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1.0 Introduction

1.1 Purpose and Scope of the Report

The report is a critical analysis of the strategic management practices of Greggs plc, especially in the ways the organisation develops and maintains a competitive advantage in a dynamic and highly competitive market. The analysis brings together the internal and external views to assess how strategic decisions are formed, executed and would be in line with the long-term organisational goals. The report is more than a mere descriptive analysis and also covers the critical analysis of strategic frameworks and how they are applied to real world scenario.

1.2 Reason why Greggs plc was chosen.

Greggs plc is a good example of strategic change, as it has developed to become a leading food-on-the-go retailer in the United Kingdom, which started as a traditional bakery chain. The fact that it can combine the elements of cost leadership with some aspects of differentiation, namely, product innovation, digital integration, and solid brand positioning, makes it especially relevant to strategic analysis (Johnson et al., 2020). Moreover, the growing emphasis on sustainability and efficiency in operations of the company offers a fertile ground on which to assess the modern issues of strategy.

1.3 Analytical Frameworks Overview.

To make the analysis systematic and rigorous, this report uses various established strategic management frameworks. These are PESTEL analysis to understand the impact of macro-environmental forces, Porters Five Forces to understand the competitiveness of the industry and the VRIO framework to understand the internal resources and capabilities (Barney, 1991). Moreover, the Balanced Scorecard and SWOT analysis are tools that are utilised to measure performance and strategic positioning which allows a holistic view of organisational strategy.

1.4 Structure of the Report

The report is divided into two parts. The first section 1 presents a detailed strategic analysis, which starts with external and internal analysis, strategic choice, implementation and recommendation. Section 2 gives a reflective report in accordance with the Gibbs reflective cycle, which critically evaluates the learning experience that was done in preparing this report.

based on the Gibbs reflective cycle, critically assessing the learning process undertaken during the preparation of this report.

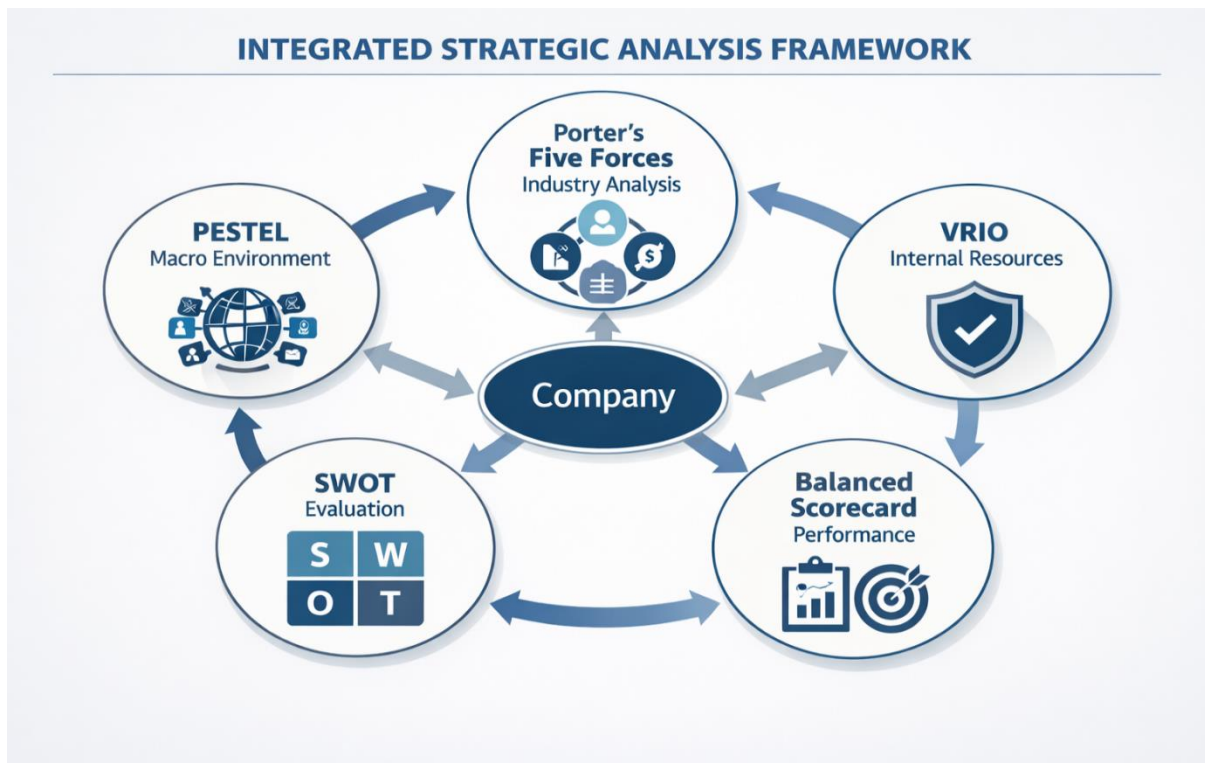


Figure 1: Integrated Strategic Analysis Framework

Source:Adapted from Johnson et al. (2020)

This number demonstrates the way in which various strategic frameworks are combined to give a holistic assessment of organisational strategy, connecting external analysis, internal capabilities, and strategic outcomes.

2.0 Organisational Context and Industry Overview

2.1 Company Background and History

Greggs plc was established in 1939 in Newcastle upon Tyne and has grown to become a major food-on-the-go retailer in the UK. One of the strategic changes was in the 2010s when the company repositioned to fit the evolving lifestyles of consumers, which are characterised by convenience and time constraints. This change entailed modernisation of stores, diversifying the menu, and investing in digital features like mobile ordering and delivery collaborations. This kind of change is a strategic response to environmental pressure and demonstrates the way companies change business models as a way to remain competitive (Teece, 2018).

2.2 Mission, Vision and Business Model

Greggs plc strategic orientation is based on providing high-quality food at affordable price in large quantities. It has a vertically integrated supply chain that allows it to closely manage its costs and achieve operational efficiency, which contributes to a cost leadership strategy. Nevertheless, Greggs, too, uses the aspects of differentiation by innovation, e.g., vegan product lines, which are also the indications of the hybrid strategy approach (Porter, 1985). This equilibrium enables the company to react efficiently to price-sensitive and trend-driven consumers, making it even more competitive.

2.3 Industry Overview (UK Food-to-Go Sector)

The macro trends influencing the UK food-to-go market include urbanisation, rise in the number of people working, and convenience. Nevertheless, the industry is very competitive, switching costs are low and there is a high pressure on margins. Furthermore, the product strategies in the industry are changing due to the shift in consumer preferences to more sustainable and healthy products (Euromonitor, 2023).

