



Strategic Development and Implementation for SMEs

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Executive Summary

This report encapsulates a thorough examination of the SME Unlimited Fashion's strategic management landscape. It delves into the company's current strategic direction, evaluates its external and internal environments utilizing established business environmental scanning tools, explores its strategic growth avenues and undertakes an analysis of its stakeholders. Subsequently, the report offers strategic recommendations tailored to stimulate Unlimited Fashion's future growth, with them entailing emphasizing high-quality products and exceptional customer service, intensifying marketing efforts, considering expansion to new markets, prioritizing sustainability in operations, and fostering agility in strategic management while considering stakeholder interests.

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Introduction

Strategic management constitutes a foundational element in business management that underpins organizational efficacy, facilitating optimal decision-making, resource management, and cohesive planning towards the accomplishment of business objectives (Ackermann and Eden, 2011).

In today's rapidly evolving business landscape, effective strategic management propels organizations towards the successful navigation of challenges and the strategic exploitation of opportunities (Gopalakrishnan, Kessler and Scillitoe, 2020). It serves as the guiding force that enables businesses to not only survive but thrive amidst the complexities of the modern marketplace (Hutchins and Storm, 2019).

Small and medium-sized enterprises (SMEs) are vital components of the global economy, representing a significant portion of businesses worldwide (Susman, 2007). Characterized by their comparatively modest size and scale, SMEs often operate with limited resources and focus on niche markets or specialized products and services (Hutchinson, Quinn and Alexander, 2005; Spithoven, Vanhaverbeke and Roijakkers, 2012). In this context, effective strategic management emerges as imperative for SMEs to maximize their potential and effectively compete, innovate, and achieve sustainable growth amidst the contemporary highly dynamic and competitive business milieu (Hu and Kee, 2021).

This report will undertake an examination of strategic management practices within Unlimited Fashion, an SME operating in the fashion industry. The investigation will encompass an evaluation of the company's existing strategic direction, an analysis of both its external and internal environments, and an exploration of strategic growth choices available to SMEs in the market. Moreover, the report will conduct a stakeholder analysis to critically evaluate the expectations and relative power of the organisation's different stakeholders and culminate with the provision of key strategic recommendations aimed at fostering Unlimited Fashion's future business growth.

I.Unlimited Fashion's Current Strategic Direction

Unlimited Fashion is a UK-based SME that was established in the 1960s and has ever since evolved into one of the UK's premier clothing manufacturers. Currently, the company specializes in the provision of high-quality garment manufacturing services, catering to a broad range of clients, with a particular focus on luxury fashion brands and film productions. With a

longstanding commitment to excellence and attention to detail, Unlimited Fashion operates from a modern facility in London that is equipped with cutting-edge machinery and technology and staffed by a dedicated team of experienced machinists. From initial concept to final production, the team at Unlimited Fashion works collaboratively to ensure that each of its comprehensive array of garments can meet the exacting standards of quality, style, and functionality demanded by its diverse clientele (Unlimited Fashion, 2024).

Unlimited Fashion's values and mission represent the core principles that inform its strategic direction, operational decisions, and overarching identity within the fashion industry. These guiding tenets underpin the company's business ethos, exerting a profound influence on its organizational culture and business practices.

Central to Unlimited Fashion's values is a strong dedication to excellence. This commitment manifests in the SME's relentless pursuit of superior quality across its product range, with a keen focus on ensuring that each garment epitomizes craftsmanship, design excellence, enduring durability and high attention to detail (Unlimited Fashion, 2024).

Concurrently, Unlimited Fashion prioritizes customization and meeting the diverse demands and requirements of its clientele. Recognizing that each client may have unique preferences, specifications, and design preferences, the company leverages its expertise and flexibility to offer personalized services that ensure that each of the products it crafts aligns with clients' specifications (Unlimited Fashion, 2024).

