, allows the emergence of economies of scale and economies of experience, both contribute to the reduction of unit costs.

Economies of scale refer to the reduction of unit costs by increasing the production of a certain product. The economies of experience refer to the reduction of unit costs as result of a cumulative historical production (for example, because of the greater experience of the workers, therefore Bastien S.A. priority is given to seniority)

The strategy of cost leadership requires the construction of large facilities, capable of producing large volumes. It also requires the use of rigid production equipments, which are those specializing in the production of a single product.

It does not conform to the strategy of Bastien S.A., pointing to the idea of variety, long range and low-volume.(why it rejected entering supermarkets.)

There are companies that can follow a strategy of this type because of its good geographical position or because they can get a raw material at a lower price. Currently, the relationship between high market share and leadership in costs remains valid, but not strictly necessary, so there are companies that use advanced technologies that allow them to produce small volumes at low cost.

*Advantages of the strategy of cost leadership*

Working with reduced costs, allows the company to obtain higher margins, also, allows you to hold and endure price wars that may arise, undertake aggressive pricing policies, because if a company is successful with this strategy and has lower costs, it can lower prices, to try to eliminate the competition.

Bastien, a higher price is considered that "PARS" to the competition, because the differential reflects the degree of compliance, so you never can really match prices, since it would be appreciated by the purchaser as a same price for better conditions.

*Drawbacks of the strategy of cost leadership*

The company that follows this strategy, has opted for the production of certain products, with a few specialized processes, this gives little flexibility to the company, not being able to adapt in this way, to changes in demand or technology.

Another drawback is that the company to focus on reducing costs, are disregards other activities such as research and development (r & d), or the exploration of markets. The company thinks that the market is stabilized and does not

He studies on it, not being able to adapt to the changes that may occur. It is often said that this strategy is advisable, for stable environments. This is true for the supplies Division.

**IV.8.3.2 differentiation strategy**

This consists in that the company offers on the market a product that for the reasons which is, the consumer perceives as the only and therefore are willing to pay a premium for purchasing it. So a strategy of differentiation to succeed they must be two circumstances:

* Products have to be somehow different from those offered by competitors.
* The consumer must perceive this difference, if not so no would pay the surcharge.

The product includes attributes as disparate as the quality, the prestige, the image of brand, container, etc. So when it comes to differentiate the product, company, can opt for any of these alternatives.

You can gather these alternatives of differentiation into two classes:
The first, enhance the intrinsic characteristics of the product, among which are the quality and the degree of innovation that has the product.
The second is to use variables, among which are the production, distribution and marketing what we call extrinsic characteristics of the product, which are the brand, container, prestige or social image and the breadth of the range.

Both alternatives for differentiation cause high costs.
On the other hand, based on the variables of marketing differentiation, requires high investments in advertising, channels of sale, etc.

As the differentiated products are higher priced, it was believed that these differentiating companies would have reduced market shares, but Bastien S.A. is an example of that in reality this doesn't have to be so. All the listed features, appear in varying degrees in our case., and has the largest market share in the Division of products manufactured

*Advantages of the differentiation strategy*

This strategy allows the company to acquire a degree of monopoly, because if the product is new or just the consumer sees it as different, the company will have no direct competitors, who can set a higher price.

Another advantage is that differentiation decreases the power of the buyer, as if it's a new product or a product that consumers perceive as different, customer will not have other reference products to see if the price is high, as is the case with special cakes and breads.

*Disadvantages of differentiation*

It may happen that achieve differentiation, too increase the cost difference between the product standard and the differential, so the customer would no longer be willing to pay the price premium for the differentiated product.

This does not occur then they are made continuous follow-up with customers.
.In our particular case, we must not consider some degree of animosity due to almost grab your purchases.

Illustration No. 7

                                  ***Possibilities for differentiation***

*Innovation*

It's to differentiate themselves based on the introduction of new products. There are two types of innovation:

*Total or radical* .-Is to develop and commercialize new products.

*Incremental* .-Consists in the enhancement and improvement of products already on the market.

In both cases the company may achieve differ, but both innovations have different characteristics.

So radical innovation represents large expenditures on research, while the incremental require little effort on actual research and focus on the phase of product development.

A radical innovation allows the company to take advantage of what is called monopoly of the innovator, who is on the company to launch a totally new product, will not have competition, being able to take advantage of a considerable profit.

