



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

ENTREPRENEURSHIP ASSIGNMENT 2 – LCMB7004

Student Name: DINESHKUMAR PARMAR

Student ID: 2222138

Subject: ENTREPRENEURSHIP

Subject Code: LCMB7004

Lecturer name: Dr. Gladius Kulothungan

Table of Contents

Explanation	2
Scalability Challenges.....	2
Pricing Strategy.....	2
Inexperience of Management.....	3
Reflection.....	4
References.....	5

Explanation

Scalability Challenges

Farmdrop's quick expansion clearly constituted a watershed moment in its history, but it also brought with it a slew of challenging obstacles that put the company's operational capabilities and consumer happiness to the test (Eisenmann, 2021). As Farmdrop's reach and client base grew, maintaining consistent product quality became a big challenge. The basis of Farmdrop's value offer was its ability to source locally and maintain high-quality standards, but the company's rapid development put pressure on these goals. On a broader scale, ensuring that items obtained from local farmers satisfied high-quality criteria proved to be a difficult task. This situation showed the difficult balance that must be maintained between growth and keeping the essential characteristics that distinguish Farmdrop.

Farmdrop's operational issues were worsened by an unanticipated rise in demand during the pandemic-induced lockdowns. The increase in orders put the company's delivery efficiency to the test, exposing flaws in its operational infrastructure. The results were seen in the shape of delayed delivery and, as a result, a decrease in consumer satisfaction (Brandtner *et al.*, 2021). Farmdrop's image suffered when consumers' expectations were not satisfied, destroying the competitive advantage it had diligently developed. This situation emphasises the importance of matching expansion with operational preparedness. A company's growth trajectory should be supported by an operational infrastructure that can adjust to growing demand effortlessly, ensuring that the customer experience stays uninterrupted even during periods of fast expansion.

Pricing Strategy

Farmdrop's pricing approach, although consistent with its dedication to sustainability and quality, presents its own set of obstacles. The choice to charge a premium demonstrated Farmdrop's commitment to providing high-quality, locally produced products. This strategy, however, erroneously positioned the firm as a niche provider primarily catering to a certain section of environmentally sensitive clients. While Farmdrop's premium pricing strategy enabled it to express its distinct value proposition, it encountered challenges when competing against more established and competitively priced supermarket chains.

Farmdrop's higher prices constituted a hurdle to greater market appeal, especially when compared to the more affordable choices accessible through big supermarket chains (Melovic *et al.* 2020). Farmdrop's potential to gain a bigger part of the market and compete successfully on price was hampered by this pricing mismatch. As a result, the firm found itself operating inside a limited consumer sector, restricting its development potential and capacity to compete in the larger grocery delivery industry. This quandary emphasises the delicate balance that businesses must achieve between expressing value through price and appealing to a larger consumer base.

Inexperience of Management

The Upper Echelons Theory provides a lens through which may examine a crucial aspect contributing to Farmdrop's difficulties: the management team's relative inexperience. This thesis contends that senior management's origins, experiences and attitudes have a significant impact on strategic decisions and, as a result, organisational outcomes. In the instance of Farmdrop, management's lack of knowledge of the nuances of the grocery retail sector resulted in a series of strategic blunders. The management team's underestimation of competition challenges, inability to handle operational complexities associated with rapid development and miscalculation of the ramifications of the premium pricing plan all speak to a lack of expertise in managing market dynamics (Bushe, 2019). This emphasises the crucial need for a seasoned and competent management team capable of making informed judgements in the face of varied circumstances. Effective decision-making becomes even more critical in competitive and fast-growing industries such as grocery delivery (Dave *et al.*, 2022). Farmdrop's story serves as a sobering reminder of the need of having leaders who have the skills and intelligence to manage the intricacies of strategic choices and drive the organization's long-term success.

Overall, Farmdrop's path through scaling issues, pricing strategy and inexperienced management highlights the multidimensional process of developing and sustaining a successful firm. Farmdrop's struggles highlighted the importance of striking a delicate balance between growth and operational efficiency, aligning pricing strategies with market realities and assembling a management team with the experience and skills to navigate a dynamic industry. Farmdrop's teachings serve as vital guideposts for entrepreneurs and enterprises wanting to traverse the convoluted roads of development, distinction and long-term success.

Reflection

Exploring Farmdrop's path through scaling issues, pricing strategy and management inexperience has changed my perspective on our group project. The rich story of the case study provides light on the challenges of business development and the careful balance required for long-term success. Farmdrop's challenges during its quick expansion match the growth-related difficulties we've been discussing in our project conversations (Kushnir, 2020). Their effort to maintain product quality and efficient operations in the face of increased demand emphasises the critical need of balancing expansion with operational readiness. As we go on with our project, I'm becoming increasingly aware of the importance of precisely aligning our suggested tactics with scalability requirements to provide a flawless client experience throughout periods of expansion.

Farmdrop's pricing approach is also instructive for our project's market positioning discussion. Their dedication to quality through premium pricing, unfortunately, limited their customer base. This parallels our own difficulty in finding the perfect balance between promoting our value and drawing a larger audience. We must think carefully about how our pricing approach expresses our value offer while still being competitive in the greater business context. Furthermore, Farmdrop's lack of management experience serves as a stark reminder of the need for leadership competence in strategic decision-making. Their blunders, caused by a lack of sector expertise, highlight the need for a skilled leadership team (Agostini and Nosella, 2020). As we work on our project, I'm encouraged to use our team's different backgrounds and experiences to make educated decisions. The case study emphasises the Upper Echelons Theory notion by recognising that our management team's aggregate skills and backgrounds may have a significant impact on our strategic direction and overall outcomes.

Moreover, Farmdrop's journey has been an essential compass for me as I go through our group project. It solidifies the idea that success goes beyond basic invention; it is dependent on expertly managing growth, placing our product in the market and establishing a capable management team. I'm certain that by integrating Farmdrop's issues into the fabric of our project, we can establish a holistic approach that tackles the various facets of not just starting but also running a successful business.

References

- Agostini, L. and Nosella, A., 2020. The adoption of Industry 4.0 technologies in SMEs: results of an international study. *Management Decision*, 58(4), pp.625-643.
- Brandtner, P., Darbanian, F., Falatouri, T. and Udokwu, C., 2021. Impact of COVID-19 on the customer end of retail supply chains: A big data analysis of consumer satisfaction. *Sustainability*, 13(3), p.1464.
- Bushe, B., 2019. The causes and impact of business failure among small to micro and medium enterprises in South Africa. *Africa's public service delivery and performance review*, 7(1), pp.1-26.
- Dave, M., Bokde, R., Sinha, P., Mahalle, S. and Basrani, K., 2022. OPERATIONS RESEARCH IN FOOD DELIVERY. *EPRA International Journal of Economics, Business and Management Studies (EBMS)*, 9(11), pp.151-160.
- Eisenmann, T., 2021. *The fail-safe startup: your roadmap for entrepreneurial success*. Penguin UK.
- Kushnir, E., 2020. *Growing Pains or Growing Gains? Investigating the Influence of Business Growth on Environmental and Social Credentials of Sustainability-driven Enterprises*. IIIIEE Master Thesis.
- Melovic, B., Cirovic, D., Dudic, B., Vulic, T.B. and Gregus, M., 2020. The analysis of marketing factors influencing consumers' preferences and acceptance of organic food products—Recommendations for the optimization of the offer in a developing market. *Foods*, 9(3), p.259.