In addition, the company is also committed to providing superior customer service throughout every stage of the client journey. From initial consultations to post-production support, Unlimited Fashion prioritizes open communication, responsiveness, and attentiveness to ensure a seamless and enjoyable experience for its clients. Its dedicated team works closely with clients to understand their needs, address any concerns, and provide timely updates on project progress, with the ultimate goal of fostering long-term relationships (Unlimited Fashion, 2024).

Ultimately, Unlimited Fashion's values are profoundly intertwined with its ultimate strive and mission to consistently deliver unparalleled quality, craftsmanship and satisfaction to its clientele and reinforce its reputation as a trusted leader in the realm of fashion (Unlimited Fashion, 2024).

II.Environmental Analysis

Business environmental scanning refers to the systematic gathering, analysis, and interpretation of information about factors that could impact the organization's performance and decision-making processes (Zhang, Majid and Foo, 2010). It undertakes an essential role in facilitating effective strategic management, facilitating companies' capacity to proactively identify opportunities, anticipate threats, and adeptly align their strategies with evolving market dynamics (Correia, 1997).

PESTEL Analysis

i.PESTEL Analysis

The external environment refers to all factors outside the organization's control that can influence its operations and performance (Menet, 2016).

The PESTEL analysis framework constitutes an environmental scanning tool that offers a structured approach for the thorough examination of various external factors that could impact an organization's operations and strategic decision-making (Citilci and Akbalik, 2020). The undertaking of a PESTEL analysis enables development of a nuanced understanding of the external factors shaping Unlimited Fashion's operational environment, thereby facilitating informed strategic decision-making (Cadle, Paul and Turner, 2014).

Political Factors

Political factors encompass a broad spectrum of governmental practices, policies and initiatives that can impact business operations and market dynamics, thereby also exerting an influence on Unlimited Fashion (Momin, 2023).

At the domestic level, government regulations related to taxation policies, and trade agreements can affect Unlimited Fashion's operations, financial performance and profitability. Furthermore, changes in trade agreements or tariffs can influence the cost of importing/exporting raw materials and finished products, potentially affecting pricing strategies and market competitiveness (Keim and Hillman, 2008).

On the international front, geopolitical factors such as political stability, diplomatic relations, and trade tensions can pose both risks and opportunities for Unlimited Fashion. Instability in regions where the company sources materials or conducts business operations could disrupt supply chains and logistics, leading to production delays or increased costs. Moreover, trade

tensions between countries may result in trade barriers or tariffs, affecting the company's access to key markets and its competitiveness on a global scale (Basso, 2023).

Economic Factors

Economic factors represent the economic circumstances that can influence companies such as Unlimited Fashion's operational capabilities and performance (McCormick et al., 2014).

One key economic factor is the overall economic growth or recessionary trends in the markets where Unlimited Fashion operates. During periods of economic growth, consumers tend to have higher disposable incomes and are more willing to spend on discretionary items such as fashion apparel. This can lead to increased demand for Unlimited Fashion's products, hence being conducive to the company achieving higher revenues. Conversely, during economic downturns, consumer spending tends to decline, potentially having an adverse effect on the SME's sales and profitability (Castaño, Méndez and Galindo, 2015).

Another important factor are inflation rates and fluctuations in currency exchange rates, as they can affect production costs, raw material prices, and import/export expenses for Unlimited Fashion. In addition, the interest rates set by central banks can influence the borrowing costs for the company, thus possibly impacting its investment decisions, expansion plans, and overall financial performance (Dornbusch and Reynoso, 1989).

Social Factors

Social factors, including demographic trends, cultural norms, lifestyle preferences, and societal values, also assume a considerable role in shaping SMEs and Unlimited Fashion's performance (Shaw, 2020).

For instance, demographic shifts, such as changes in age distribution, socioeconomic status and household composition, can influence fashion trends and consumer demand for specific clothing styles. Moreover, lifestyle pattern changes can impact customers' behaviours and purchasing decisions, thus requiring Unlimited Fashion to tailor its product offerings and marketing strategies accordingly (Shaw, 2020). In addition, evolving societal values, such as the growing emphasis on ethical business, sustainability, and inclusivity, also influence consumers' choices and expectations regarding fashion products (Ahmad, Yaqub and Lee, 2023).