Table 2.1: UK Food-to-Go Market Characteristics

Factor	Insight
Market Structure	Highly competitive, fragmented
Consumer Behaviour	Convenience-driven
Pricing	Price-sensitive demand
Innovation	Health & sustainability focus

Source: Euromonitor (2023)

This highlights structural pressures within the industry, requiring firms to balance efficiency with innovation.

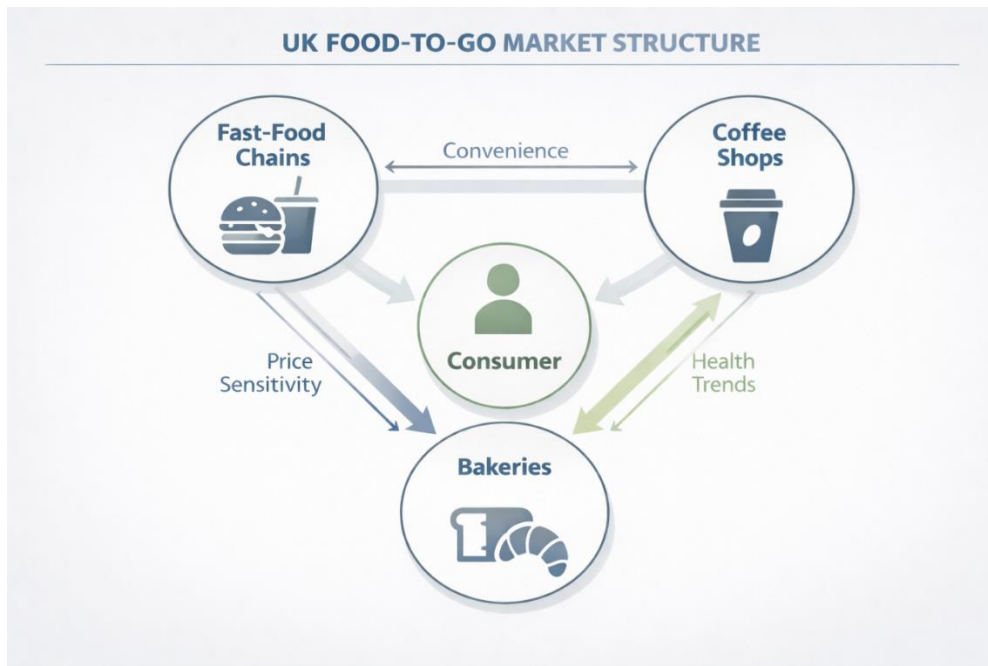


Figure 2.1: UK Food-to-Go Market Structure

Source: Adapted from Euromonitor (2023)

This visual demonstrates how multiple competitive forces interact to influence consumer choice and industry dynamics.

2.4 Key Competitors and Market Position

Greggs plc operates in a competitive landscape alongside premium and mass-market players. Its positioning is distinct due to its strong value proposition.

Table 2.2: Competitor Comparison

Company	Positioning	Key Strength
Pret A Manger	Premium	Brand & quality
Starbucks	Premium café	Experience
McDonald's	Mass-market	Scale
Greggs	Value-based	Price + accessibility

Source: Company annual reports

Greggs is in a distinctive mid-market niche, with the affordability used as a competitive edge.

2.5 SWOT Analysis (Preliminary Strategic Snapshot)

SWOT analysis is a strategic planning instrument that is applied to evaluate the internal strengths and weaknesses of an organisation and external opportunities and threats to facilitate decision making and strategic planning (Helms and Nixon, 2010).

It assists managers to realize:

- ❖ Strengths: internal strengths (e.g. strong brand, skilled labor force)
- ❖ Weaknesses: internal constraints (e.g., inadequate funding, old systems)
- ❖ Opportunities: external favourable (e.g. market growth, technology trends) factors.
- ❖ Threats: external threats (e.g., competition, regulation changes)

SWOT is popular due to its simplicity, flexibility, and the ability to facilitate qualitative and quantitative strategic analysis (Gürel and Tat, 2017).

SWOT Analysis of Greggs plc			
S	Strengths	W	Weaknesses
	• Strong brand recognition in the UK • Strategically located stores across the country • Cost-effective production and pricing		• Limited international presence • Heavy reliance on the UK market • Perception as primarily an "on-the-go" bakery
O	Opportunities	T	Threats
	• Expansion into coffee and healthier product lines • Growth in online and mobile ordering • Potential international market entry		• Intense competition in the retail food sector • Rising costs of ingredients and wage increases • Changing consumer preferences for healthier options

Figure 2.2: SWOT Analysis of Greggs plc

Source:Based on Greggs plc (2023)

3.0 External Environment Analysis

3.1 Political Factors

Greggs plc has been materially altered by political interference in its operations as far as its environment is concerned. The policies like calorie labeling and sugar reduction programs of the UK government have compliance costs that have direct impact on product formulation and menu transparency. Although these regulations make operations more expensive, they also provide chances of strategic differentiation by means of healthier product innovation.

More importantly, the changes in trade after Brexit have brought more administrative complexity and uncertainty in supply chains, especially in obtaining raw materials. This brings about strategic risk, where companies have to construct more resilient and localised supply chains. Strategically, the political aspects are not simply restricting operations but actually influence product strategy and supply chain design.

3.2 Economic Factors

Greggs plc is faced with a structural paradox due to economic conditions. The inflation and falling real incomes have enhanced the need to have low-cost food, which has enhanced the value-based positioning of Greggs. The inflation, however, also increases the cost of inputs, especially energy, labour, and inputs, and thus, narrows the margins.

Table 3.1: Economic Impact Analysis

Economic Factor	Strategic Effect	Implication
Inflation	Higher demand for low-cost food	Market share growth opportunity
Rising costs	Increased operational expenses	Margin pressure
Wage increases	Higher labour costs	Need for efficiency

Source: Bank of England (2023)

This table brings out the two-fold impact of economic conditions; it provides an opportunity of demand and at the same time heightening the cost pressures.

This tension is a strategic reinforcement of the significance of cost leadership (Porter, 1985) but also it puts the firm at risk of excessive dependence on price competition.

3.3 Social Factors

One of the strongest forces of strategic change is social trends. The growing health awareness and ethical consumption have moved the demand towards plant-based and sustainable food products. Greggs plc has reacted by product innovation, including vegan products, which show a strategic alignment with the changing preferences.

But this change also brings about complexity. Although healthier products can bring new customer groups, they can raise production expenses and put the low-cost stance of the firm at risk. This forms a strategic balancing act between keeping it affordable and acting on social expectations.

3.4 Technological Factors

The food-to-go industry has been redefined by technological innovations. Online ordering systems, apps, and delivery systems are now key competitive advantages. The digital channel invested by Greggs increases customer accessibility and efficiency of operations.

