

THE STRATEGIC PES, AN INTERNAL ANALYSIS

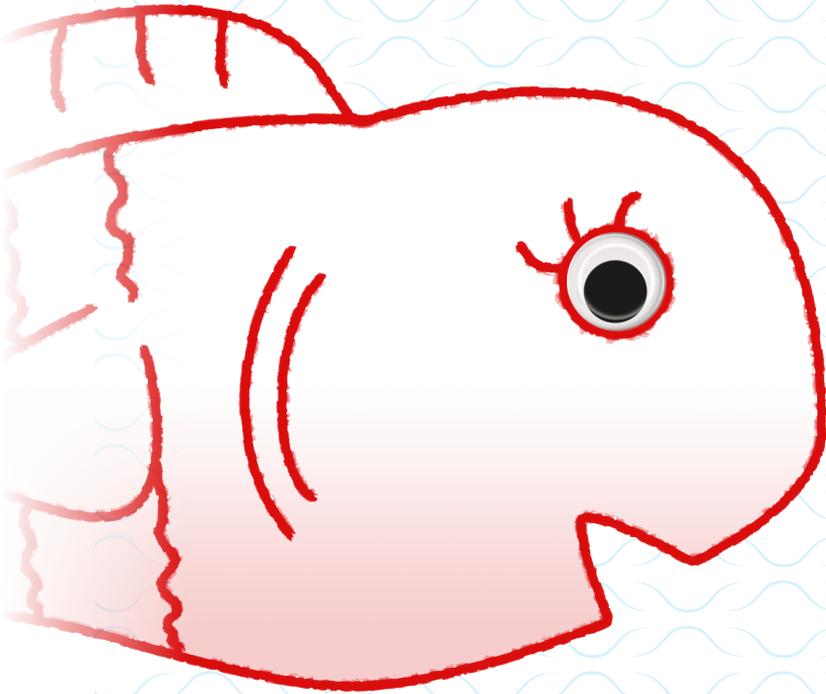


Figure 4 Head and Belly of SG as a fish

INTRODUCTION TO THE PES TOOL

PES is short for Product, Experience and Service, but coincidentally also is an abbreviation of Pescado, the Spanish word for fish. This method is used to explore the capabilities of a small to medium sized enterprise, its market, the far future and what would be possible in the nearer future. In the first step of this method, we can define the domain and find opportunities for the company to improve, grow or adapt.

This first step of the PES-tool consists of doing a workshop with SG. It is done on two occasions; one led by a team member and one by Ricardo Mejia. The first workshop with our team member gave lots of insights, however it was more chaotic because there were 14 employees of SG present and all was done in Spanish. The second workshop was done with less participants



HEAD Know-how & values

The design team of SG is led with a high focus on innovation.

SG values quality over quantity in their products.

They are very committed to the needs of their clients and work together closely.

The products have to convey credibility and show confidence.



BELLY Products & services

The portfolio of SG mainly consists of business to business POP for traditional and modern channels.

There are facilities at SG for Prototyping, called Protolab. This can be seen as a separate business within the company.

SG tries to expand their core focus by adding consulting on design and customer research by as a new service.

The (mostly traditional) POP products are produced in their own production hall.

and with a native Spanish speaker who was leader of the session, Ricardo Mejia. The first session was more explorative whereas the second session contained slightly more indepth information. The information of the two sessions was merged in order to create the strategic PES of the company. In figure 4, on this page and figure 5 on the next page our findings and the proportion of the different aspects are shown visually in the strategic PES.

The metaphor of a fish swimming in the ocean is used to describe the internal values and facilities of SG. Talking about the company as a fish helps the employees of the company to talk more metaphorically about what is important and of influence for the company and what direction they want to move in.



BACK

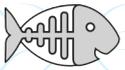
Stakeholders & facilities

Plastic and Metals are the main materials used for production at SG.

The whole staff consists of ~140 employees, including a well trained design team.

There is close contact with suppliers of materials, banks, universities and governments who provide subsidies.

The largest part of production is done in their large in-house production facility .



TAIL

Users

The shoppers are the end user of the products SG makes. They see the POP and are the ones targeted.

Multinational Brands, like a P&G and Coca Cola are the ones who demand specific POP solutions, see figure 6.

Channels, ranging from small tiendas to larger supermarkets, are used to promote the products of multinationals.

SG produces their products mainly for traditional channels, followed by the modern channels.