Technology Factors

In the contemporary era marked by rapid technological advancements, technology factors wield a significant influence over organisations' operational landscape (Peltier, Zhao and Schibrowsky, 2012).

Within the context of Unlimited Fashion, the adoption of cutting-edge technology can enhance the company's operational efficiency, reduce its production costs, bolster its product quality and drive its competitiveness in the fashion industry landscape (Liang et al., 2007). Nonetheless, the rapid nature of technological advancements also poses challenges as it necessitates continuous investment in research and development, as well as ongoing training for employees (Kim and Pae, 2007). Moreover, the proliferation of online shopping platforms and social media channels intensifies the competition from fast-fashion retailers and online marketplaces, which leverage technology to rapidly bring new trends to market at lower costs (Peltier, Zhao and Schibrowsky, 2012).

Environmental Factors

With a burgeoning societal emphasis on environmental sustainability, environmental factors stand at the forefront of businesses' strategic considerations, including those of Unlimited Fashion (Ajmal et al., 2018).

The fashion industry's environmental impact, such as water usage, carbon emissions, and waste generation, has garnered significant attention in recent years. Consumers are increasingly demanding eco-conscious products and transparency in supply chains which in turn exerts pressure on companies to adopt more environmentally friendly practices throughout their operations (Rezaee, 2017).

Furthermore, regulatory frameworks and initiatives aimed at addressing environmental issues, such as climate change and pollution, can also influence Unlimited Fashion's operations. Compliance with environmental regulations, such as restrictions on hazardous chemicals in textiles or carbon emission limits, may require investments in technology and infrastructure to ensure compliance and mitigate environmental impact (Ajmal et al., 2018).

Additionally, environmental factors can impact the availability and cost of raw materials used in fashion production. Climate change, natural disasters, and resource depletion can affect the supply and pricing of materials such as cotton, leather, and synthetic fibres, thereby impacting Unlimited Fashion's production costs and supply chain resilience (Özsomer, Calantone and Di Bonetto, 1997).

Legal Factors

Legal factors represent the final dimension as per the PESTEL analysis framework that impacts organisations' performance (Chavan, 2018).

One crucial legal aspect pertains to ensuring compliance with labour laws and regulations. SMEs, including Unlimited Fashion, must adhere to labour standards regarding working conditions, wages, and hours to ensure the fair treatment of their employees and subcontractors. Failure to do so can result in legal repercussions and reputational damage (Bush, 2016).

Furthermore, legal considerations extend to product safety and liability, requiring Unlimited Fashion to comply with regulations governing product labelling, safety standards, and consumer protection. Ensuring that its products meet regulatory requirements is essential to mitigate the risk of product recalls, lawsuits, and damage to the company's reputation (Lasprogata and Cotten, 2003).

In addition, Unlimited Fashion must also navigate intellectual property laws to protect its brand, designs, and innovations from infringement. This involves securing trademarks, patents, and copyrights for its products and ensuring that it does not violate the intellectual property rights of others. Violations of intellectual property laws can lead to costly legal disputes and tarnish the company's reputation in the industry (Spinello, 2007).

ii. SWOT Analysis

The SWOT analysis framework stands as a foundational tool in the domain of strategic management, offering an effective means to comprehensively assess an organization's strengths, weaknesses, opportunities and threats. Through the execution of a SWOT analysis, a comprehensive grasp of Unlimited Fashion's dynamics can be achieved, facilitating informed strategic decisions, identification of avenues for sustainable growth and competitive advantage and the formulation of effective strategic plans (Leigh, 2010; Teoli, Sanvictores and An, 2019).

Strengths

Unlimited Fashion boasts several notable strengths that contribute to its competitive edge within the fashion industry.

One of the SME's key strengths lies in its rich heritage and legacy, spanning more than five decades, which has solidified its reputation as a trusted and reliable provider of garment manufacturing services. This extensive experience has endowed the company with invaluable insights into the intricacies of the fashion market, allowing it to adapt swiftly to evolving trends and customer preferences.

