



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

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Student Name: Priyanka Mithil Raval

Student ID: 2225567

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Lecturer name: Dr. Gladius Kulothungan

Table of Contents

Explanation	3
Factors Leading to Farmdrop's Failure	3
Supply Chain Challenges.....	4
Competitive Landscape.....	4
Reflection.....	5
Reference	7

Explanation

Factors Leading to Farmdrop's Failure

Farmdrop, a once-promising participant in the online food delivery business, encountered a slew of obstacles that contributed to its demise. These difficulties are divided into three different types: industry competition, scalability issues and management inexperience. Farmdrop faced stiff competition in the online grocery delivery market. The fight to satisfy the rising demand for convenient grocery shopping had turned this sector into a battlefield for both established stores and newcomers. The work emphasises Farmdrop's strong competition (Paxho and Illpamko, 2019). Farmdrop struggled to establish a lasting presence in a market crowded with competitors. Established behemoths took advantage of economies of scale, allowing them to offer competitive pricing and a diverse product offering that Farmdrop couldn't match. Furthermore, the development of new competitors added to the complexity, strengthening the struggle for client attention and devotion.

Additionally, the company's quick growth created scalability challenges that taxed its operating capacities. A company's infrastructure may be burdened by rapid expansion, which is frequently viewed as a positive indication if it is not properly managed (Gorelick and Walmsley, 2020). Farmdrop's struggle to keep up with its own expansion has an impact on its capacity to maintain consistent product quality and fast delivery. The problem of achieving excellence at scale resulted in consumer discontent. Furthermore, Farmdrop's pricing strategy, while consistent with its commitment to quality, may have hampered broader adoption due to greater costs when compared to traditional supermarkets. This confluence of circumstances weakened client trust and loyalty, further eroding the company's market position.

In addition, Farmdrop's management team's inexperience worsened these difficulties. Navigating a competitive sector necessitates quick decisions and strategic agility. However, the inexperience of the management team may have resulted in mistakes that exacerbated the company's condition. Strategic errors, such as underestimating the competitive landscape and failing to differentiate Farmdrop's offers, aided the company's demise. A strong management team with deep industry knowledge and strategic acumen is essential for navigating a company through difficult waters.

Supply Chain Challenges

Farmdrop's difficulties managing its supply chain were a key factor in its demise. The Bullwhip Effect, a phenomenon in supply chain theory, shows how slight changes in customer demand can magnify along the supply chain, leading to inefficiencies and inventory imbalances (Liu and Sun, 2021). These difficulties strongly correspond with this phenomenon. The Bullwhip Effect could be seen in Farmdrop's difficulties with purchasing. Because consumer demand fluctuated more as it moved up the supply chain, it was challenging to predict and satisfy customer needs. Issues like stockouts or excess inventory resulted from this, which not only raised expenses but also reduced consumer pleasure. Additionally, Farmdrop's USP of procuring items locally presented coordination issues with farmers. The Bullwhip Effect's Forrester Effect, which explains how information distortion worsens as it goes upstream in the supply chain, explains this phenomenon (Jaenichen *et al.*, 2021). It's possible that misunderstandings and disagreements between Farmdrop and regional producers led to inconsistencies and inefficiencies in the supply chain. This emphasises how important open lines of communication and cooperation with suppliers are to ensuring a seamless and effective supply chain.

Competitive Landscape

The grocery delivery market in the United Kingdom is distinguished by a dynamic competitive environment shaped by numerous major elements. These elements include the level of rivalry, the impact of customers and suppliers, the availability of substitute products and the introduction of new market participants (Wanyonyi, 2021). The challenge Farmdrop has had to survive in this environment emphasises how important strategic differentiation and adaptation are. The competition was strong, with both established retail behemoths and new entrants battling for supremacy. The economies of scale enjoyed by established competitors allowed them to provide competitive pricing and wide product categories that Farmdrop found difficult to match. Farmdrop's emphasis on local sourcing and sustainability was a unique value proposition, but separating from bigger competitors with established brands was difficult.

Farmdrop faced increased competition from rivals like conventional supermarkets and other online marketplaces. The company's ability to draw in new clients and keep existing ones in the fold was severely hampered by these alternatives. The inability of Farmdrop to successfully handle these competitive dynamics highlights the need for companies in quickly

moving marketplaces to cultivate strategic distinctiveness and adaptability (Mulcahy *et al.*, 2022). In order to survive and succeed, businesses must be able to adapt to shifting market dynamics and provide distinctive value propositions.

Reflection

I have gained a profound understanding of the intricate forces that define the business landscape as a result of my involvement in the in-depth investigation of Farmdrop's failure. This experience not only increased my knowledge but also deepened my understanding of strategic decision-making, competitive markets and effective supply chain management. One key takeaway from studying Farmdrop's downfall is the importance of competition in determining a company's fate. The competitive landscape in the online grocery delivery business highlighted the power of existing titans and rising players (Gneiting *et al.*, 2021). Farmdrop's inability to properly differentiate itself highlighted the significance of strategically positioning a firm and emphasising its unique value proposition in order to remain distinct in the face of strong competition. The difficulties Farmdrop encountered in scaling its operations struck a deep chord. Rapid growth, while encouraging, can put a burden on a company's capacity to maintain quality and meet customer expectations. This experience emphasised the importance of smart growth management, which aligns expansion with operational capabilities to avoid jeopardising customer happiness.

The Bullwhip Effect exposed the complexities of supply chain management, leaving an indelible mark. The mismatch between consumer demand and procurement highlighted the importance of precise demand forecasts and rigorous inventory management (KALAIARASAN, 2022). Furthermore, the difficulties in coordinating with local producers underscored the importance of open communication and collaborative relationships in reducing information distortion and optimising supply chain efficiency. This project has been gratifying because of the collective collaboration that has occurred. It emphasised the importance of varied perspectives and talents in thoroughly analysing multidimensional business situations. Our team synthesised a comprehensive grasp of Farmdrop's case through ideation, research and productive conversations. It emphasised the significance of effective communication and task distribution within a team in order to create a united and well-rounded analysis.

Overall, this project has given me great insight into the challenges that firms face, as well as the strategic imperatives that drive success. It emphasised the importance of continuous

learning, adaptation and interdisciplinary teamwork in efficiently handling diverse business difficulties. This tour not only enhanced my academic studies, but it also provided me with practical information that will surely shape my approach to future difficulties in the ever-changing corporate sector.

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