Companies that perform incremental innovations, waive this monopoly, but change benefiting from the research effort made by the first innovative and this means significant cost savings.
Normally most of the innovations are incremental type.

*Differentiation based on quality*

Today, with widespread improvement of living standards, increasingly there is greater concern for quality. The concept of quality is somewhat subjective, but can be described as the fitness which has a product to meet those functions for which it is designed.

It is often associated with the concept of quality to the product design, specifications or performance, however there are other ways that do not allow to give a product quality. There are so-called services customer, these include the warranty period, the availability of replacement parts, information about the forms of use and servicing.

Compliance with deadlines, support and advisory activity allow us to differentiate between standard products such as raw materials.

*Differentiation through the marketing variables:*

Normally the marketing variables will be used to reinforce some other kind of differentiation, so for example, if the differentiation is based on the quality, this can be accompanied by more publicity, whereupon the marketing variable is strengthening differentiation achieved with quality.

Classic marketing variables are known as "The four P's", since they are: product, price, promotion and place (distribution).

*Product*

It will be considered what we called extrinsic characteristics of the product: brand, container, social image and breadth of range.
The mark is the trade name under which the product is sold. Mark facilitates the relationship with customers, and must have the product a name short and easy to remember. A company can differentiate their products, trying to create a certain image of brand, it must consider the consumer that the product is sold under that brand is better or different than the others.

The breadth of product range, refers to the greater possibility that is offered to the customer for products or product-related tools.

For client of Bastien, Mark also holds in the *Division supplies*, since distribution associated conventions make it unique representative of the productor.\*

*Price*

The price is more a consequence than a cause for differentiation. As the product is different, may be charged a higher price for it. Credit policies and the payment facilities which can contribute to the differentiation of the product can be included within the pricing policy.

*Promotion*

There are basically two ways to promote products: advertising and the sales force.

Advertising seeks to create a favorable image to the product in the consumer, tries to the consumer to perceive the different characteristics of the product. Usually, the objective pursued an advertising campaign is to reinforce any differentiation.

In the gourmet category, it is customary to hold events.

Sales force consists of a personal and direct marketing with customers. There is no "order takers", in Bastien but heads of account.

The seller informs the client about the characteristics of the product, but at the same time collects complaints and suggestions that the customer may have. This personal communication that makes the sales force can be a key differentiating factor.

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To see Convention of the associated distribution in annex No. 7, p. 130.

*Square or distribution*

Distribution channels make to get the product from the manufacturer to customers. The selection of distribution channels, can be a key to product differentiation factor, as it is the case with marketing systems in

exclusive. This is one of reasons that members have to opt for Bastien.

*Focus strategy*

The approach or high segmentation strategy is one that follows a company when its competitive field is limited to a segment of the industry.
There are multiple criteria according to which you can segment the sector, thus could be divided the sector according to the various segments of the population (age, sex, social class), according to the different geographical areas, etc.

Two types of strategy of approach are the dependent strategy and the strategy of evasion of direct competition.

The dependent strategy is one that still small businesses who work for larger companies. An example of this are the auxiliary companies located close to large multinational automobile manufacturing plants. It is the opposite of the policy of Bastien.

The strategy of evasion of direct competition is followed by companies competing in a particular sector, but which are not directed to the heart of the industrial sector, but a marginal sector. This way they can avoid direct competition from large companies. For example, oriented to the needs of the hotel staff, and not to the guests.

*Strategy of positioning in half*

This definition refers to those companies that do not follow clearly a differentiation strategy or a strategy of cost leadership, which, the company that is positioned in the Middle has risks of both strategies and none of their advantages.

**IV.8.3.3 strategic management**

Many companies we frequently find a common denominator. Management tasks are not properly developed. Non-conforming managers with the results obtained by their managers, and managers that do not clearly understand what his work. Lack of understanding of what is really the work of a Manager is widespread even among managers themselves and those who pay his salary, which is worthwhile to analyze this situation.

**Challenges of Marketing Management**

* Achieve higher levels of sales.
* Designing appropriate distribution channels.
* To assess potential threats of substitute products.
* To assess the potential revenue from new competitors.
* To assess entry into new markets.
* Face barriers to entry and exit from the sector.

For this the following planning is done for years where new business units are incorporated.

The chosen strategic plan, will involve the adoption of a series of measures, which in part go away to the company of the considered normal course to date.

