Team Deliverable A

Section 1: Collaboration Strategies and Team Dynamics (Max Word Count - 700)

The two key ideas of collaboration are iteration and feedback. According to Google, iteration is the repetition of a process or utterance” while feedback is “information about reactions to a product, a person’s performance of a task, etc. which is used as a basis for improvement”. Iteration and feedback are similar ideas and relate to constructive criticism in that both terms can be both positive and negative in the way they are delivered.

Guidelines for giving constructive criticism include being specific, offering suggestions, avoiding personal comments and setting positive goals. Our team agreed that being specific in giving constructive criticism is essential in order to be successful. Being specific while giving constructive criticism means highlighting the key ideas where you feel confused or feel change may be needed. An example may look as follows: “I like the ideas behind section A; however, I feel we can add more to justify your claims”. Guidelines for receiving constructive criticism include questioning your emotions, not dominating, and demonstrating a commitment to the group. Our team agreed that demonstrating a commitment to the group is essential in order to promote our group chemistry. Demonstrating a commitment to the group means taking part in your fair share of the work, being responsible, a good communicator, and dedicating your time to work with and getting to know your colleagues, amongst other examples.

According to the FAQ page, there are two main ideas for how to engage someone who is causing problems within the group. The first way to handle someone who is not pulling their weight is to “focus on the facts”. This idea hinges on bringing up the behaviors of the teammate while allowing the team member to explain his or her situation in a group discussion in order to construct a solution. The second way to handle a “slacker” is to “be mindful of other issues”. In general, you are not aware of what someone else may be going through. Thus, if someone is not contributing in the way they said they would, instead of not being polite, you should ask them if they need assistance in their work.

If your team is unsuccessful in resolving an issue with a team member, the entire team should be aware and involved in the situation. The first step to take is to bring the group together and make sure everyone’s expectations are clear and everyone’s work is clearly defined. If someone is not doing what they are assigned to do, the team leader ought to discuss the problem at the next team meeting. If the problem persists, our team would reach out to our team mentor and bring up the issue at hand. If it comes to the point where even the team mentor could not assist and the problem is severe, we would fill out the K201xPerience Team Concern Form. In
order to promote transparency, all forms of our communication should be recorded and saved in case it is needed for future reference.

Emergencies are unplanned and often unpredictable. The person who has an emergency should, in their best efforts, communicate to the rest of the group that they are unable to complete their work by the assigned time in order to give the group a notice to compensate for the lost work. If a group member does have an emergency and does communicate with the group, the procedures depend on the situation. For example, if the emergency comes during team deliverable A, the work can be completed by other team members, and the group member may obtain extra work in the next two team deliverables. If the emergency comes during team deliverable C, the group will still need to pick up the extra work; however, if the person with the emergency did good work and contributed to the group throughout the process, we would probably exonerate them. If the person has an emergency at the end of the project and they have not contributed well to the group, we would still pick up the work but may notify the teacher to express our concerns.

**Section 2: Summarize the ALDI 4 ME case (Max Word Count - 200)**

With the opening of a new mall in downtown Bloomington, ALDI is looking to attract customers of a young demographic target market. Our task is to create an app that is both visually appealing and easy to access. The app should reflect the values and mission of the ALDI brand and be attractive to the Gen Z population, as they will be the company’s top customer because of the store’s location. This app will allow customers to purchase ALDI’s products, services, and reach customer service. The design will be modern and display elements that represent the company’s core principles. Lastly, the app will contain a projection page which predicts what the grocery store shopping experience will be like in the future.

**Section 3: Industry Analysis Using Porter’s Five Forces (Max Word Count - 2,000)**

ALDI strongly believes in enhancing its customers' shopping experience and its most powerful tool in doing so is providing popular, high quality products at guaranteed low prices. ALDI produces their own “off-brand” alternatives to popular name brand items at a reduced price. ALDI keeps their consumers in mind and claims that their customers will save significant amounts of money switching to buying ALDI brands. Infact, those who made the switch to shopping at ALDI, have saved up to fifty percent on their weekly essential items.

ALDI’s principles strategically form an efficient corporate responsibility plan which drives daily activities to contribute to the betterment of the society which also involves cases of one policy acting in multiple spheres. ALDI’s CR is designed to benefit the society through
policies catering to its customers, suppliers, employees, community, and environment. In commitment to providing its customers quality for low prices, ALDI resorts to insource manufacturing which not only helps in cutting production costs and maintenance of quality standards but also enables transparency of its products’ sourcing and production methods. Compliance with US consumer legislation and other safety standards, regular auditing of production facilities, and continuous testing of shelf products establish trust in ALDI’s exclusive label products. The grocery company also has various product ranges which cater to specific dietary requirements, along with convenient customer service.

ALDI in its efforts to maintain its work premises’ ethicality standards, expects all its suppliers and other business associates to comply with minimum wage legislation or industry standards, international laws of employee/worker protection. A “Social Monitoring” program has been put in place which ensures observation of standard procedures for the safety and stability of the work premises, against any foreseeable emergency. ALDI also maintains a non-tolerance policy against any kind of discrimination, coercion, or abuse.