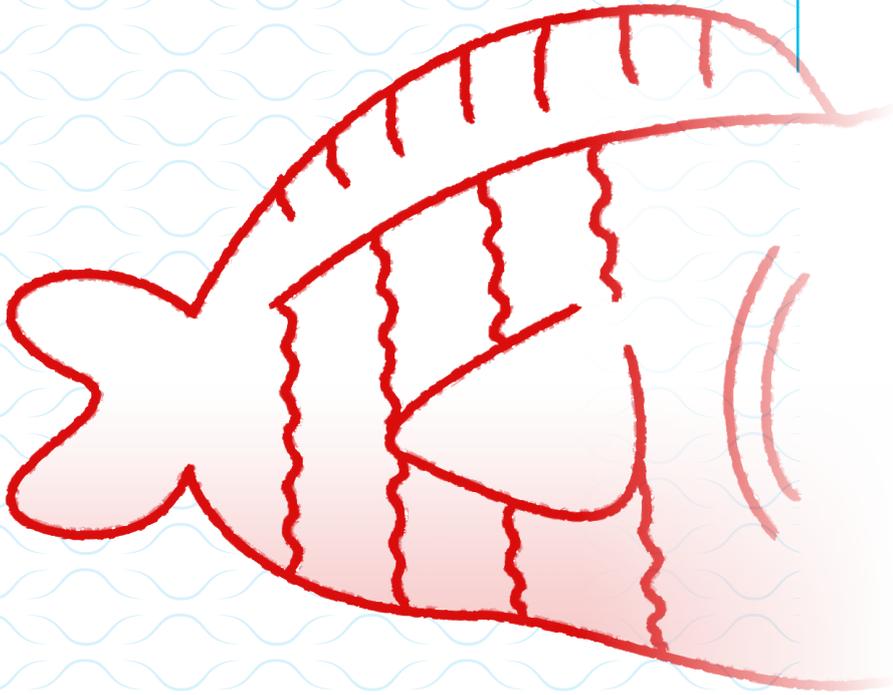


Figure 5 Tail and Back of SG as a fish

CONCLUSION OF THE STRATEGIC PES

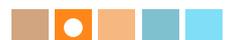
The main findings are:

- SG has good in-house production facilities that gives them competitive advantages.
- SG has lots of experience in efficient production
- Product portfolio lacks diversity and innovation
- SG only focusses on B2B POP material for their biggest clients, and this results in missing opportunities for smaller brands that allow more innovative and modern solutions.
- Solutions Group sees their client as the most important user, since they are the ones that pay for their services; however the triangular relationship between the users (shopper, channel, brand) can not be seen separately.
- Because there are relatively more modern than traditional channels in Colombia, SG produces the most products for traditional channels.

In this part the PES-Tool is used to map the company as a fish in order to see the strengths and weaknesses of the company. The company SG has been drawn as a big fish with a strong back, a big head, big eyes and a small belly and tail. This means that the company is very curious about the implementation of design within the company, but they lack a clear focus on the direction they want to go in. Next to this, SG has great in-house facilities and resources, but these are not used optimal. The company moves slowly because they follow the needs of their clients instead of coming up with innovative solutions themselves.



Figure 6 Example of specific POP solutions for brands



DOMAIN AND TIMEFRAME

DESCRIBING THE WHOLE DOMAIN AREA

At the start of the project, a scope was set of all channels of sales, ranging from very small to very large. In figure 12 on the left, one would find the kiosks which can be found through large cities in Colombia. There is no 'internal' store and the products sold are small sized. This area of the scope also contains vendors who are typically nomadic. Vendors, often unlicensed, buy products from other stores to then resell them for their own profit. Both of these channels are not useful to define as part of our scope, as these often don't use POP material or are simply too small to consider being a viable customer.

On the other side of the scope larger supermarkets are visible. The Colombian industry of supermarkets is currently run by players as Jumbo (owned by international Carrefour), Exito (national Colombian brand) and D1 (Discounter supermarket chain). These channels sell both small sized mass consumption products, but also bulk products. For example, you would be able to find 2.5 litre size bottles of Cola in these shops, but also the smaller 0.5 litre. Yet, in these channels, the traditional Colombian value of having a personal experience with the shop and shop owner lacks. Colombians buy their daily needs most often through smaller channel, the tiendas de barrio (comparable to the size of Albert Heijn 2 Go's and even smaller 'Broodzaak' at train stations in the Netherlands).

Tiendas are a huge market for SG to become the expert in. In Colombia there are already over 200.000 tiendas and this amount is still increasing (Tiendas De Barrio, 2015). About 60% of the categories sold in this channel is food and other commodities. It is an important channel for brands as they are mostly serving estrata 1, 2 and 3, which consists of 80% of the population. Tiendas are not innovating as fast as bigger supermarkets like Exito, as they cherish the authenticity and simplicity which is deeply rooted in the Colombian culture. Therefore it is assumed that in 2031 the implementation of technologies will be less high-tech in the Tiendas. A reason for this is that the tenderos do not make that much revenue to buy better facilities for their tienda. For the brands this channel is an important selling point of their products.

Because of the cultural importance, the personal experience and the fact that so many FMCG are sold here, the Tiendas de Barrio, are chosen.

TIMEFRAME

Since the goal of this first phase is creating a visionary concept, a time frame for the long term has to be defined. Together with the company it was discussed that 15 years is a good time frame, in this way the vision concept will be able to be futuristic enough but not too far away from now.