**IV.8.4 Plan strategic functional of the company**

**IV.8.4.1 variation in bandwidth of the *Division supplies***

It will expand the spectrum of product offering, but always with the condition of being food or to keep direct relationship with them.

The schedule will be:

**2005**

-  *Special flours*, refers to imported grains mixed by the main mill in the country, CIA Molinera San Cristóbal S.A. According to a recipe of Bastien, plus the provision of pre-mixes. All marketed under the brand name Bastien.

-  *Wines & liquors* *fine*, thanks to the Alliance to sign with Vina Santa Carolina S.A., recently awarded in France.

-  *Fine cheeses*: cammembert, edam, roquefort, parmesan, goat cheese, Gruyère, ricotta and brie.

-  *Cold cuts-delikatessen*: pastrami, loin kassler and serrano ham.

-       *Packaging* (doilies, trays, polyfilm)

**2006**

-   Signature of exclusivity with the main refrigerator exporter in the country, for the marketing of vacuum-packaged high price of beef: Loin smooth, steak and pork banned.

-Incorporation of exotic meats (ostrich, wild boar and deer).

-Signing of Alliance with specialized in fisheries: salmon, trout, and albacore.

-Marketing with the currently main supplier agreement

Seafood market.

-       Direct negotiation with Ecuadorian shrimp exporter.

**2007**

Extension of the commercial rotation, to allow the distribution of fresh fruits and vegetables, to be acquired from the local feria Lo Valledor.

**IV.8.4.2 Geographic Expansion**

Given that most of the customers of the Metropolitan Region belong to international networks that have hotels in other regions, is considered an advantage to exploit.

The expansion plan will be divided into 5 sectors:

Bastien Santiago: Covers metropolitan regions, V and VI.

Offices to Rancagua and nearby since March 2006.

Bastien Chillán: Association with increased local manufacturers. Covers design,

Talca and Temuco. It started in July 2006.

Bastien Serena: Involves replicating the production of breads and pastries from a

contracted establishment.Projected for December 2006.

Bastien Antofagasta: Same system as in La Serena.

Planned for May 2007.

Bastien Iquique: Requires installation of small production plant

starting from November 2007.

There must be a new industrial plant in Santiago, before December 2006. It must have at least 2500 m2 of land. He is the doubling of production capacity for August 2006.

The computer system will include installation of SQL program, with total connection between branches, and the implementation of intranet web site, to customers to manage their orders.

Illustration No. 8

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|   |   |   |   |   |   |   |   |
|  |   |   |   |   |   |   |   |
|   |   |   | **Current** |  |   | **Future** |   |
|   |   |   |   |   |   |   |   |
| **products and** |   | Breads and cakes |   | catering  |   |   |
| **services** |   | flour, chocolate, dairy,oleaginous pulps | fish,Delikatessen |   |
|   |   | cold meats, preserves, eggs  | seafood, fruits and vegetables |   |
|   |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |
| **Market,****customers** |   | Hotels, restaurants, cafes,chains of catering | several customers |   |
| **and segments** |   | institutions and caterers |   |   |   |
|   |   |   |   |   |   |   |   |
| **Channels**  |   | Final consumers |   |     |
| **Coverage** |   | Santiago and region V |   | Antofag.Chillán | Serena Iquique |   |
|   |   |   |   |   |   |   |   |
| **Competencies** |   | Le Fournil, NYB |   |   |   |   |
| **distinguishing** |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |

**IV.8.5 analysis of resources to implement new business units**

Compliance to this new expansion is revised new valuable resources in this strategy will be held

For this, we carry out an inventory of assets or capacity.

**(a) tangible resources**

Current tangible resources are added to a new industrial plant of a less 2500 square meters in the city of Santiago.

Installing a SQL system, with total connection between branches

**b) intangible resources**

To the existing intangible resources joins new alliances with:

-       Vineyard in France

-       Signature of exclusivity with main exporting meat refrigerator.

-       Signing of alliances with fisheries.

-       Provider of seafood marketing agreements.

-       Direct negotiation with Ecuadorian shrimp exporter.

( **e) Organizational capabilities**

The organizational capacities of its directors take advantage for the incorporation of new business units.