ALDI’s contribution to the society is no less. The grocery company consistently donates both monetarily and its products. There are multiple programs such as “Smart Kids” where ALDI contributes to society’s various non-profits, K-12 schools in this case. All stores are also partnered with a local Feeding America bank to donate various ranges of food products to address food insecurity.

Catering to the needs of the present, ALDI doesn’t stop to prove itself as a responsible member of the society. Numerous practices like efficient waste management, safe chemical disposal and recycling procedures which must meet or exceed legal requirements have been established in order to protect the environment. Due to ALDI’s large scale production, manufacturing processes are equipped with continuous procedures of monitoring energy consumption and reducing carbon footprint. As ALDI produces a large number of its products on its own, thus giving it the control of what ingredients are used in manufacturing, thus either minimises or prevents use of harmful materials.

Amongst giants of competitors in the market, ALDI employs insource production as a strategy to provide high quality products at low prices. Through offering indiginous products, not only does ALDI control all sourcing and production costs, but also reduces logistical expenses. Flexibility in changing and improving manufacturing methods gives ALDI an added advantage in maintaining its financial status, thus giving room to expand and explore different sectors of the market.

Aldi believes in functioning with a low profit margin policy. Instead of increasing prices to maximise profits, ALDI will resort to cutting expenditure where it can. Practices like reducing storage costs through storing less but optimum numbers of shelf products and reducing hiring costs by only recruiting for essential cashiers helps ALDI compensate for their low prices.

ALDI offers some of the lowest prices in the market and due to this it competes in the discount grocery store industry. ALDI is able to attain such low prices due to many reasons: they
do not rely on brand name products, they stock lower quantities, reduce variable costs, and finally they purchaser higher volumes which means they benefit from economies of scale. One of the biggest barriers to entry for new entrants is the low prices ALDI offers.

ALDI is a well established discount store which means that they have high economies of scale. This acts as a major barrier for new entrants. Another main barrier is the high levels of customer loyalty ALDI has. It would cost a lot for a new entrant to compete with the well established ALDI. The only advantage new entrants would have is that ALDI does not advertise heavily. To set up a chain of grocery stores to compete with ALDI, new entrants would require a high level of capital.

ALDI faces a relatively low threat of substitutes as they offer more attractive prices for its products. Customers also incur high costs of switching due to the fact that 90% of ALDI’s products are individualized and only found at ALDI. This is another indicator that the threat of substitutes is somewhat significant. However, because many of ALDI’s brands are not popular then not as many customers would want to shop with the store.

ALDI is a strong business in the retail grocery store market but it faces many challenges with existing competitors. As of now ALDI has one of the lowest price points among its competitors. However, it has a lot of well established competitors like Target and walmart which are already well established throughout the US.

For the bargaining power of buyers the customers of ALDI have lots of opportunities to save through Aldi however, with competitors like target and walmart the consumer has many options. The product offered by ALDI is not similar to that of walmart and target. 90% of ALDI products are ALDI exclusive brands. This means customers have a low bargaining power because they cannot get the same products at a competitor. Another huge problem is ALDI does not offer a rewards program. However, all of their products are individualized making a rewards program in it’s own.

For the bargaining power of suppliers ALDI’s has an extremely large range of suppliers with many smaller suppliers leading to product individuality. However, many of the suppliers sell individual products leading to more bargaining power from the suppliers end. There is no threat of supplier integration because ALDI has so many stores that the suppliers wouldn't be able to integrate forward. Also there are so many companies that ALDI won’t be able to backward integrate.

ALDI’s two main competitors are Lidl and Biedronka. Although both of them are not as strong as ALDI they are almost the same retail format and hence their planned expansion in the United States and their food distribution is the biggest threat to Aldi. Although Aldi has many competitors it primarily has 17 larger named companies.

Based on the analysis presented above, it seems that suppliers and new entrants to the industry do not pose much of a threat to ALDI at this time. Thus, it does not seem necessary for ALDI to adjust its strategy to accommodate these forces. However, rivalry, buyer power, and
substitutes have a significant influence on ALDI’s success. In particular, rivalry from other competitors seems to be especially threatening to ALDI.

The threat of substitutes for ALDI is somewhat significant because the products sold are unique for the place. Therefore, the consumers who have a brand loyalty with big brands are unlikely to shop at ALDI because would be inconvenient for them seen that they would not be able to find the products they are looking for. As stated earlier, other competitors in the industry offer similar services as ALDI in terms of price, as prices given by brands such as Walmart and Target are comparably low in price. This is especially dangerous to ALDI because these popular brands are commonly known across the United States. This is largely due to these brands’ use of advertisement, which ALDI does not actively engage in. In order to reduce the competitive threat that these brands pose, it seems reasonable that ALDI should devote more resources towards actively advertising their brand. This would allow the ALDI brand to reach a much wider audience and potentially elevate its reputation to rival that of Walmart and Target.

Another of the five forces that is particularly significant to ALDI is the bargaining power of buyers. ALDI stores are typically located relatively close to stores that sell similar products, such as Walmart. Because of this, customers can easily decide to shop at somewhere other than ALDI. One option to reduce buyers’ bargaining power over ALDI is to implement a loyalty program for frequent and returning customers. This would allow ALDI more freedom in determining their prices while still providing the low cost that is essential to the ALDI strategy. Seen that ALDI’s consumers expect from them products of quality, but with low prices.