Table 3.2: Technological Drivers and Strategic Impact

Technology	Strategic Role	Competitive Impact
Mobile apps	Customer convenience	Increased sales
Delivery platforms	Market expansion	Competitive necessity
Data analytics	Demand forecasting	Efficiency improvement

Source: (Bharadwaj et al. 2013)

Technology is both an instrument of growth and a competitive necessity, i.e., not embracing digital solutions leads to strategic disadvantage.

3.5 Environmental Factors

Sustainability of the environment is now a key strategic issue. Firms are under pressure to cut down carbon emissions and waste as a result of regulatory pressure

and consumer expectations. Greggs plc has launched programs like the use of sustainable packaging and energy saving measures.

Sustainability investments, however, tend to raise the short-term expenses, which puts environmental responsibility and profitability in a conflict. This points to a larger strategic challenge that sustainability is no longer a choice but necessary to be part of core strategy regardless of the costs (Teece, 2018).

3.6 Legal Factors

Strict compliance requirements are set forth by legal regulations in the area of food safety, labour laws, and consumer protection. In the case of Greggs, the increases in minimum wages have serious effects on the labour intensive operations.

Strategically, the legal aspect makes cost more rigid, making it difficult to be flexible in pricing and operations. Nonetheless, high compliance can also increase brand trust, and decrease reputational risk, which indirectly contributes to competitive advantage.

3.7 Integrated PESTEL Summary

Table 3.3: Integrated PESTEL Analysis

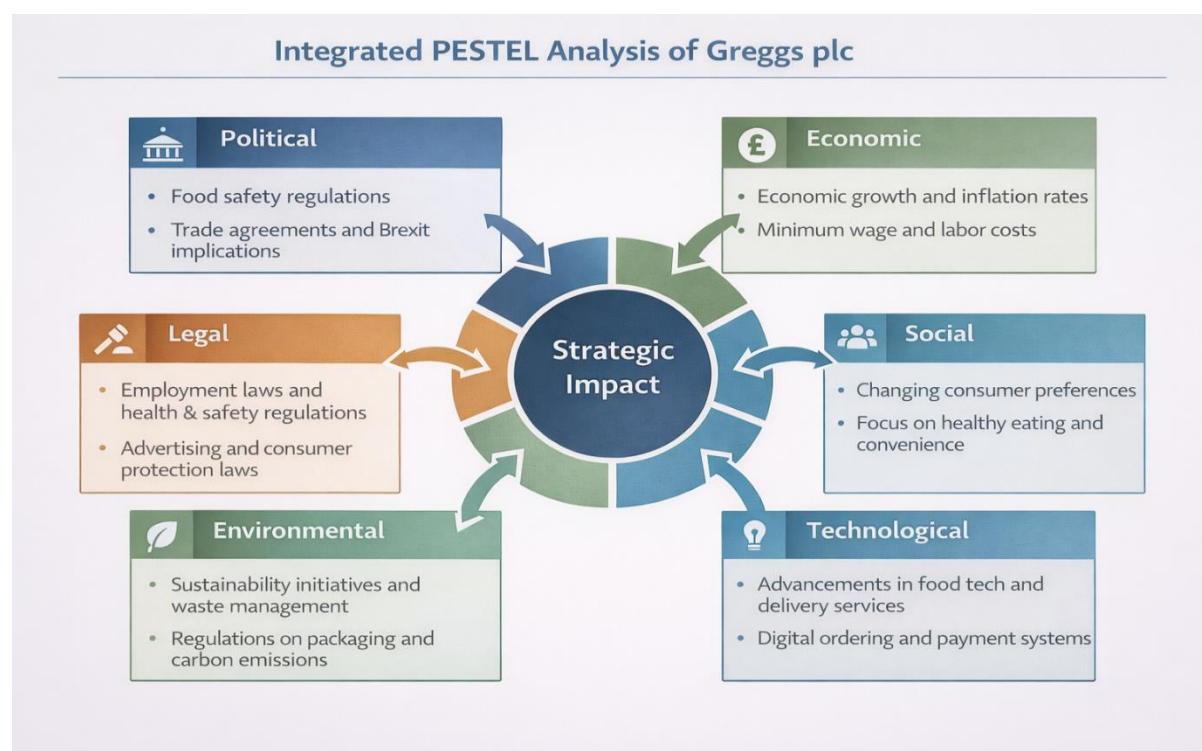


Figure 3.1: Integrated PESTEL Analysis of Greggs plc

Source:Based on multiple academic and industry sources

This diagram shows how macro-environmental factors are interrelated and how they interact to affect strategy.

3.8 Strategic Implications (Critical Synthesis)

The PESTEL analysis indicates Greggs plc is in a dynamic environment. Its core strategy is supported by strong economic and social demand of affordable and convenient food. Structural challenges to profitability, however, arise due to increased costs, regulation and sustainability pressures. These mutually reinforcing forces need to incorporate efficiency and innovation into a consistent, dynamic approach to maintain competitive advantage in the long run and in varying market environments.

4.0 Industry Analysis – Porter’s Five Forces

4.1 Porter’s Five Forces Framework

Porter’s Five Forces Analysis is a strategic management model that is employed to analyze the structural determinants of the competitiveness and profitability in an industry. It considers five forces namely competitive rivalry, threat of new entrants, buyer bargaining power, supplier bargaining power and threat of substitutes, which influence the dynamics of the industry (Porter, 1979). The model applies to Greggs plc, as the UK food-to-go industry has a high level of competition, low switching costs, and is price-sensitive, which restricts strategic options.

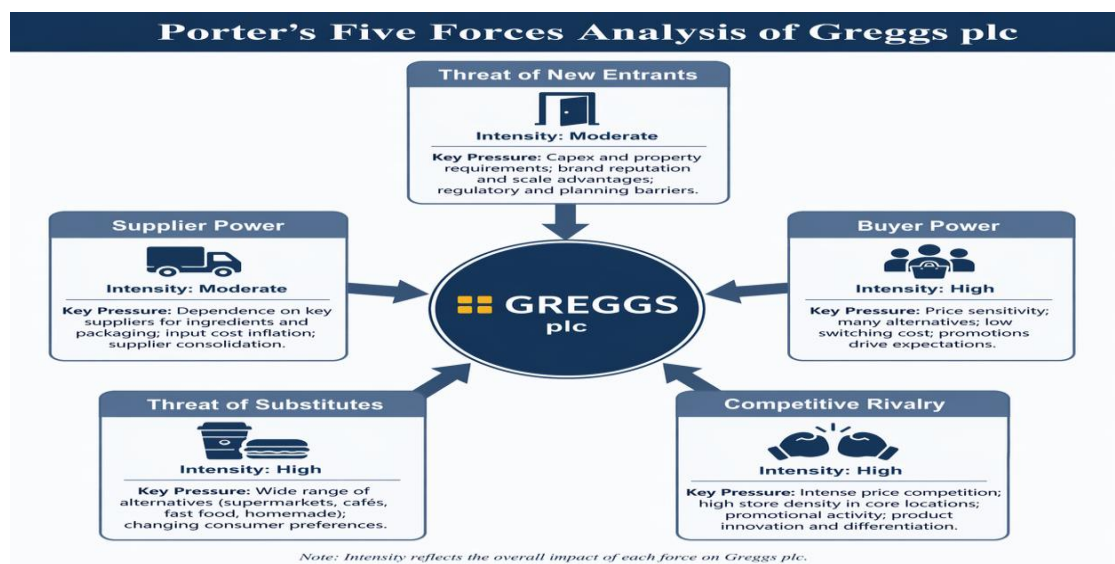


Figure 4.1: Porter’s Five Forces Analysis of Greggs plc

Source: Adapted from Porter (1979)

This diagram offers an organized description of the major forces driving the competitive dynamics.