Moreover, Unlimited Fashion maintains a steadfast commitment to quality, craftsmanship and meticulous attention to detail. Each garment that the organization manufactures undergoes rigorous quality assurance processes to ascertain its adherence to the utmost standards of excellence. The company's steadfast commitment to precision and excellence distinguishes it within the competitive milieu of the fashion industry, contributes to its status as a paragon of quality and reliability and fosters the trust and confidence of its customer base (Jain, 2022).

Concurrently, Unlimited Fashion also exhibits versatility and flexibility in its production capabilities, adeptly working with a diverse array of fabrics. This allows the company to offer a broad range of garment types, thereby catering to diverse customer demands.

It is also noteworthy that Unlimited Fashion benefits from a highly skilled and versatile workforce. Its team of artisans and craftsmen possess a wealth of experience and expertise in working with a diverse array of fabrics and materials. Their proficiency in translating design concepts into tangible, high-quality garments whilst also providing exceptional customer service sets Unlimited Fashion apart from its competitors and contributes to the satisfaction and loyalty of its clientele (Islam et al., 2011).

Lastly, the modern and innovative approach to technology adopted by Unlimited Fashion represents another potent strength of the organisation. The company's state-of-the-art facilities and cutting-edge machinery enable it to maintain a high level of efficiency, precision, and quality control, optimizing its production processes and positioning the SME as a forward-thinking and adaptable player in the fashion industry landscape (Salgado et al., 2017).

Weaknesses

Despite its strengths, Unlimited Fashion also exhibits several weaknesses that could impede its competitiveness and hinder its growth prospects.

Foremost among these weaknesses is the company's limited operational scope. Unlike other fashion manufacturers boasting diverse production facilities and global supply chains, Unlimited Fashion operates predominantly from a single factory location. This constrained

operational footprint may restrict the company's ability to scale operations and adapt swiftly to fluctuating market demands or expansion opportunities (Felicia and Liliani, 2015).

Furthermore, the high costs associated with Unlimited Fashion's products may pose a challenge to the company's profitability and market competitiveness. While the company prides itself on its unwavering commitment to quality and craftsmanship, this dedication translates into elevated production expenses compared to competitors who prioritize cost efficiency over product excellence (Zaman and Ikhwan, 2021). Consequently, Unlimited Fashion's products are priced at a premium, potentially deterring some consumers and curtailing market penetration efforts (Mandarić, Hunjet and Vuković, 2022). In addition, the high production costs endemic to operating in the UK further exacerbate the company's cost burdens, as factors such as labour costs, supply chain management and overhead expenditures inflate operational expenses (Reynolds et al., 2005).

Unlimited Fashion also faces weaknesses in regard to its marketing strategy. Despite its longstanding reputation for quality craftsmanship, the company's marketing efforts remain relatively limited compared to its industry counterparts. The SME's insufficient emphasis on advertising and promotional activities may undermine its ability to effectively communicate its brand value proposition and broaden its customer base (Eid and El-Gohary, 2013).

A final weakness of Unlimited Fashion pertains to its lack of a robust online platform that offers online ordering capabilities and user-friendly interfaces. Unlike many of the SME competitors within the fashion industry leverage comprehensive e-commerce platforms to facilitate direct customer engagement and transactions, Unlimited Fashion's vague online presence fails to provide such functionalities. Consequently, the absence of an effective online platform may result in missed sales opportunities and hinder the company's competitiveness in the increasingly digitalized marketplace (Rowley, 2004).

Opportunities

There exist several opportunities for Unlimited Fashion to explore and capitalize on the dynamic fashion industry landscape.

Primarily, the company can expand its market presence by venturing into new geographic regions, both domestically and internationally. By diversifying its market reach, Unlimited Fashion can reach a broader customer base, thereby driving its revenue growth and market presence (Viguerie, Smit and Baghai, 2008).