**IV.8.6 Aanalysis of the interrelationships between the current and new U.N.**

For these, we will assess the interrelationships of today's business and businesses that are incorporated into the Corporation

**1. tangible interrelations**:

They arise from the opportunity to share activities of the chain of value between related business units, for this the following tangible interrelationships are identified

(a) inter-relationships of marketbetween the current and the expansion of division of inputs**:**

a.1 -common buyer:

Cross-sell products, force shared sales, post-sales shared services network, shared order processing system, cross-subsidization of complementary products.

Potential competitive advantages:

-       Costs lower to find new buyers.

-       Lower selling costs, and costs less than the sales force, best agent sales.

-       More products to sell to improve access to buyer or increases the convenience of the purchaser.

-       Better use of the sales force.

-       Costs and improved after-sales services.

-       Lower order processing costs.

-       Increase in purchase of a buyer.

a.2-distribution channels:

The same distribution channels will be used.

Potential competitive advantages:

-       Bargaining power with channels leading to improvements in services, location in shelves, maintenance, repair, support, etc.

-       Shopping in one place better differentiation.

-       Lower cost infrastructure of support of the channel support.

a.3.-common geographical market*:*

Activity to share is shared physical distribution system.

Potential competitive advantages:

-       Lower cost of physical distribution and better use of vehicles.

a.4.-co-branded:

Potential competitive advantages:

-       Lower cost in advertising and reinforcements of images

-       Lower promotion costs

b) interrelations of production

b.1.-common location of raw materials:

Activity to share internal logistics

Potential competitive advantages:

-       Cost of weights and handling of simultaneous lower volumes.

b.2.-quality control processes / similar tests

Quality control and test shared facilities.

Potential competitive advantages:

-       The extent of tests and better quality control increases costs of testing, implementation of best technology

(c) interrelationships supplies

-       Materials premiums. (if)

-       Common suppliers. (if)

-       To share activity is joint supply.

Potential competitive advantages:

-       Lower input costs.

-       Improved quality of inputs.

-       Responses faster and more suitable providers.

-       Lower cost for maintenance of inventories

d) technological interrelationships

d.1 technology stock product, common process and activities of common value.

Joint development of technology and interface design group.

Potential competitive advantages:

-       Cost of product or processes under design.

e) interrelationships of infrastructure

e.1 - General Management:

Shared government relations

Potential competitive advantages:

-       Lower cost of administration and coordination.

-       Synchronization of corporate strategy.

e.2.-finance and financial resources:

Activities to share

(a) share capital (financing) and use of shared cash rising

Potential competitive advantages:

-       It reduces the cost of financing.

-       It improves the use of cash.

e.3.-accounting:

Shared accounting

Potential competitive advantage:

-       Lower cost of staff.

e.4.-human resource management:

Hiring and training shared

Strong Department.

Potential competitive advantages:

-       Best recruitment.

-       Transfer of personnel between business units.

-       Transfer of skills through transfer of staff when the resource is difficult to replicate.

-       Homogeneous culture.

e.5.-information system:

Custom made information system

Potential competitive advantages:

-       Development costs.

**2. intangible interrelationships**

They come from a variety of generic similarities between business units:

( to) Same generic strategy.

b) Same buyer.

( c) Similar configuration of the value chain.

( d) Similar activities of significant value.

Import is the transferred knowledge of a business to another unit, and which allows to get the advantage, and with this business who are focused to cost units can have differentiation.

**3. interrelationships of competitor**

They are present when the company interacts real or potentially with rival diversified in more than one strategic business unit.

Determine the interrelation of the competitors in different business units opens up greater possibility make threats, establishing blocking positions and reciprocal reactions.

It should be present there trying to change relationships with competitors in those that suits us and are more valuable to the company.

Through relationships we can predict the potential competitors

**Synergy in existing units with the new additions**

( to) Dependence of the same management.

b) Same brand.

( c) Same subjects premiums.

( d) Same suppliers.

( e) Same accounting system.

f) Use of cash.

g) Share same delivery vehicles.

h) Same buyer.

( i) Distribution channels.

(j) same location of raw materials.

(k) quality control system.

( l) Same processes.

m) Same generic strategy of cost of new units.

n) Same configuration of the chain of value between sales units of

Inputs.

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**IV.8.7 tests essential to incorporate the new U.N.**

**1.-test of attractiveness of the industry**

The industry is attractive because the barriers to entry are not as high, in the case of new business the industry's profitability is 10%.