4.2 Competitive Rivalry (High)

The UK food-to-go industry is very competitive with a large number of players in various strategic locations such as Pret A Manger and McDonalds among others. Competition is also enhanced by the comparatively low degree of product differentiation and sensitivity to price which results to marginal pressure within the industry.

Strategically, this environment forces Greggs plc to focus more on cost-efficiency and scale of operations as opposed to premium differentiation. Nonetheless, relying too heavily on cost leadership can put the company at risk of price wars, implying a selective differentiation (e.g., product innovation) is necessary to maintain a lead.

4.3 threat of new entrants (moderate)

There is a moderate threat of new entrants. Although the industry does not demand a highly sophisticated technology, brand recognition, economies of scale, and the established supply chains are a barrier to new firms competing effectively at scale.

In the case of Greggs, the large number of stores and its operational efficiency gives the firm structural advantages that discourages large scale entry. Nevertheless, smaller niche players, especially health or high-end oriented ones, can enter the market. This implies that entry barriers are not homogenous across segments and therefore there is a need to adapt to strategy on an ongoing basis.

4.4 Bargaining Power of Buyers (High)

Buyer power is high because there are many alternatives and the switching costs are minimal. Customers have an easy time moving across competitors on price, convenience or perceived quality.

This has the strategic effect of reducing the power of pricing and compelling Greggs plc to ensure that it has a high value proposition. It also elevates the differenceiating factors of convenience and accessibility as they make switching less probable.

4.5 Bargaining Power of Suppliers (Moderate)

The suppliers have moderate power, mainly because of the fluctuation of the input costs, including the raw materials and energy. Nevertheless, the vertically integrated

supply chain by Greggs helps decrease the reliance on the external suppliers and increases the cost control.

This is an internal capability that can be considered a resource based advantage, which enables the firm to counter external pressure on costs in a better way compared to competitors (Barney, 1991). However, the macroeconomic factors may restrict the degree of this control.

4.6 Threat of Substitutes (High)

The threat of substitutes is also high and the substitutes available are home prepared meals, supermarket ready-to-eat products and other quick service options. These alternatives impose a limit on prices and augment competition.

Greggs mitigates this threat by focusing on convenience, affordability, and accessibility, which are unique to it compared to home-based options. But this is a strength that can be threatened in case other competitors repeat the same convenience provisions.

4.7 Integrated Five Forces Evaluation

Table 4.1: Integrated Five Forces Analysis

Force	Intensity	Key Pressure	Strategic Implication
Rivalry	High	Price competition	Focus on cost efficiency
New Entrants	Moderate	Market accessibility	Brand & scale defence
Buyers	High	Switching behaviour	Value-based strategy
Suppliers	Moderate	Cost volatility	Supply chain control
Substitutes	High	Alternative options	Emphasis on convenience

Source: Adapted from Porter (1979); Greggs plc (2023)

This table integrates the five forces into a strategic framework, linking industry pressures to organisational responses.

4.8 Industry Attractiveness and Strategic Position

Overall, the UK food-to-go industry can be characterised as **structurally unattractive**, with high competitive rivalry, strong buyer power, and significant substitute threats limiting profitability (Porter, 1985).

Despite this, Greggs plc is strategically well-positioned. Its cost leadership model, supported by operational efficiency and supply chain integration, allows it to perform relatively well within a challenging environment.

The key insight is that Greggs' competitive advantage is not derived from favourable industry conditions but from its ability to **align internal capabilities with external constraints**, demonstrating that firm-level strategy can offset structural disadvantages.

5.0 Internal Environment Analysis

5.1 Resources of the Organisation

Greggs plc has an internal environment that is characterized by a set of tangible and intangible resources that, when combined, contribute to its strategic positioning. Competitive advantage is never generated by resources alone without their successful utilization in terms of capabilities (Barney, 1991).

Table 5.1: Resource Classification

Resource Type	Examples	Strategic Value
Tangible	Store network, production facilities	Enables scale and accessibility
Intangible	Brand reputation, customer loyalty	Supports repeat demand
Human	Skilled workforce	Operational efficiency

Source: Adapted from Barney (1991); Greggs plc (2023)

This table differentiates the types of resources and their contribution to strategic positioning.

The intangible resources of Greggs (brand and trust) are more challenging to imitate, and therefore, are more strategically important than its tangible resources (store network).

5.2 Capabilities and Core Competencies

Capabilities are the effectiveness of resources mobilization to undertake activities. Greggs plc has good operational capabilities especially in the supply chain management and cost control.

Its vertically integrated production system enables it to produce large volumes efficiently, which helps in its cost leadership strategy. Moreover, its dynamic capability (e.g., the capacity to respond to new market demands) can be observed in its capacity to quickly launch new products (e.g., vegan options) (Teece, 2018).

Low cost is not the most important competency, but being able to keep the cost low and change in line with the trends, which enhances resilience to competition.