Given the pronounced surge in consumers' demand for ethically produced and environmentally sustainable fashion, another opportunity for Unlimited Fashion pertains to its potential to position itself as an organisation renowned for its strong commitment to responsible business practices. The company can focus on continuously demonstrating a steadfast dedication to environmental and social responsibility, prioritizing sustainability across its operations and engaging in various sustainability initiatives. By transparently communicating its sustainability efforts and obtaining relevant certifications, the SME can not only meet the growing demand for responsibly produced fashion but also strengthen its brand reputation and competitive advantage (Mandarić, Hunjet and Vuković, 2022; Gazzola et al., 2020).

The constantly evolving landscape of digital marketing presents another viable opportunity for Unlimited Fashion to drive its successful trajectory. As social media is increasingly becoming an indispensable aspect of people's daily lives, the SME can embrace digital marketing channels such as social media platforms, email marketing, and influencer partnerships, to augment its ability to effectively reach and connect with potential customers, thereby amplifying its brand presence and awareness, fostering deeper customer relationships and driving its business growth and success (Labrecque, 2014).

Threats

A prominent threat facing Unlimited Fashion lies in the intense competition within the fashion industry. As the market becomes increasingly saturated with both established brands and emerging players, Unlimited Fashion must navigate a fiercely competitive landscape where differentiation is essential for sustaining market share and profitability. High competition not only exerts pressure on pricing strategies but also necessitates continuous innovation and adaptation to evolving consumer preferences and industry trends (Yalabik and Fairchild, 2011). Furthermore, the proliferation of online retail platforms and the democratization of fashion through social media channels further intensify competition, as consumers have greater access to a wide array of brands and products (Dubbelink, Soria and Constantinides, 2021).

Another potential threat confronting Unlimited Fashion regards the risk of supply chain disruptions. The company relies on a network of suppliers to procure the diverse array of materials that it utilizes to produce its products. As such, any disruptions within the SME's supply chain, such as raw material shortages, transportation delays, or labour strikes can result in increased costs, production delays, loss of revenue and diminished customer satisfaction (Tang, 2006).

In addition, in today's interconnected world, where information dissemination occurs rapidly through various digital channels and social media platforms, Unlimited Fashion faces the risk of reputational damage. Negative publicity or adverse incidents, whether related to product quality, labour practices, or environmental concerns, can quickly escalate and become amplified on social media platforms and online forums, ultimately leading to erosion of consumer trust, tarnished brand reputation, and consequential financial repercussions (Horn et al., 2015).

III. Strategic Growth Options

Within the realm of strategic management, the selection of appropriate growth strategies holds paramount importance for SMEs, hence underscoring the need for engagement in a comprehensive examination of available options and evaluation of their alignment with organisational objectives (Rothaermel, 2019).

i. Bowman's Strategic Clock

Bowman's Strategic Clock model represents a strategic framework that facilitates the evaluation of organisations' competitive positioning and strategic options. It delineates eight strategic positions based on the dimensions of price and perceived value and aids businesses in understanding their competitive position relative to rivals, thereby contributing to their ability to devise strategies that enhance their competitive advantage (Villagrasa, Sánchez and Donaldson, 2021).

Low-Price/Low-Value

Situated at the lowest point of the clock, this strategic option involves offering products or services at a low price point while providing minimal perceived value. This strategy aims to attract price-sensitive consumers but may result in lower profit margins and difficulties in sustaining long-term profitability. Companies adopting this position often face intense price competition and struggle to differentiate themselves from competitors (Almutairi, 2023; Garg, Kalra and Saxena, 2018).

Low-Price

Slightly above the low-price/low-value position, the low-price strategy entails offering products or services at competitive price points while maintaining acceptable levels of perceived value.

This approach targets cost-conscious consumers and emphasizes cost efficiency in operations to sustain profitability (Echchakoui, 2018). While companies may achieve volume sales through this strategy, they must carefully manage costs to avoid compromising product quality or brand reputation (Villagrasa, Sánchez and Donaldson, 2021).