**2 cost of entry to new business**

The company may exceed the cost of entry to the industry, this should invest:

*(a) infrastructure*

There must be a new industrial plant in Santiago, before December 2006. It shall consist of at least 2500 m2 of land. He is the doubling of production capacity for August 2006.

Transport, is outsourced maintaining a fleet of less than 5 units.

The computer system will include the installation of S.Q.L program \* (that allows simultaneous work between distant stations, capability, safety and monitoring), with total connection between branches, and the implementation of intranet web site to customers to manage their orders.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\* *Structured Query Language* : standard language for database

*b) property*

Any proposal shall be consideredacquisition of 51% of the property that equals the utility before taxes of 60 most active months, insofar as the General management is in the hands of one of the current Directors for at least 18 months.

**3 change in the company by entering the new business**

To take advantage of the interrelationships between its existing businesses and new units, Bastien S.A. benefited will look for cost savings in the activities in which they are present, guided by economies of scale, learning and the pattern of use of capacities, as well as lowering the cost of differentiation.

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|   | **IV.8.8 strategic valuation** |   |   |   |   |   |
|   |   |   |   |   |   |   |
|   | Administration | 2.50% | Lower cost by cost accounting, finance, management, etc. |
|   | Sales expenses | 3.50% | Transport, collection, billing, attention to the customer, etc. |
|   | Discount for volume of purchase | 1.50% | Achievement of targets with suppliers |   |
|   | Declining commissions | 0.50% | Declining sales commissions |   |   |
|   |   |   |   |   |   |   |
|   | Lower cost per share | **8%** |   |   |   |   |
|   |   |   |   |   |   |   |
|   | *Year 2006* |   |   |   |   |   |
|   | Current sale | 170 |   |   |   |   |
|   | Year 2006 sale | 230 |   |   |   |   |
|   | Difference of monthly sales | 60 |   |   |   |   |
|   | Difference in annual sale | 720 |   |   |   |   |
|   |   |   |   |   |   |   |
|   | Return more for share activities | **8%** |   |   |   |   |
|   |   |   |   |   |   |   |
|   | Greater profitability for the year 2006 = 57.600.000 |   |   |   |   |   |
|   |   |   |   |   |   |   |
|   | *Year 2007* |   |   |   |   |   |
|   | Current sale | 170 |   |   |   |   |
|   | Sales in 2007 | 270 |   |   |   |   |
|   | Difference of monthly sales | 100 |   |   |   |   |
|   | Difference in annual sale | 1200 |   |   |   |   |
|   |   |   |   |   |   |   |
|   | Return more for share activities  | **8%** |   |   |   |   |
|   |   |   |   |   |   |   |
|   | Greater profitability in 2007 = 96.000.000 |   |   |   |   |   |
|   |   |   |   |   |   |   |
|   | *Year 2008* |   |   |   |   |   |
|   | Current sale | 170 |   |   |   |   |
|   | Sales in 2008 | 370 |   |   |   |   |
|   | Difference of monthly sales | 200 |   |   |   |   |
|   | Difference in annual sale | 2400 |   |   |   |   |
|   |   |   |   |   |   |   |
|   | Return more for share activities | **8%** |   |   |   |   |
|   |   |   |   |   |   |   |
|   | Greater profitability in 2008 = 192.000.000 |   |   |   |   |
|   |   |   |   |   |   |   |
|   | Evaluation of the strategy, greater profitability next years: **345.600.000 $**  |   |   |
|   |   |   |   |   |   |   |
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**IV.9 new business proposal**

**IV.9.1. Description of the channel.**

On the basis of previously analyzed in section IV.7.5 in relation to the sources of competitive advantages, and then implemented the expansion of products and geographic expansion band, opens the prospect of a new business: venture into the channel of the institutional casinos.

Given that Bastien S.A. has exclusive agreements with some of the leading companies producing or importing of the market, it would be extremely attractive to study the possibility of extending these conventions to the casinos.

First, more than 90% of the Metropolitan Region and V coast casinos, are managed by Central de restaurants S.A. or Sodexho S.A., both companies customers of long data Bastien s.a., which is a source of competitive advantage.

To date, Bastien S.A. supplies only products of higher added value in these casinos, most of which are financial institutions, plants industrial, clinical and economic groups.

First of all, it should clarify each casino must formulate their orders to the Sodexho supplies central or Central de restaurants, as appropriate, being the company who delivers them, not the supplier.