CONCLUSION DOMAIN AND DESIGN QUESTION

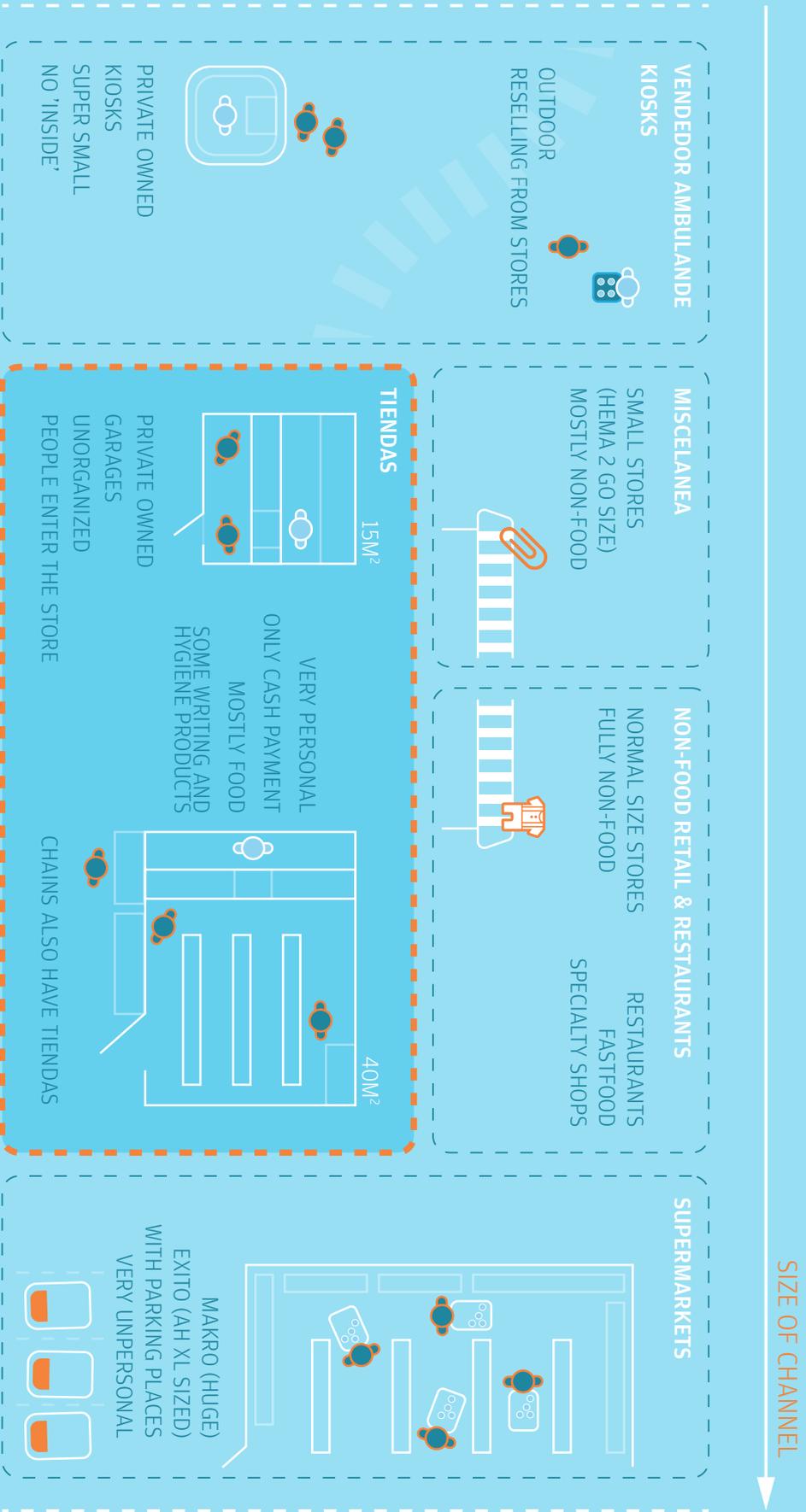
- 🔥 An opportunity lies in developing sustainable and/or conscious strategic products/services (a.o. Based on the VRIO analysis), the impact of this new products/services can be social as well as ecological in their impact on the environment.
- 🔥 New products/services should enhance the personal experience that we consider to be highly valued in tiendas.
- 🔥 The timeframe for this vision concept will be 15 years from now.
- 🔥 Based on the previously discussed insights, the domain will be the tiendas de barrio.

Therefore the domain is:

A PERSONAL AND CONSCIOUS WAY OF TRADITIONAL SHOPPING WHILE MAKING USE OF THE EXISTING TECHNOLOGY IN 2031.

The design question fitting with this domain:

HOW WILL PEOPLE HAVE A PERSONAL AND CONSCIOUS SHOPPING EXPERIENCE IN A TRADITIONAL WAY IN 2031?



SCOPE OF INDUSTRY SOLUTIONS GROUP OPERATES

Figure 12 Defenition of scope and domain