5.3 Value Chain Analysis

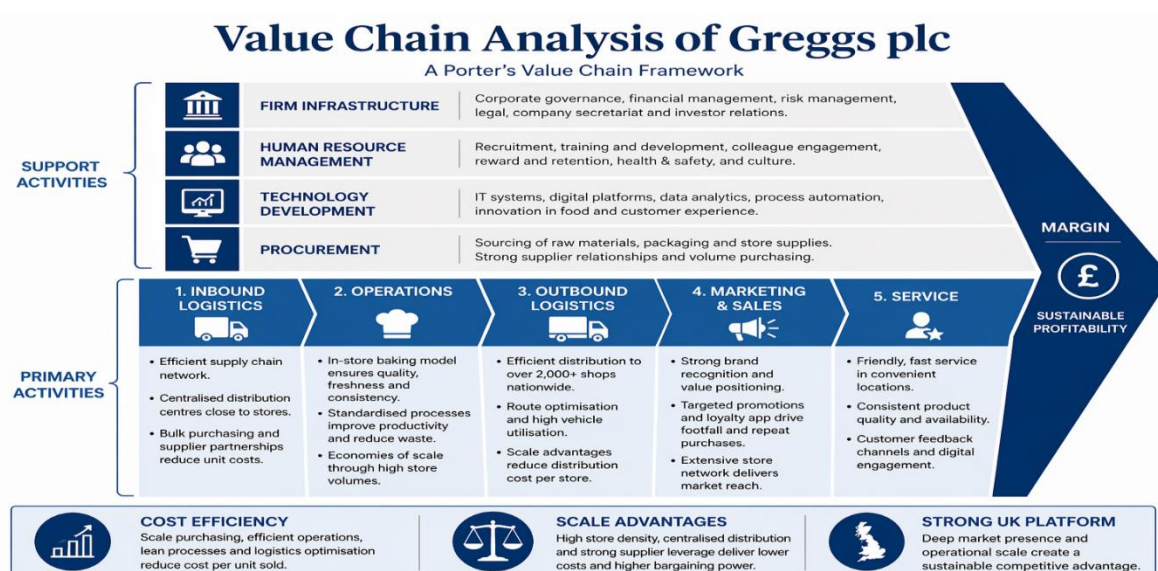
The value chain analysis determines the roles of activities in the firm in the value creation and cost advantage (Porter, 1985).

Table 5.2: Value Chain Analysis of Greggs

Activity	Key Contribution	Strategic Impact
Inbound logistics	Centralised sourcing	Cost efficiency
Operations	Mass production	Economies of scale
Outbound logistics	Wide distribution network	Accessibility
Marketing & sales	Value positioning	Customer attraction
Service	Quick service model	Customer satisfaction

Source: Adapted from Porter (1985); Greggs (2023)

This table shows how each stage contributes to cost efficiency and value delivery.



Source: Adapted from Porter, M.E. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance*. Free Press.

Figure 5.1: Value Chain Analysis of Greggs plc
Adapted from Porter (1985)

This diagram explains the creation of value in organisational activities and cost leadership.

The value chain of Greggs is massively cost-efficient, which is in line with its competitive strategy. Nonetheless, this efficiency emphasis can restrict the ability to be flexible in differentiating premiums.

5.4 Strengths and Weaknesses (Analytical Summary)

Table 5.3: Internal Strengths and Weaknesses

Strengths	Weaknesses
Strong brand recognition	Limited international presence
Efficient supply chain	Low premium perception
Extensive retail network	Dependence on UK market

Source: Greggs plc (2023)

This overview is a combination of internal forces of competitive advantage.

The internal analysis demonstrates that Greggs has a competitive advantage in terms of the efficiency and scale of its operations, yet its weaknesses indicate strategic limitations, and especially in market expansion and brand positioning.

6.0 VRIO Analysis

6.1 VRIO Framework Overview

The VRIO model assesses the ability of a firm to create sustained competitive advantage with its resources and capabilities by measuring four dimensions including Value, Rarity, Imitable and Organisation (Barney, 1991).

This analysis is essential to Greggs plc in identifying which of the internal factors reported in Section 5.0, in fact, lead to strategic advantage in the long term.

6.2 VRIO Evaluation

Table 6.1: VRIO Analysis of Greggs plc

Resource/Capability	Valuable	Rare	Inimitable	Organised	Competitive Outcome
Strong brand recognition	✓	✓	✓	✓	Sustained advantage

Extensive store network	✓	✓	×	✓	Temporary advantage
Vertical integration (supply chain)	✓	✓	✓	✓	Sustained advantage
Cost-efficient operations	✓	×	×	✓	Competitive parity
Product innovation (e.g., vegan range)	✓	×	×	✓	Temporary advantage

Source: Adapted from Barney (1991); Greggs plc (2023)

This table compares important resources with VRIO criteria in order to identify their role in providing competitive advantage.

6.3 Critical Review of Important Resources.

The VRIO analysis indicates that not every resource has the same contribution to the competitive advantage.

Sustained Competitive Advantage:

Brand reputation and an integrated supply chain are some of the key strategic resources. The latter are valuable, hard to imitate, and have strong organisational processes in their support. The supply chain, especially, facilitates cost effectiveness and quality management and it is a very important strategic resource.

Temporary Competitive Advantage:

Expansion of store networks and innovation of products are short term advantages that can be duplicated by the competitors in the long run. As an illustration, expansion enhances accessibility, but so can competitors.

Competitive Parity:

Cost efficiency is necessary but does not differentiate, being prevalent throughout the industry. It instead enhances other strategic benefits.

In general, the competitive advantage of Greggs plc is not in one of its resources but in the integration of brand reputation and supply chain efficiency to form more sustainable competitive position.

6.4 Strategic Implications

The VRIO analysis indicates that Greggs has a long-term competitive advantage based on internally generated capabilities that cannot be easily duplicated, especially its integrated supply chain and strong brand identity.

Nonetheless, dependence on cost leadership, which is backed up by these resources, also poses vulnerability. Greggs might be under pressure in case the competitors effectively copy the elements of its working model or distinguish themselves with high-quality products.

Thus, the strategy of the future should concentrate on:

- Strengthening inimitable capabilities
- Enhancing brand differentiation
- Using the strengths that one has to facilitate innovation.

7.0 CSR and Sustainability Objectives

7.1 CSR Framework and Strategic Context

Corporate Social Responsibility (CSR) is the term that describes the incorporation of social, environmental and ethical factors in organisational strategy and operations (Carroll, 1991). In the case of Greggs plc, CSR is becoming more of a strategic instrument than an ethical imperative, as the regulatory imperative mounts on it and the consumer expectations evolve.

7.2 Key CSR and Sustainability Initiatives

Table 7.1: CSR and Sustainability Initiatives of Greggs

CSR Area	Key Initiatives	Strategic Purpose
Environmental	Reduction of food waste, sustainable packaging	Cost control + compliance
Energy & Operations	Improved energy efficiency in stores	Operational efficiency
Community	Greggs Foundation, food donations	Brand reputation
Sourcing	Responsible ingredient sourcing	Supply chain stability

Source: Greggs plc (2023)

This table summarises Greggs' CSR activities and links them directly to strategic objectives rather than treating them as isolated initiatives.

7.3 Critical Evaluation of CSR Alignment with Strategy

Strategically, CSR helps in building competitive advantage through improving brand trust and keeping up with consumer expectations, especially in a market that is increasingly becoming dependent on ethical consumption. In the case of Greggs plc, this aids in differentiation in the cost-oriented strategy, which enhances customer loyalty, not based on price.

Nevertheless, a critical examination shows that there is a basic conflict. Numerous CSR activities, like sustainable sourcing and packaging, involve initial investment, which can be incompatible with the Greggs cost leadership model. This poses a trade-off between short term cost effectiveness and long term brand value.