In the case of processed products of Bastien S.A. this standard is not met, for the purpose of prioritizing deliveries on time. Therefore, Bastien S.A. not dispatches to the central winery, but directly to the casino, which represents another source of competitive advantage, by allowing direct dealing with the chefs and administrators of each casino, and may influence the management of acquisitions.

**IV.9.2. business attractive to propose.**

Once defined the market segment in which you want to enter, it is important to analyze the positions of those who pass to interact for the purpose of analyzing the benefits that result, as a good business should be to all parties, but would become a timely transaction, being that Bastien S.A. is oriented to long-term commercial relationships.

**IV.9.3 benefits for participants.**

In considering the position of each participant, it is necessary to point out that they are not 3 and 4: the manufacturer (or importer) Associate, Bastien S.A., the casino Manager and finally the concessionaire

*The associated company*

Firstly, the associated company may or not be the concessionaire of the casino provider. If not, it opens a new market. And if you as today, usually purchases correspond to products of low cost, being procurement fruit of specific negotiations at unattractive prices and conditions.

Secondly, the concessionary companies do not allow them to offer products in the casinos, but it should be addressed exclusively to its acquisitions management, getting low prices for large volume purchases.

Therefore, the new market emerging, born from the need created by sales representatives in their management with the chef of the casino, that you want to receive merchandise level, especially in premium casinos, which are the served by Bastien S.A. with its breads and cakes.

To be sales 'new clients', and that they do not distort your current market, the company should set a price of special sale, allowing also to Bastien S.A. sideline, given that concessionaires companies driving prices lower.

In addition, these sales partner companies should not measure them only quantitatively, but also as qualitative, because they are strategic customers, as the chefs are potential promoters of products.

*Responsible for the casino*

The concessionary company forced to stick to a budget, designed on the basis of the rates negotiated with the institution they serve.

While they must meet standards of quality, introduce negative numbers implies his immediate retirement, whereby it prioritize numbers, which resist better the hard analysis of Auditors and managers.

Notwithstanding the foregoing, in the gourmet category, not always best quality means more expensive, and if Bastien S.A. offers you competitive prices, the administrator can lower costs on other items, and thus does not deviate from its budget goal, visibly improving the service.

It is worth to add, that, usually, events arise with a day's notice, so it is more feasible than Bastien S.A. arrives before your own truck dealer.

At the same time, central winery normally shipped you substitute products (negotiated), and the unsolicited.

*The concessionaire*

The concessions are obtained as a result of having won the corresponding procurement, which is held annually.

The main interest of the concessionaire is to maintain the contract, which has advantage in case of customer satisfaction.

Here is where the dilemma of the General management of the company is: until point maximizing profits, to the detriment of the service provided?.

If you exaggerate, grant may be lost in the next tender at the hands of the competitor, though lower prices have offered.

Therefore, to buy some raw materials from Bastien S.A. would be beneficial, since products respond to specific needs of premium casinos, whose volumes do not justify a direct negotiation with the producer.

70% of the turnover of Bastien S.A. to these companies corresponds to casinos located in the Centre of Santiago, whose schedule of receipt of goods is very limited (from 8:00 to 9:00 hours).

Because of these rules, the concessionary companies must calculate the number of deliveries by time factor, and not by the transport capacity used, requiring a disproportionate number of vehicles, which translates into a misuse of resources.

Both Sodexho Central de restaurants S.A. S.A. using central warehouses for the purposes of lowering purchase costs and operational, but in this case it is counterproductive.

These constraints, increase greatly the cost of distribution, as noted it enterprises, which outsourced the clearance of their goods in the Centre of the city.

*Bastien S.A*.

According to the detailed, it is in evidence that the proposed business would be beneficial for other participants, but in the case of Bastien S.A., it remains to evaluate earnings that would be generated so *direct* as a result of implementing it.

We use the term direct, single signing this extension distribution partner agreements, puts the company in a stronger position to other competitors, and leaves sitting the precedent for future negotiations with the associated companies, or which can merge.

Assuming the sale of supplies in those casinos to match to the mix in other clients (for example: restaurants) in processed products represent 40% of the invoiced total net, book sales monthly Bastien S.A. 2005 shows the following:

Monthly sales of processed products Sodexho + c. r. = 11.7 million

Monthly projected sales of Sodexho supplies + C. r. = 17.6 million

On the understanding that only incremental costs is estimated at 2%, administrative expenses and sales (since customers who do not purchase daily products are not met), Bastien S.A. may be marginalized by 15% of the final purchase prices.