Hybrid

Positioned at the centre of the clock, the hybrid strategy balances moderate prices with moderate levels of perceived value. Companies pursuing this strategy aim to appeal to a broad customer base by offering products or services that combine affordability with reasonable quality. The hybrid approach allows for the capturing of market share across various consumer segments while maintaining competitive pricing and differentiation (Kakkar, 2017).

Differentiation

At the right of the clock, the differentiation strategy involves offering products or services with high perceived value at premium price points. This strategy emphasizes unique features, superior quality, or a strong brand image to justify higher prices and attract consumers seeking premium offerings. Businesses pursuing differentiation must invest in innovation, branding, and customer experience to sustain competitive advantage and justify premium pricing (Kakkar, 2017; Dănălache, 2018).

Focused Differentiation

Slightly above the differentiation strategy, focused differentiation targets niche markets by offering highly differentiated products or services at premium prices. This approach involves tailoring offerings to meet the specific needs and preferences of a specialized customer segment, allowing companies to command premium prices and build strong customer loyalty. Focused differentiation requires a deep understanding of niche markets and a commitment to delivering exceptional value to targeted customers (Öktem and Canel, 2016).

Risk Premium

Positioned to the left of the differentiation strategy, the risk premium strategy involves charging premium prices for products or services perceived to carry a higher level of risk or uncertainty. Organisations adopting this strategy may offer innovative or cutting-edge solutions that address emerging needs or market gaps. However, they must effectively communicate their value proposition to consumers and mitigate perceived risks to justify the higher prices and maintain market relevance (Bowman and Asch, 1996).

Monopoly Pricing

At the top of the clock, this strategy involves setting prices at the highest possible level due to limited competition or market dominance. Companies in a monopoly position leverage their market power to control pricing and maximize profits, typically facing minimal competitive pressure (Öktem and Canel, 2016; Dănălache, 2018).

Loss of Market Share

Situated on the left side of the loss of market share position represents a deteriorating competitive stance marked by high prices and diminished perceived value. Businesses in this position face the imminent threat of losing market share to rivals offering superior value propositions or more competitive pricing structures and should implement strategic initiatives aimed at addressing underlying issues such as declining product relevance, ineffective pricing strategies, and market saturation (Bowman and Asch, 1996).

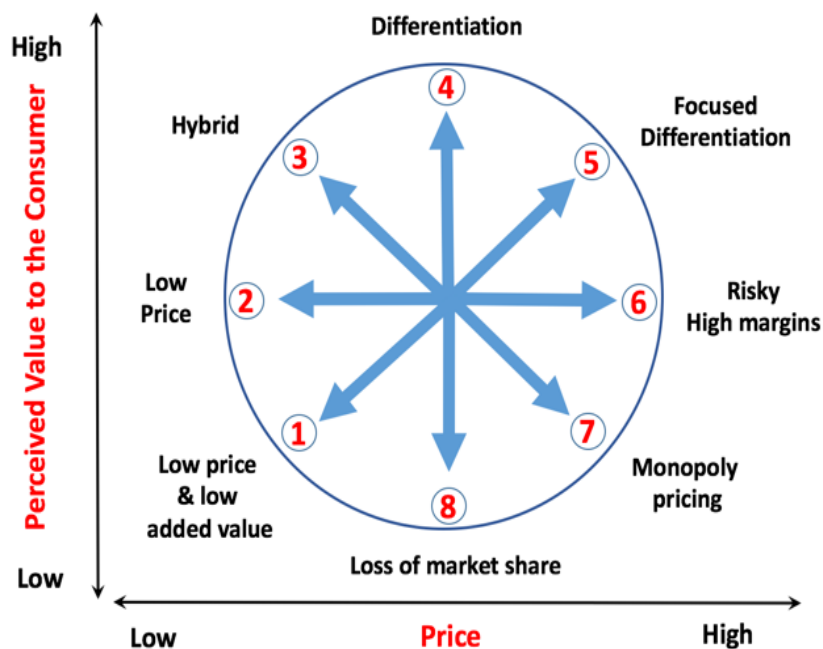


Figure 1. Bowman's Strategic Clock (Villagrasa, Sánchez and Donaldson, 2021)

iii. Ansoff's Matrix

Ansoff's Matrix constitutes another prominent strategic framework that provides a structured approach for businesses to evaluate and select growth strategies. It outlines four distinct strategies, each with varying levels of risk and complexity, aimed at different combinations of market and product expansion (Gurcaylilar-Yenidogan and Aksoy, 2018).

