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# E-Business Strategy

FreshWorks Independent Organic Supermarket

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## *Executive Summary*

FreshWorks, the organic supermarket, carries a good business in Australia. Having 5 outlets, they face some serious problems from both inside and outside the company from competitors. With comprehensive pricing and product line extension strategy, competitors are making efforts and with leakage/insecurity of inventory and cash, FreshWorks is looking for solutions. As is discussed in the report the identification of problems, IT infrastructure and lack of marketing and e-business strategy are the main sources of downfall. For fulfilling the long term goals and objectives of the company, different solutions and recommendations are proposed. Proposed e-business strategies for FreshWorks include cloud computing, web portals for customer interaction, centralized data base and other technical approaches to overcome the obstacles. For permanent solution, company has to involve cloud computing with modernized web portals for the business. It would help out keeping a check and balance of all the measures. FreshWorks may see it as a little expensive in the beginning, but it will resolve the current problems forever. Search engine optimization and use of social media is viewed as marketing strategy for the rising organic supermarket, both in terms of building customer relationship and marketing. Value delivery process will also be fulfilled once all the required strategies are implemented. Planning and market analysis before implementation is fairly necessary, as risk factor will get minimized. At the end, FreshWorks should bring all the members of the board and the employees on a single platform of vision while implementing these strategies; this would eventually bring success and goodwill to the market as *Super Organic Supermarket*.

## *Introduction*

While working on this project I came across a lot of different things that I wasn't aware of before. I was also able to arrange few meetings with few concerned persons from whom I was able to retrieve good amount of information, which was later put in and significant data and knowledge is being shared in this report. I undertook the research, which I personally believe was a bit tough and required a lot of effort, but at the end I was able to generate enough amount of data and different point of views that are summarized in this document.

This report covers business profile and e-business strategy/plan for FreshWorks organic supermarket. The report contains a complete business solution and marketing prospect of FreshWorks as to how they can achieve their goals and targets. Problems are identified after thorough study and recommendations, in the shadows of benefits, costs and limitations, are provided and suggested.

## *Company Profile:*

FreshWorks is an Australian based organic supermarket company. FreshWorks provides fresh vegetables, fruits and other organic baked and packaged goods. It caters a niche market, taking care of the needs of organic products among the local population. It fulfills the demand through 5 different outlets across Melbourne and Geelong. Contrary to the fact that it is enjoying a good profit through this market segment, it is facing a stiff competition from its competitors due to various reasons.

With independent computer inventory system at stores, inventory and cash flow of the company are handled. Demand and supply analysis is based on the numbers of inventory inflow and outflow, while cash flow, profit or loss is judged through this basic computer inventory system.

The Company is marketing itself through a very generic/traditional marketing strategy; what you see is what you get. The Company has no clear understanding of its current and proposed market, as it has not studied and recognized its consumer behavior and their problems. With a growing threat from the competitors in price, place and advertisement, the company is relishing a drastic

change in terms of overhauling its market position. FreshWorks is looking forward to communicate more with its customers and transform all the product related information.

### *Company's Goals*

FreshWorks' goals are very clear and descriptive. These goals are written below:

- Ensuring the health and safety of people is the sublime priority of the business
- With the motive of serving people with organic goods, the company is looking to expand business largely
- FreshWorks wants to become consumer friendly, where FreshWorks can fulfill the desires and wants of the consumers
- No. 1 is the rank that the company wants to see itself at in the long run, both in terms of profitability and goodwill
- Bringing innovative changes for the overall betterment of the company

### *Problems Identified*

Problems identified in the business are described below:

- There is no market and consumer survey through which the market situation and consumer preferences can be detected
- In the attention economy, the company does not have any website or any other way of online communication with its customers
- There is no online or other feedback forum, so the company cannot be aware of the problems consumers are facing or their wishes to upgrade the supermarket accordingly
- There is no supply chain management
- Company is lacking a competitive edge or POD
- There is no centralized database for the check and balance and this is leading to most of the problems
- IT system is severely lacking; with the modernization in place, IT infrastructure is a mandatory

## *Proposed Solution*

IT has been a revolution in the 21<sup>st</sup> century, as it has evolved more and more with the passage of time. Now, it's part of everything we do; we are surrounded by machines intelligence as well as robots, who can replicate humans' work much more efficiently and at times, less costly as well. As more consumers are buying online every day, it is evident that the problem has always been with viable e-business models and not the concepts. FreshWorks Company is currently struggling with the account and balance, the misplacing of the products; in short, they are lacking a bit of organization; they are working hard but on a wrong path (Grover, 2007).