These expenses are broken down into: 0.5% by turnover and 1.5% Commission on sales.

The company must obtain a subsidy of 5% on the agreed price with its partners, by sales to dealerships, prices that are handled are almost 7% below the market average, by "commercial support" charges.

Given that Bastien S.A. keeps billing separate between the *Division supplies* and the *Division products manufactured,* these sales are easily identifiable.

Also, the mechanism does not require internal company documents, since casinos make their orders via mail or fax, so it would suffice to show the respective received purchase orders.

Once terms monthly sales, an invoice for each associated equivalent to 5% of the purchase price of these goods shall issue.

The figure is not high, given that it is not an additional charge for a purely logistical management (distribution), but that it would be in return forgeneratesales.

The marginalization for casinos will be: purchase price x 0.95 x 1.15 = 1,093

Monthly projected return is equivalent to 13% of 17.6 = 1,944 million

Projected annual direct utility 2006 = $23.3 million

**Chapter V:Conclusions and suggestions**

**V.1 CONCLUSIONS**

The implementation by Bastien S.A. of a strategy of differentiation, accompanied by strict control of costs, enables you to achieve a sustained increase in the return on investment of 8% in 5 years.

These returns are obtained as a result of higher sales revenue, maximize sales on existing customers (enlargement of the band featured products) and search for new customers, where they are based (expansion to regions).

In this way, Bastien S.A. ventures into new markets while it increases its share in existing markets, as was the proposed objective, maintaining its status as leader.

Geographic expansion will allow not to rely on a small number of customers, and to a lesser extent each, to reduce their relative weights in total turnover.

It also helps to alleviate seasonal cycles, since the decrease of sales in the summer capital is contrasted with the increase in the coastal regions.

The foregoing, contributes to significantly increase the value of Bastien S.A., introducing 12 months high profitability., and not 10 as previously was the case.

On the other hand, a wide range of opportunities opens to generate new business as proposed, involving only some adjustments.

**V.2 SUGGESTIONS**

In this work, the Vision model of enterprise based on resources, has proven to be the tool best suited to the evaluation of Bastien S.A.

It would be interesting, in a next study, examine whether this investigation can be replicated at the level of an industry that present similar characteristics.

Finally, at haras offer a more complete work and that cover the most relevant factors within the enterprise, it is recommended to complement this thesis with the works presented on the same company in the functional areas of finance and human resources.

This, for the purpose of better explain the analyzed case, and serve as study material.

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Bastien S.A. tax balance, year 2003

Bastien S.A. tax balance, year 2004

Book monthly sales of Bastien S.A., year 2005.

**ANNEXES**

Annex No. 1

Annex No. 2

**Static analysis 2004**

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Annex No. 3

**Analysis of cycles**

Annex No. 4

Annex No. 5

Annex No. 6

**Industry analysis**

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Annex No. 7

                                                Santiago, April 30, 2005

***Mr. XXXXX XXXX:***

Manager XXXX

Hotel xxxxxx

Dear customer:

Hereby, we are pleased to inform you, that after this date, our products will be marketed only through ***Bastien S.A.*** , with which we have signed an agreement of distribution partner to assist you.

The goal is to optimize shipments, taking advantage of multiple daily deliveries that ***Bastien S.A*** .

In this way we aim to deliver not only an excellent product, but also a service according to your requirements.

We invite you to take the orders to the Division supplies ***Bastien S.A.*** to the fono 7343880, by fax to the 7343753 or e-mail bastien@tie.cl , available 24 hours, which will result in mutual benefits.

Waiting for a favourable reception, yours sincerely

***Alvaro guard G.***

Sales Manager

**Puratos of Chile S.A*.***

**ASSOCIATED DISTRIBUTION AGREEMENT**

The objective is to optimization of Watt's S.A. and Bastien S.A., achieved to maximize the comparative advantage of each company's own resources.

Some references of Bastien S.A.:

The positioning of Bastien S.A. in the Horeca segment, has lead her to be considered a leader in quality in the *Division of products manufactured* , and in the service of the *Division inputs.*

Currently, Bastien S.A. Endorses agreements distribution associated with leading food companies.