Market Penetration

The market penetration strategy aims to increase market share or sales volume within existing markets using current products or services. It often involves intensifying marketing efforts, refining distribution channels, or adjusting pricing strategies to capture a larger share of the current market. In addition, companies may also focus on enhancing customer loyalty or implementing promotional campaigns to encourage repeat purchases (Loredana, 2017). While relatively low risk compared to other strategies, market penetration requires careful execution to ensure successful differentiation from competitors and avoid cannibalizing existing sales (Meldrum and McDonald, 1995).

Market Development

The market development strategy involves expanding into new markets while retaining existing products or services. This may entail geographical expansion into new regions or targeting previously untapped customer segments within the current market (Zugay and Zakaria, 2023). organisations pursuing market development strategies must conduct thorough market research to understand the unique needs, preferences, and purchasing behaviours of the new market. Additionally, adaptations to marketing, distribution, or product offerings may be necessary to effectively penetrate and capitalize on new market opportunities (Hussain et al., 2013).

Product Development

The product development strategy focuses on introducing new products or services to existing markets. This strategy often involves innovation, research, and development efforts to create offerings that address emerging customer needs, preferences, or technological advancements (Meldrum and McDonald, 1995). Companies may introduce product variations, enhancements, or entirely new offerings to maintain competitiveness and stimulate demand within established markets (Zugay and Zakaria, 2023). Successful product development strategies require a deep understanding of customer insights, market trends, and technological advancements to deliver value-added solutions that resonate with target audiences (Loredana, 2017).

Diversification

Diversification represents the most complex and high-risk growth strategy, involving the simultaneous entry into new markets with new products or services. This can take two forms: related diversification, where the new offerings have some strategic synergy or connection to

the existing business, or unrelated diversification, where there is no apparent link. Related diversification leverages existing capabilities, resources, or core competencies to enter adjacent or complementary markets, while unrelated diversification involves venturing into entirely different industries or market segments (Hussain et al., 2013). Diversification strategies offer potential benefits such as risk mitigation, revenue diversification, and access to new growth opportunities, but also entail significant challenges, including unfamiliar markets, increased operational complexity, and resource allocation issues (Gurcaylilar-Yenidogan and Aksoy, 2018).



Figure 2. Ansoff's Matrix (Foster, 2020)

iv. Evaluation of Unlimited Fashion's Current Strategy

In the context of Bowman's Strategic Clock model, Unlimited Fashion's current strategic approach corresponds to the differentiation strategy. The company emphasizes quality manufacturing, meticulous craftsmanship, and personalized service which positions it as a premium brand in the fashion industry and distinguishes it from competitors, ultimately enabling it to command higher prices and achieve competitive advantage.

Given the SME's characteristics, goals, and vision, this growth strategy is to be endorsed as it aligns with the company's vision of becoming a renowned leader in the fashion industry, known for its commitment to quality, innovation, and customer-centricity.

Concurrently, from the perspective of Ansoff's Matrix, Unlimited Fashion's approach corresponds to the market penetration strategy, with the organisation's current efforts being focused on driving its sales growth within its current market. While the current market penetration strategy of Unlimited Fashion is to be recognised as yielding favourable outcomes, the organisation possesses untapped potential to further augment its market share. By embarking on more robust marketing initiatives and fostering heightened brand awareness, as well as fostering deeper customer engagement and loyalty, the company can consolidate its standing within existing market segments and accrue an expanded customer base and sales volume.

