

Ben and Jerry's SWOT Analysis

Student Activity Directions:

- Group Students (by department, groups of 2, etc.)
- Distribute Materials—each group needs:
 - Outline sheets (with Strengths, Weaknesses, Opportunities, & Threats titles)
 - Envelope with SWOT statements cut up (don't open until told)
- Give tips for sorting—

SWOT Element	Characteristics		
Strengths	Internal—can control	Positive statements	Already happened or in the present
Weaknesses	Internal—can control	Negative statements	Already happened or in the present
Opportunities	External—can't control	Positive statements	Could happen/more futuristic
Threats	External—can't control	Negative statements	Could happen/more futuristic

- Give students a time limit to sort the SWOT statements & have them all start at the same time
- Once time is called quickly read the statements (in mixed order) and review the correct answers
- See which group has the most correct (go by the honor system or have students switch seats before you go over the answers and they can grade another group's SWOT)



Ben and Jerry's SWOT Analysis Key

Strengths

- 12--Ben and Jerry's is a prestigious, established, successful, global operation, with sales in USA, Europe and Asia, which is synonymous with social responsibility and environmentalism.
- 20--Ben & Jerry's donates a minimum of \$1.1 million of pretax profits to philanthropic causes yearly. The company is also involved in other good causes, including global warming, gun control and saving family farms.
- 7--The company sells its colorfully named ice cream, ice-cream novelties, and frozen yogurt under brand names such as Chunky Monkey, Phish Food, and Cherry Garcia. It also franchises some 750 Ben & Jerry's Scoop Shops worldwide.
- 17--Ben and Jerry's were bought by consumer products manufacturer Unilever in 2000, but were still able to retain their social responsibility platform and kept both co-founders closely involved with product development. Their brands complement Unilever's existing ice cream brands.
- 5--Ben and Jerry's Chunky Monkey ice cream flavor was named in a top ten list of the best ice cream in London.
- 13--Ben & Jerry's maintains a high market share. This has been achieved in spite of a premium price point. The premium price of the product was supported by a high quality image, and high quality products.

Weaknesses

- 4--The former CFO, Stuart Wiles, was convicted of embezzling some \$300,000 from the company during his tenure at Ben & Jerry's.
- 11--They had to stop using Michael Foods as their egg supplier, due to bad PR from the Humane Society, which alleged that Michel Foods treated chickens inhumanely.
- 21--They experienced several corporate problems, the most obvious being a lack of professionalism in its management and no clear mission statement. They have also reinvested huge amounts of property and equipment increasing their long-term debts. In addition they increased marketing and selling expenses as well as administrative infrastructure, and took out a vast amount of capital lease in their aim to automate their production to keep up with the intense competition.
- 15--Their clear focus on multiple social responsibility issues could shift the company's focus away from important business matters and add unnecessary costs.
- 3--They need more experienced management to fuel aggressive growth in a downturned economy and change flat sales in their premium product lines.



Ben and Jerry's SWOT Analysis Key

Opportunities

- 1--In today's health conscious society, consumers welcome the introduction of more fat-free and healthy alternative ice cream and frozen yogurt products.
- 6--Consumers are looking for allergen free food items, such as gluten free and peanut free.
- 22--Ben & Jerry's had a chance to roll out the country's first HFC-free freezers; freezers that would be sold to grocery stores and would not emit harmful chemicals into the atmosphere.
- 14--They can purchase other companies that allow them to expand into new industries like weight loss products. In turn they can expand into new geographic markets--more countries, like Europe, where these industries/trends are taking hold.
- 9--They could expand their existing product lines to compete with the 'private-in house brands' offered by supermarkets, and in developing countries.
- 19--They could sell Ben and Jerry's premium ice cream in South America (which is an emerging market that has yet to be capitalized upon). There is a growing demand for premium ice cream in new markets like Asia.

Threats

- 10--Much of their target market is constantly changing its product preferences (desiring to prevent diabetes, obesity etc.). That, coupled with a decrease in household sizes and discretionary income, has left sales flat in recent years.
- 18--Consumers are concerned about fattening dessert products. Especially Ben and Jerry's target market, which are accustomed to reading nutrition labels.
- 8--There is always a concern about contamination of the food supply, especially e-coli.
- 16--They face major competitors, like Nestle (Pillsbury), Kraft Foods, Dunkin Donuts, and Dean Foods. They also have competition from global food companies with similar products and any grocery store label products. Much of their competition seems to be merging together, in order to remain marketable in this economy.
- 2--Experts say that animal feed prices are rising, partly because biofuel crops are replacing cow fodder. In turn, the high priced animal feed pushes up the cost of milk. Prices of all milk products are rising worldwide.
- 23--Agricultural economists say today's milk shortage is basically a case of low supply and high demand worldwide. Supply is down for many reasons: a bad drought in Australia dried up the grass that the country's cows eat, new export taxes were added on Argentina's milk in an attempt to keep the country's food prices under control, and European farmers can't significantly increase production until a quota system is phased out.