Furthermore, little evidence exists that CSR is deeply rooted as a strategic driver and not partially a reputational mechanism. According to the argument of (Carroll, 1991), CSR is only strategic when it is incorporated in decision-making processes as opposed to being an appendix.

7.4 Strategic Implications

In general, CSR Greggs plc is partly business-oriented. Although it helps to improve brand perception and contribute to long-term sustainability, its contribution to the competitive advantage is limited unless it is more deeply incorporated into the cost structure of the firm and its strategic priorities.

CSR Strategy Alignment with Business Objectives – Greggs plc

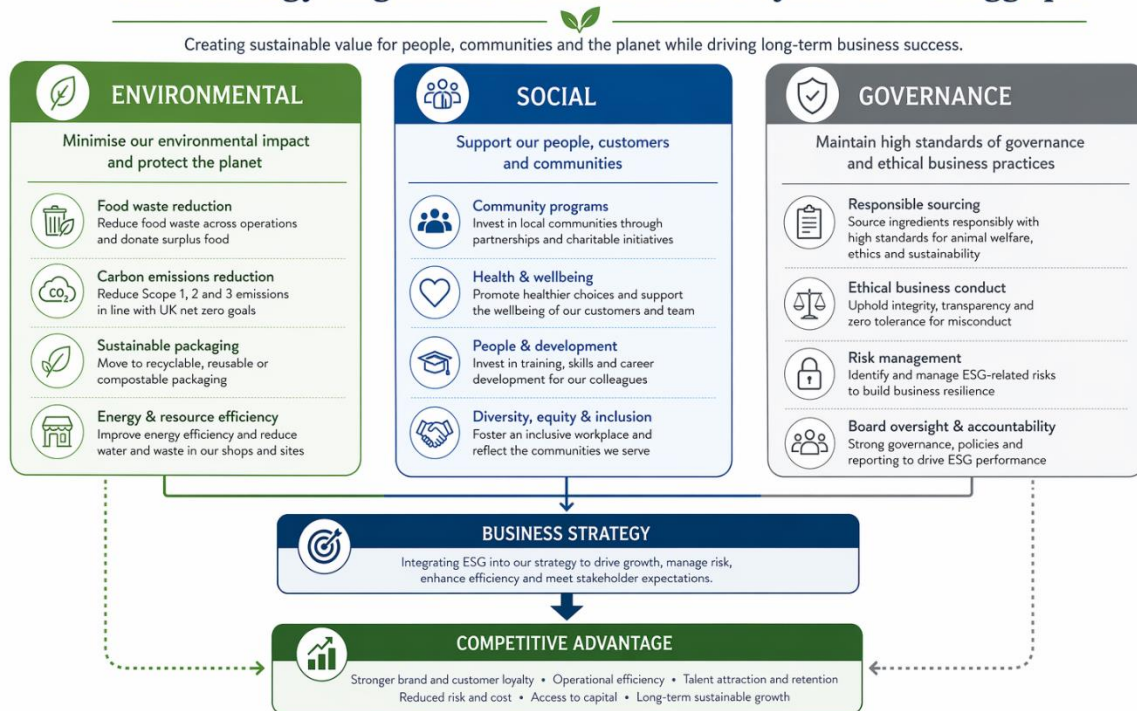


Figure 7.1: CSR Strategy Alignment with Business Objectives

Source: Adapted from Carroll (1991); Greggs plc (2023)

This visual illustrates how CSR activities connect to broader strategic objectives and competitive positioning.

8.0 Balanced Scorecard Analysis

8.1 Balanced Scorecard Framework

Balanced Scorecard is an evaluation tool created by Robert Kaplan and David Norton, which offers an in-depth method of measuring the organisational performance based on the integration of both financial and non-financial indicators (Kaplan and Norton, 1992).

In the case of Greggs plc, the framework is especially applicable because it encompasses the way the operational efficiency, customer value, and innovation jointly contribute to its cost leadership strategy.

8.2 Balanced Scorecard Application

Table 8.1: Balanced Scorecard for Greggs plc

Perspective	Objectives	KPIs	Targets	Strategic Initiatives
-------------	------------	------	---------	-----------------------

Financial	Increase profitability	Revenue growth, operating margin	Steady annual growth	Cost control, expansion
Customer	Enhance customer satisfaction	Customer retention, footfall	Increased repeat purchases	Value pricing, convenience
Internal Processes	Improve efficiency	Production cost, service speed	Reduced cost per unit	Supply chain optimisation
Learning & Growth	Develop workforce & innovation	Employee productivity, new products	Continuous improvement	Training, product innovation

Source: Adapted from Kaplan and Norton (1992); Greggs plc (2023)

This table converts the strategy of Greggs into quantifiable performance measures in both financial and non-financial aspects.

8.3 Critical Analysis of the Four Perspectives.

Financial Perspective

The financial aspect shows the focus of Greggs on cost leadership and increase in revenues. Although the good cost control is profitable, high dependence on volume-based expansion puts the firm under the pressure of the margin in the competitive environment.

Customer Perspective

Affordability and convenience are the drivers of customer value. Nonetheless, strong buyer power restricts differentiation, i.e., Greggs needs to keep on strengthening its value proposition to ensure loyalty.

Internal Business Processes

One of its strengths is operational efficiency, which is backed up by vertically integrated supply chains. This is very consistent with VRIO results, that internal process is one of the primary sources of competitive advantage.

Learning and Growth

Long-term sustainability requires innovation and workforce development. The fact that Greggs is able to implement new products (e.g., plant-based) is evidence of adaptive capability, but it should be maintained to stay competitive.

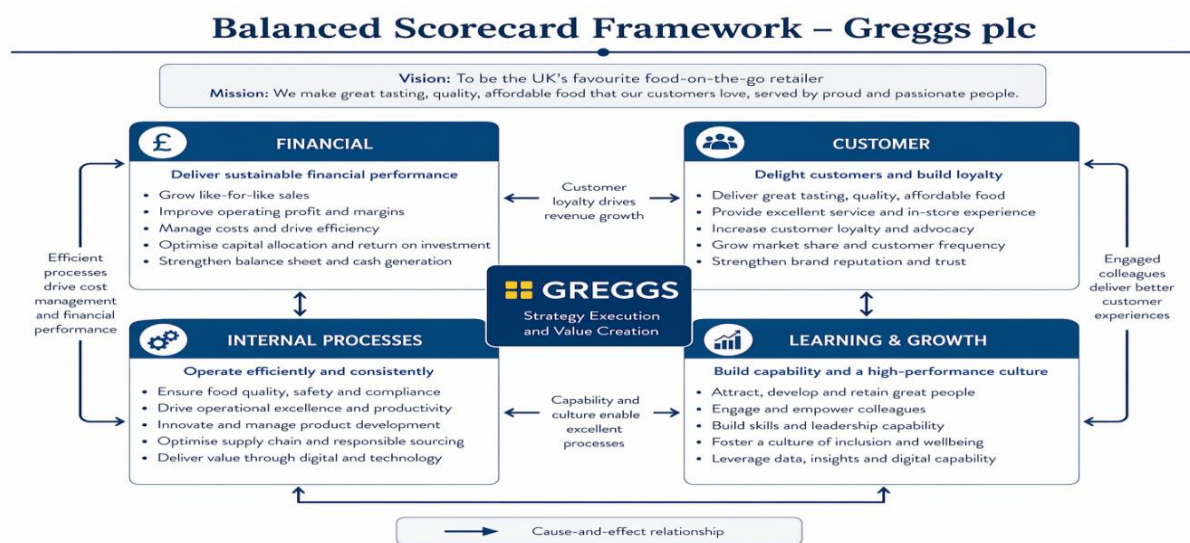


Figure 8.1: Balanced Scorecard Framework for Greggs plc

Source: Adapted from Kaplan and Norton (1992)

This visual demonstrates how different performance perspectives are interconnected and support overall strategy.