It has own premises in Lo Valledor and La Vega Central, which allows you to constantly be aware of the market variables.

In relation to Watt's S.A., we must emphasize the excellent quality of its products, as well as the well deserved prestige of the brand.

The proposal consists that Watt's S.A. ceases to sell and deliver to customers serving Bastien S.A. daily in horeca Santiago, (except specific cases), from July 1, 2005 and Bastien S.A. passed to take charge of a portfolio by Watt's S.A., especially restaurants, which were not their customers at the date of conclusion of this agreement.

The conditions of sale will be attached price list, any rise in prices communicate with 30 days prior.

Watt's S.A. investment: X % per month by concept of distribution, X % by concept of meeting quarterly goals. (period from April to June 2005 already agreed), valid for Bastien S.A. and Dayno S.A..

Customers: attached portfolio transfer of customers which are considered in the first stage. Excluded from care at this stage pastry Cory, Mozart bakery, pastry Hildegart, Tavelli, Sodexho and restaurants Aramark Central.

The incorporation of clients previously excluded, as well as those of the Region V costa, will be analyzed before the 60 days of implemented East Convention.

Watt's S.A. reserves the right to accompany Bastien S.A. sellers visits to customers, not with desire for control, but offer them support and strengthen the sale.

Bastien S.A.: Is committed to working with the following categories of products: cream Loncoleche 10 x 1, pastry cream, butter, 10 x 1, Pampero pig, liquid milk, juices Watt's, oil Chef wonder 1 x 20, oil Chef wonder 4 x 5, oil wonder 12 x 1, oil glass 12 x 1. Oven baking, Countess sheet 10 x 2, oven bake 20 x 1, 20 x 1 sheet Hornito, fried Master, Crucina STD. 1 x 20, 20 x 1 Crucina, Crucina Baker, Crucina 1 x 10, yeast. Gold, 3.6 gallon, Portion Pack jams jams. Fruit pulps.

Bastien S.A. shall invoice Watt completo S.A. X successive monthly payments of $ XXX NET, for sellers incentive fund.

With respect to the wholesale and retail, Watt's S.A. is committed to supporting Bastien S.A. and provide the economic advantages that make it possible to increase the sale of their products on their premises.

This associated distribution agreement, is valid for 180 days, renewable automatically for equal period, being inescapable requirement to put an end, communication in writing of such decision, by one or both parties, at least 60 days prior to the date they expire, the corresponding stamp and signature of reception

Signed in Santiago, June 1, 2005.

***Roberto Fierro Abi Moskovicz***

General Manager national sales manager

        Watts S.A.Bastien S.A.

[[1]](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2F111.221.29.49%2Fbvsandbox.aspx%3F%26dl%3Des%26from%3Des%26to%3Den%23_ftnref1" \o "" \t "_top) STANTON J. WILLIAM, J MICHAEL ETZEL, WALKER J. BRUCE. 1998.*Fundamentals of Marketing,* Mc Graw Hill, inc., pp 80-83.

[[2]](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2F111.221.29.49%2Fbvsandbox.aspx%3F%26dl%3Des%26from%3Des%26to%3Den%23_ftnref2" \o "" \t "_top) STANTON J. WILLIAM, J MICHAEL ETZEL, WALKER J. BRUCE. 1998.*Fundamentals of Marketing,* Mc Graw Hill, inc., pp 96

[[3]](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2F111.221.29.49%2Fbvsandbox.aspx%3F%26dl%3Des%26from%3Des%26to%3Den%23_ftnref3" \o "" \t "_top) STANTON J. WILLIAM, J MICHAEL ETZEL, WALKER J. BRUCE. 2001. *Foundations of Marketing,* Mc Graw Hill, inc. pp 682-683

[[4]](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2F111.221.29.49%2Fbvsandbox.aspx%3F%26dl%3Des%26from%3Des%26to%3Den%23_ftnref4" \o "" \t "_top) http://www.monografias.com/trabajos7/plane/plane2.shtml

[[5]](http://www.microsofttranslator.com/bv.aspx?from=es&to=en&a=http%3A%2F%2F111.221.29.49%2Fbvsandbox.aspx%3F%26dl%3Des%26from%3Des%26to%3Den%23_ftnref5" \o "" \t "_top) Thomphons Strickland, 1999 "*strategic management*", 11th Edition, Ed.MacGraw Hill, PG. 332 to 350