The business strategy of FreshWorks needs to gain consumers' attention. Online business has multiple advantages and if worked through properly can prove to be a huge success; sites like ebay.com and olx.com are examples to be considered. FreshWorks needs to get its home website up and running as soon as possible. They should put SEO (search engine optimization) at the top priority; whenever anyone searches organic food, they should be the first one to provide the solution. This will attract a larger consumer base and will eventually lead FreshWorks to start working globally as a brand. (Martin & Kim, 2011)

Social networks should be used like facebook and twitter, which are the hot shots these days; they should be used to promote and give business a whole new dimension. YouTube is probably one of the best sites to promote your product at, as it has the largest followers these days. On the other hand, value or promotional deals can be offered to customers buying products online; privilege cards can be handed out; this will be another way of attracting customers. (Martin & Kim, 2011)

In a more technical detail, a few of the techniques and methods can be used to take FreshWorks to a new level of success:

- ***Cloud Computing***: A new field in IT where you don't necessarily have to place servers physically; instead logical clouds are made, and your whole network can be managed on it. Its biggest advantage for FreshWorks will be that when the company expands its business and the whole IT infrastructure is introduced, it will be less costly and perfect for the future, as any up-gradation can be made with minor changes. Moreover, FreshWorks will get a centralized database and inventory management problem will get

resolved, as all the data from five different outlets will be having one server (Braiker, 2008).

- According to Kushinsky, the CEO of MaidPro - a cleaning service business, it is believed that enhancing technology is crucial for enhancing business. He further explains the ambition of the company, “We want to get our franchisees up as soon possible and profitable as quick as possible” and after implementing cloud computing, they have clearly felt the difference. Kushinsky believes for small business, the least secure option is to manage it yourself. He explains the difference after implementing cloud computing as, “Now all their hours are spent making our business more efficient, not just keeping a product running, it really has accelerated our ability to improve things for our franchisees, such as the reduction in miles driven” (Casey, 2011).
- 
- **Web Portals:** Web portals provide even less costly solution; a large database is created and then put online at every store, so whenever customer buys anything or stock information is being changed, it is updated on the web right away; this will help minimizing the problem, but other limitations exist as vital data can be hacked or portal can go down, but the overall web portals are easy to use and can be developed and implemented at low cost; training is not an issue in this case.
  - **Inventory and sales management software:** There are dozens of applications available in the market which can be bought and expanded; this may help as no development is required and most of the softwares provide maintenance as well. They are very much user friendly and are easy to be get used to for the staff.
  - Merger of couple of techniques can be the best solution i.e., a website is mandatory, which provides all the products’ information; online transaction facility should be there, so that we facilitate the customer to the most extent. This should be done on the front end; on the back end, servers can be used to let this whole system run smoothly, for which cloud computing is ideal, as it is a thing of the future and will only get better with time.

## *Benefits, Costs and Limitations*

The benefits, costs and limitations for all these proposed solutions are as follows:

- Benefits with this change will be immense; not only the company will grow but it will grow at an exceptional rate and should take over its competitors sooner rather than later
- Error rate will be minimized through IT systems; there will be a centralized database and stock management will be just about perfect
- FreshWorks' already established consumer base will surely welcome the change, and together with the new customers, success should be inevitable
- IT Infrastructure is not that cheap, as it has its fair share of costs involved, from setting up systems on the shops to its back end management; IT staff is another cost associated with it
- Initial costs mostly include hardware cost, software's license fees, hardware as well as safety measures and network cabling
- All the techniques mentioned above have a huge success rate, but there exist a few limitations as well
- Cloud computing, just as good as it comes, is still new and being modified, so proper contract should be in place in case of any breakdown
- Web portals have a huge risk of security and can be hacked, but if proper security measures are implemented, it can very well be stopped as well
- Sales management softwares can sometimes be very slow, and error prevention should be made sure in the beginning

## *Recommendations*

In the report, we came to know that the IT infrastructure is severely lacking, so it is recommended that it should be implemented as soon as possible. The selection of IT system should be made according to the fund and long term vision of the company. Cloud computing is a long term solution, while building a proper web portal is the need of the time - an instant step required.

Hackbarth and Kettinger (2000), Four-stage 'strategic e-breakout' model should be followed while planning and implementing strategy, which defines 4 steps; *initiation, diagnosis of the*

*industry environment, Break out to the established strategic target and transition or implementation of selected path.* After taking initiation of making a change, FreshWorks should study and analyze market situation through measurable tools/approaches such as SWOT and PEST analysis. Through it, they will come to know about the right step it is heading towards. Afterwards, selection of established and reliable strategy should be chosen. Then, implementation process should be started with full confidence and believe in those strategies.

Staff needs to be trained to IT equipment and management, as soon as it is introduced. It is vital that every member of your crew is fully trained and ready for the task. Strong team displays and reflects strong sense of commitment and liability to the customers.

All IT equipment and softwares should be licensed and should be bought through proper channels with contracts, so that there is minimum risk factor in the future. FreshWorks has the right product; they just need a better presentation to make it better. With informational marketing strategy, it is important that you first attract your customers, so that they can get to informational side. Attraction to the product is primary part of marketing and then comes the informational stuff.

At the end, change should be brought to the company with consultancy of employees and senior members of the board. Strong team owes these ingredients to gain the trust of customers and their employees as well. It is important that everyone is convinced to the new strategy and approach, and all have one similar set of mind and vision that the company holds. This is a long term plan and will reward, but patience with proper work is key to the success here.

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