8.4 Strategic Implications

The Balanced Scorecard analysis reveals that Greggs plc success is anchored on ensuring that operational efficiency is aligned with customer value and constant innovation.

Nevertheless, the framework also shows the possible weaknesses. The high focus on financial and operational efficiency might restrict investments in innovation and long-

term development of capabilities. This implies that there should be a more balanced orientation in all four perspectives to maintain competitive advantage.

9.0 Strategic Choices and Implementation

9.1 Current Strategic Position

Greggs plc has a definite cost leadership strategy, which is based on low prices, efficiency of operations, and large sales volumes. This location is very consistent with structural situation of the UK food-to-go market, where low switching costs and price sensitivity prevail in consumer behaviour.

On the corporate level, the organisation has been seeking market penetration by expanding domestically, by putting in more stores in the UK. This plan builds on the existing strengths of supply chain efficiency and brand recognition, and can grow at a relatively low strategic risk.

Nevertheless, this strategic stance, although good, is becoming more and more limited due to the increase in input prices, competition, and changing consumer demands towards health and sustainability. This implies that the existing strategy, though good, needs to be adapted and not maintained in its current state.

9.2 Analysis of Business-Level Strategic Decisions.

According to Michael Porter (1985), companies gain competitive advantage by cost leadership, differentiation, or by a combination of both. Greggs plc has been able to achieve cost leadership by vertical supply chain and effective operations that have allowed it to offer competitive prices. Nevertheless, pure cost leadership is hard to maintain, with competitors able to replicate efficiencies, enhancing price competition and margin pressure. Complete differentiation strategy would be more profitable but would need significant rebranding and would be incompatible with Greggs value-oriented brand, this would put customers at risk of switching. Thus, a hybrid approach is the most appropriate. By staying cost-effective and implementing selective differentiation, e.g., healthier, premium, or sustainably-oriented products, Greggs will be able to add value without compromising its competitiveness. This is in line with the notion of integrated strategy where the firms integrate cost and differentiation in order to be able to respond efficiently to complex and dynamic market environment (Porter, 1985).

9.3 Analysis of Corporate-Level Strategic decisions.

Examples of corporate-level strategic options of Greggs plc are domestic growth, international expansion, and diversification. The most stable approach is domestic expansion, which builds on the existing strengths and allows the economy of scale in a well-known market. Nevertheless, there are indications of saturation in some areas of the UK that can restrain the growth opportunities in the long term. Expansion to the foreign market can be promising but is rather risky because of the differences in consumer preferences, regulations and competition, as well as low brand recognition in a foreign country. The least appropriate alternative is diversification, which will risk the loss of strategic focus and necessitate the capabilities that the firm is currently lacking. This would dilute and not enhance competitive advantage. In general, the best strategy to follow is domestic expansion with a careful consideration to international expansion using pilot markets or strategic alliances to reduce the exposure to risk and retain strategic control.

9.4 Recommended Strategic Direction

According to the analysis, the following strategic options are suggested:

At the business level, Greggs plc must implement a hybrid approach, cost leadership and increased differentiation by innovation and brand building.

On the corporate level, the organisation must focus on sustainable domestic expansion, whilst venturing into limited international opportunities in carefully chosen markets.

Previous results justify these suggestions:

- Strong internal capabilities (supply chain, brand) are confirmed by VRIO analysis.
- The Five Forces analysis shows the pressure of competition that needs to be differentiated.
- PESTEL analysis shows the increased significance of health and sustainability.

9.5 Change Management and Strategic Implementation.

These strategic choices are important to implement change management. Greggs plc has been flexible with its digital change and product innovation, which are signs of organisational flexibility. Nonetheless, a transition to a hybrid approach presents issues such as changing processes to suit new product lines, fit the skills of employees

with innovation, and cost impacts. According to John Kotter (1996), effective communication, good leadership and vision are the key elements of successful change. To minimize opposition and ensure efficiency, Greggs needs to make sure that the strategic changes are conveyed at all levels. The implementation strategy can be gradual, i.e. products, technologies and processes can be introduced in phases to reduce the disruption and enable the ongoing assessment and adaptation towards sustainable transformation.

10.0 Strategic Assessment

10.1 The purpose of Strategic Evaluation

Strategic analysis evaluates the effectiveness of the current strategy of an organisation in terms of the ability of the organisation and the external environment. In the case of Greggs plc, this means taking a critical look at whether its cost leadership and expansion strategy can continue to bring competitive advantage in the ever-changing market environment.

10.2 SWOT Insights-based Evaluation of Current Strategy.

Instead of repeating the SWOT analysis, it is better to make some sense out of it. The previous examination showed that Greggs has good internal strengths especially in brand recognition and operational effectiveness. These advantages underpin its cost leadership strategy and offer a strong base on which to compete.

Nonetheless, structural constraints were also found in the assessment. The fact that the organisation depends on the UK market and is not well differentiated limits strategic flexibility. Meanwhile, the profitability is limited by external influences, including the increasing costs and the stiff competition.

It means that the existing strategy is internally coherent, but more and more challenged externally, so it is necessary to adapt to its long-term effectiveness.

10.3 Ansoff Matrix Implementation and Growth Assessment.

Ansoff Matrix is a methodical approach to evaluating strategic growth opportunities (Ansoff, 1957). In the case of Greggs plc, the prevailing strategy has been market penetration, which has been realized by increasing the number of stores and market share in the UK, which is in tandem with the current capabilities and low risk. Nonetheless, the use of this strategy might not have a high payoff over time as the

local market is flooded. This is why other strategies are needed. Development of products has a good potential especially in the case of the healthier and innovative products which are dynamic to changing consumer preferences. Market development with selective internationalization offers growth opportunities, but with increased risk because of unfamiliar environments. The least appropriate is diversification, which can shift the firm out of the core competencies and make the strategy more complicated. Greggs should therefore progressively move towards a balanced approach that involves product development and selective market development.



