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WIL'S GRILL REPORT

INTRODUCTION - *Brief history of the company*

Wil's Grill is a street-food business based in Flagstaff, Arizona. It was founded in 2014 by John Christ, inspired by the previous activity of his father and the 'clean food' movement. The aim was to provide healthy local food to their customers. In the third year of running, in order to increase the company's net income, John has to decide whether to expand into the street-food market or to venture into the catering business (Hostetter, Paden, 2017).

After identifying the various resources, capabilities and core competencies of the street-food and catering segment and developing a VRIO and SWOT analysis, our group has come up with the strategic business decision that John should make in order to increase Wil's Grill net income.

1 - Value, Rarity, Inimitability, Organization

VRIO framework is a strategic internal analysis tool designed by Jay Barney in 1991 to help organizations identify the resources and capabilities that can give them a long-term competitive advantage (Think insights, w.d.). The resources and capabilities are evaluated by four criteria: 'Valuable', 'Rare', 'Inimitable', 'Organized' (Giannetti, Dello Sbarba, 2020). Hereafter, we propose an analysis with this framework of Wil's Grill company.

'Valuable': one of the main values of this business is the choice of utilizing high quality ingredients that are produced locally in an organic and sustainable way. Clean food is healthy for both planet and people through production of efficient amounts of food, provision of leftovers to local shelters, and minimization of waste via biodegradable products and recycling practices (Hostetter, Paden, 2017, p4). The business is also valuable for its brand reputation; in fact, John says that "He strongly believed that the Wil's Grill brand was defined by 'our reputation among those we've served, and those who have heard about us. Our reputation is one of sincerity, transparency, consistency and quality.' " (Hostetter, Paden, 2017, p5). Other valuable capabilities that can be mentioned are their good working skills, because they offer a fast service and also a kind of 'show cooking' (Hostetter, Paden, 2017, p3).

'Rare': clean street food is not only a value, it is also not very common. Although it is 'rare' it is not unique and thus can be replicated by others simply if they are able to retrieve the right raw materials.

'Inimitabile': the biggest advantage is its knowledge about the local supply chain for food provision (Hostetter, Paden, 2017, p2). It would require a considerable time for competitors to build such strong relationships that Wil's grill has already established with local farmers (one of its suppliers is a company owned by John's parents).

'Organized': John's business owns many assets so that it can be considered as 'organized': patents, permits, website and mobile app, good relationships both with suppliers and customers (Hostetter, Paden, 2017, p2-5).

2 - Strengths, Weaknesses, Opportunities and Threats

When analysing the context of a company, both external factors ('external environment') and internal factors ('internal environment') need to be considered. In order to do this, a SWOT analysis is frequently used[1]. The SWOT's key advantages is that involves both external and internal factors of a business, divided by Strengths, Weaknesses (internal ones), Opportunities and Threats (external ones; Giannetti, Dello Sbarba, 2020). The following table offers a SWOT analysis of Wil's Grill[2].

[1] Exactly who the founder was is subject to debate, but frequently has been attributed to Albert Humphrey in the 1960s (Teoli, Sanvictores, An, 2022).
[2] The table does not present quotes because of graphic concerns. Information and datas were retrieved from Hostetter and Paden (Hostetter, Paden, 2017).

Strengths	Weaknesses
Competences: - Fast service and show cooking - Customer care and customer satisfaction - Great amount of experience - Good advertising skills - Good asset management (zero balance in debts) **Core competences:** - Serving a specific kind of food - Brand reputation - High-level quality of (clean) food **Distinctive competence:** - Well-established relationship with suppliers	**Competitive deficiencies:** - Insufficient means of transport and cooking equipment - Lack of permanent employees and employee management - No fixed storage housing - Decisions are handled by a single individual, so the risk of committing an error is high - 72% of respondents to a survey had never heard of Wil's Grill in the catering sector
Opportunities	**Threats**
Widely attractive: - Growing awareness of health and wellness lifestyle - Expanding in emerging markets, such as catering, to achieve higher revenues **Marginally interesting** - Pursuing the benefits of scaling (reducing costs)[3] **Unsuitable:** - To become a chain and to target a broad market[4]	**Moderate degree of impact:** - Well-established competitors and possible price competition **Significant impact:** - Big (international) companies (no match in price competition) - Market recession - Weather issues (street food) **Sudden-death impact:** - Situations similar to covid-19

3 - Catering Segment: an overview

John did some research and he found the opportunity to pursue a new segment: catering. If he wants to enter into this market, he needs to focus on several aspects: the number of staff members (well trained)[5], a cargo trailer to transport and store food, and a large and varied menu, which has to be constantly updated in order to follow all the food trends. The presentation of the food must also be curated and accompanied by entertainment and decor (Hostetter, Paden, 2017, p4-5).

CONCLUSIONS - *what can be done?*

According to the source, the catering segment is attractive. Food selection would be simple because catering events and its customers are very predictable, precise and willing to pay a high price (Hostetter, Paden, 2017, p4-5). We also believe that the company would already have a certain level of attractiveness[6], but has to lay out a well-defined marketing scheme in order to enhance its reputation and attract more customers[7]. We also think that the company's name, 'Grill', enables John to cook different types of foods so it will not have to lose its identity by amplifying the menu[8]. Wil's Grill will also be able to profit from partnerships with other businesses that specialize in entertainment and decor. In addition John would not be limited to work for just a certain periods of the year and there would not be any concern regarding the weather. All these elements have the same objective: increase the company's

[3] To scale too much can be risky: who can guarantee John will establish the same relationships he currently has? It can also be difficult to manage, impacting badly on the food quality.
[4] He would lose his distinctive and core competences.
[5] At least 1 employee per 30 guests/1 per 15 in large events (Hostetter, Paden, 2017, p4).
[6] thanks to their reputation, mainly done by addressing market trends (clean, healthy, local food).
[7] It refers to the last point of weaknesses (SWOT table).
[8] The other competitors would have some difficulties in marketing their service due to non correspondence between the company's name and what they serve. An example could be a business called 'Bob's barbeque' that also cooks fish.

net income. According to a prediction made by J.Christ in June of 2017, entering into this market would radically improve the company's total revenue by 180% by the third year, with respect to remaining in the street food business (Hostetter, Paden, 2017, p8).

All these goals will be accomplished only if John exposes the business to some loans and finds the right lenders to finance it (Hostetter, Paden, 2017, p5). The strategy we have chosen to face this situation has been deduced from the previous SWOT analysis. It is a 'Weaknesses/Opportunities' strategy. We believe John has to overcome his business' weaknesses, mainly linked to the lack of funds, to pursue the opportunities that the food market (especially the catering segment) can offer[9]. We have found an example of a lender that John can contact, which is called "Crest Capital". We think it is suitable for his situation because they cover 100% of equipment costs and soft expenses (Elliot, 2022).

"Have a grill will travel" (Hostetter, Paden, 2017, p5).

[9] We also recommend doing a survey in the new areas John will come to. It has to be something similar to the one he did with the NAU marketing research students on local tastes and perceptions (Hostetter, Paden, 2017, p4). This will help the company to not incur into something similar to the Starbucks' situation that happened in Australia (Lukashevich, 2020).

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