Moreover, given the competitive and mature nature of the UK market (Megicks and Warnaby, 2008), a viable business growth avenue for Unlimited Fashion to explore is market development. The pursuit of this strategic endeavour would entail the company venturing into markets that share similarities with the UK. By venturing into comparable markets, wherein consumers exhibit akin preferences and purchasing behaviours, the SME can capitalize on its established business model and brand equity while tapping into new opportunities for growth. The undertaking of this strategy not only facilitates revenue diversification but also mitigates the inherent risks associated with overreliance on a singular market.

Ultimately, by adhering to Bowman's Strategic Clock's differentiation strategy whilst synergistically embracing intensified market penetration endeavours with astute market development strategies as per Ansoff's Matrix, Unlimited Fashion can effectively fortify its market standing, stimulate its sustainable sales expansion, and pave its path for enduring prosperity within the fashion industry sector.

IV.Stakeholder Analysis

An organisation's stakeholders represent the individuals, groups, or entities that possess vested interests in the organisation's activities, decisions, and outcomes (Sapapthai et al., 2020). Ensuring their optimal engagement and alignment stands as a critical prerequisite for the successful formulation, implementation, and adaptation of strategic initiatives (Bunn, Savage and Holloway, 2002).

In analyzing Unlimited Fashion's stakeholders, four primary groups are to be identified: the SME's owners, employees, suppliers, and customers. The following table outlines their interests and power dynamics.

Stakeholder	Interests	Power
Owners	• Profits • Shareholder value • Strategic direction • Business growth	High: decision-making authority, control over resources
Employees	• Fair remuneration • Job security • Favourable working condition • Career advancement opportunities • Work-life balance	Medium: determinant of organisational performance
Suppliers	• Timely payment • Long-term contracts • Stable demand • Transparent communication • Professional relationships	Medium: dependency on supply chain networks
Customers	• Quality products • Value for money • High customer service • Ethical practices	High: purchasing power, brand reputation and perception

Table 1. Stakeholder Analysis of Unlimited Fashion

Considering the interests and power dynamics of Unlimited Fashion's primary stakeholders emerges as a critical aspect during the pursuit of its business growth strategies. In this regard, the previously acknowledged as viable for the SME strategic growth options, notably the differentiation strategy as per Bowman's Strategic Clock model, and the dual market penetration endeavours with astute market development strategies according to Ansoff's Matrix, demonstrate alignment with stakeholders' interests, as they would contribute to Unlimited Fashion's ability to bolster its competitive positioning, enhance its customers' satisfaction, and drive its profitability and successful business trajectory.

Nevertheless, the SME should undertake proactive actions to systematically evaluate and account for the interests and power dynamics of its stakeholders throughout the strategic planning and implementation process (Brugha and Varvasovszky, 2000). This entails establishing clear communication channels, soliciting feedback, and addressing concerns promptly. Through these efforts, Unlimited Fashion can cultivate a collaborative and supportive environment that facilitates the execution of its strategic endeavours (Bunn, Savage and Holloway, 2002).

V.Recommendations

In light of the comprehensive examination of Unlimited Fashion's strategic landscape, the following five key recommendations for the SME can be delineated:

1. Maintain a commitment to delivering high-quality products, personalized service, and exceptional customer experiences while leveraging technological advancements.
2. Elevate marketing efforts to bolster brand visibility, engage with customers on multiple platforms, and drive sales growth within existing markets.
3. Explore strategic expansion into new markets to diversify revenue streams and capitalize on emerging opportunities for growth and market penetration.
4. Incorporate a heightened emphasis on the sustainable nature of business practices, emphasising their eco-friendliness and ethical sourcing and production methods in marketing endeavours.
5. Ensure agility in strategic management whilst continuously assessing and addressing the needs and expectations of stakeholders.

Conclusion

This report has conducted a thorough investigation into the strategic management landscape of Unlimited Fashion, an SME operating within the fashion industry. It entailed an assessment of the company's current strategic trajectory, an examination of external and internal environments, an exploration of its strategic growth options and an analysis of its stakeholders' power and interests. By offering strategic recommendations aimed at fostering Unlimited Fashion's future growth, the paper study aims to contribute to the understanding of strategic management's significance in SMEs and its implications for sustainable business development.

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