Figure 10.1: Strategic Growth Directions using Ansoff Matrix

Source: Adapted from Ansoff (1957)

11.0 Strategic Recommendations

11.1 Strategic Focus

It can be concluded that Greggs plc is in a strong position in terms of cost-based position, but the growing competition and evolving consumer expectations demand strategic adjustment and not a similar approach as the one used before.

11.2 Hybrid Competitive Strategy

Greggs needs to implement a hybrid approach by staying on top of costs, but with a selective differentiation by product innovation and brand building.

Justification:

- Lessens price competition.
- Matures with consumer trends (health, sustainability)
- Expands on the current operational strengths.

This is in line with Michael Porter (1985) where strategic elements can be combined to improve competitiveness in complicated markets.

11.3 Product Development Priority

The product development should be given more focus, especially on healthier and innovative products.

Justification:

- Favors differentiation but not a significant structural change.
- Reacts to market demand.
- Enhances customer value proposition.

11.4 Selective Market Expansion

Greggs would need to expand internationally with pilot markets in order to decrease dependence on the UK market.

Justification:

- Provides growth opportunities
- Limits risk by gradual entry.
- In accordance with market development strategy of Ansoff.

11.5 Strengthening CSR Integration

CSR must be more directly incorporated into core strategy especially in sourcing and operations.

11.6 Implementation Priority

- Strategic moves are to be gradual:
- Product innovation (short-term)

- Hybrid positioning (medium-term)
- Market expansion (long-term)

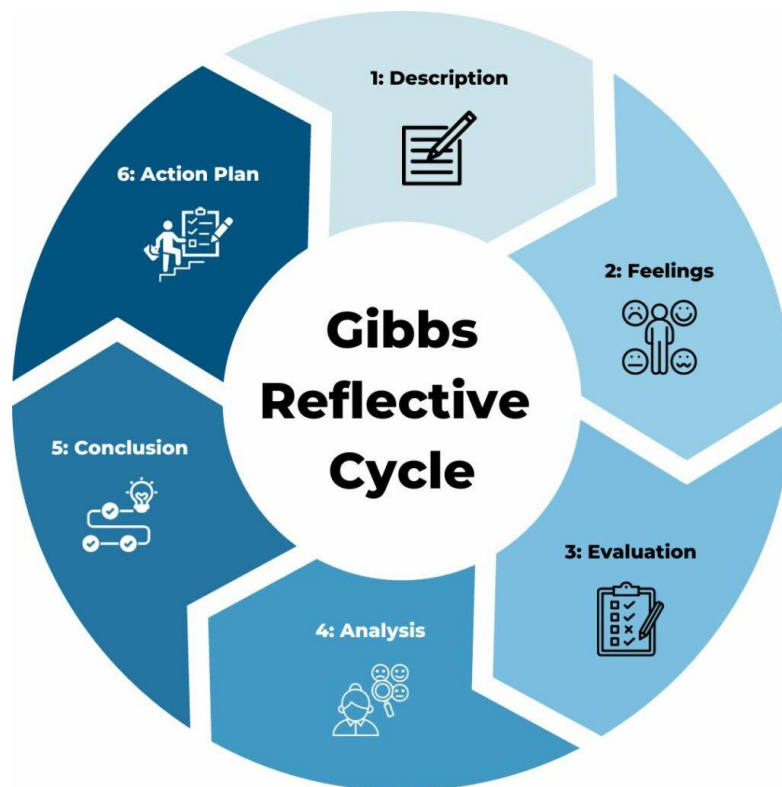
This guarantees manageable change and fit to organisational capabilities.

12.0 Conclusion

This report critically assesses the strategic position of Greggs plc, through analysis of the external and internal environments. Results reveal that the UK food-to-go market is structurally difficult, as there is high competition, high buyer power, and high threat of substitutes restraining the profitability and strategic choices. Nevertheless, Greggs has a stable competitive advantage due to cost leadership, which is backed by an effective supply chain and good brand equity in a price-sensitive market. VRIO analysis points out the major internal capabilities, especially vertical integration and brand value, which can maintain competitive advantage. Nevertheless, cost leadership dependence puts the company at risk of margin pressure and imitations, and the changing consumer preferences and sustainability needs require constant adjustments. The strategic recommendations focus on the balancing between cost-efficiency and selective differentiation, digital expansion, and sustainability programs. To be successful in the long term, it is important to match the internal capabilities to the external changes to enable efficiency, adaptability and long-term competitiveness.

9.0 Reflective Section

The Gibbs Reflective Cycle is the reflective process followed in this report, which was created by Graham Gibbs and offers a systematic method of assessing experiences in stages such as description, feelings, evaluation, analysis, conclusion and action planning (Gibbs, 1988). This model is especially applicable in the academic sphere because it helps to think deeper and learn constantly.



Source: Google

Description

This assignment involved the use of strategic management frameworks in the analysis of external and internal environment of Greggs plc. The assignment implied the combination of such tools as PESTEL, Porters Five Forces, and VRIO to evaluate the conditions in the industry and the sources of competitive advantage.

Feelings

Initially, I was quite sure about my knowledge of the theoretical frameworks. Nonetheless, later into the assignment, I realized that the application of these models in a critical manner was more complicated than I thought. This brought about some

form of doubt, especially in making sure that analysis transcends beyond description to show true strategic acumen.

Evaluation

The organization and systematic use of various frameworks with the help of academic and industry-related sources were among the primary strengths of this assignment. The VRIO analysis has worked especially well in determining the important resources that help to create a sustained competitive advantage.

Yet, there was a sharp drawback in the fact that the first approach was to consider each framework separately, which led to a lack of integration between sections. Also, the issue of balancing the detailed narrative discussion with brief analytical tools like tables was a challenge.

Analysis

This experience has pointed out that the main problem with strategic analysis is not the application of frameworks, but rather the skill to interpret and relate them. Indicatively, the understanding of high competitive rivalry can only be useful once it is associated with its pricing strategy and cost leadership implication. This further emphasized the need to shift towards a descriptive identification to critical evaluation.

Moreover, the VRIO framework highlighted how competitive advantage can be created by a few strategically important capabilities, as opposed to a wide range of resources, and highlighted the importance of prioritisation and richness in analysis.

Conclusion

On the whole, this assignment helped me improve my skills to critically use strategic models and combine various analytical views. It has shown that a good strategy analysis involves not only theoretical but also practical implications.

Action Plan

When working in the future, I will be more concerned with the incorporation of frameworks to achieve a more unified analysis. I will also work on enhancing critical analysis by always connecting the results to strategic implications. Moreover, I will also hone my application of formal instruments, including tables, to enhance clarity and analytical profundity, and have all sources thoroughly checked to meet academic rigor.

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