

Chains of analysis

Quality

- High quality products that exceed customer expectations, higher customer satisfaction and increased customer retention, develop a brand reputation of being high quality, higher sales.
- Low quality products that don't meet customer expectations, lower customer satisfaction, reduced customer retention, develop a brand reputation of being low quality, lower sales.

Motivation

- More motivated, more commitment, less mistakes, less wastage, higher efficiency.
- Less motivation, lack of commitment, increased mistakes, more wastage, lower efficiency

Efficiency

- Increased efficiency, less resources being wasted, helping cut costs, improving profitability, allow business to be more price competitive.
- Decreased efficiency, more resources being wasted, increasing costs, reduced profitability, less able to be price competitive.

Cost

- Higher cost per unit, upward pressure on price per unit to maintain profit margins, have to charge higher prices, less cost and price competitive, deter customers, lower sales.
- Lower cost per unit, can reduce prices whilst maintaining profit margins, more cost and price competitive, able to undercut rivals and attract more sales.

Sales

- Higher sales, increased revenues, business is more profitable, profit could be used to reinvest into the business, accelerate business growth, increased market share.

- Lower sales, decreased revenues, less profit which could have been used to reinvest into the business, slow business growth, reduced market share.

Reinvest

1. Invest in capital goods, becoming more capital intensive, more productive and efficient, lower costs
2. Improve business products, develop competitive advantage of high product quality, higher sales, increased market share

Selling price

- Higher selling price, increased profit on each unit sold, improve profitability.
- Lower selling price, lower profit on each unit sold, reduced profitability.

DEPENDS ON PRICE ELASTICITY OF DEMAND. Higher price may lower demand. However, customers may perceive product as of higher quality, willing to pay higher price.

Reputation

- Improved reputation, potential recommendations, strengthens brand image, attract more customers, higher sales, increased market share.
- Tarnished reputation, potential poor reviews, weakens brand image, deter customers, lower sales, reduced market share.

Productivity

- Increased productivity, higher level of output produced, fixed costs spread over a wider range of output, able to benefit from economies of scale, lower cost per unit, more cost competitive.
- Decreased productivity, fixed costs spread over less output, less able to benefit from economies of scale, higher cost per unit, less cost competitive.

Customer satisfaction

- Higher customer satisfaction, more brand loyalty, more repeat purchases from customers, become less price sensitive, able to raise prices, higher revenues.
- Lower customer satisfaction, reduced brand loyalty, lower customer retention, lower sales

Innovation

- Increased innovation, helps business to remain relevant and not stagnate, may lead to business establishing a USP, develop a competitive advantage, enables them to add value to products, increased profitability, increased market share.
- Reduced innovation, increased risk of business not remaining relevant and stagnating, missed opportunity to develop a USP and gain a competitive advantage, may slow business' progress, lower sales, lower market share.

Exposure

- Positive exposure for business, customers share satisfaction, helps to build brand image, increased sales.
- Negative exposure for business, customers share dissatisfaction, weakens brand image, decrease sales, tarnish reputation.

Employees

- Positive work environment, higher employee satisfaction, increased productivity and better-quality customer service, overall lower absenteeism and labour turnover
- Negative work environment, lower employee satisfaction, decreased productivity and lower quality customer service, overall higher absenteeism and labour turnover

Managers and staff

- Better well-being, reduced stress, more productive, quicker and more effective decision making, faster production.
- Worse well-being, increased stress, less productive, slower and less effective decision making, slower production.

Competition:

- More competition, more available substitutes, may lower sales of your business, have to become more price competitive, lower profit margins, require higher sales to reach break-even point.
- Less competition, less substitutes for customers, can choose a higher price for products with less resistance from customers due to price inelastic demand, increased revenues, more profitable, profit could be used to reinvest into the business.

Customer loyalty:

- Higher customer loyalty, repeat purchases, increased customer retention, higher sales volume.
- Lower customer loyalty, less repeat purchases, reduced customer retention, lower sales volume

Brand

- Strong brand image, higher customer loyalty, willing to pay a higher price as demand is more price inelastic, increased revenue, higher market share.
- Weak brand image, reduced customer loyalty, decline in sales, lower revenue, lower market share.

Time management

- Time-consuming/wasted time, work not progressing as fast as it could be, less productive, no new projects starting as there is no time to develop new ideas, reduced creativity and innovation.
- Available time, work progressing faster, more productive, time for new projects to start and new ideas to be developed, increased creativity and innovation.

Preparation

- Reduced risk, increased resilience
- Increased risk, less resilience.

Trade offs

Lower costs may mean compromising quality.

Higher selling price may mean sales fall.

Substitutes

- Large availability of substitutes, no USP, do not stand out from competitors, very little customer loyalty due to standard quality products.

Conflict:

- Slower decision making, (slower production), slow business growth, lower sales, reduced revenues, less profitable.

Poor work environment:

- Lower staff retention, higher absenteeism, higher labour turnover

Positive work environment

- Higher staff retention, lower absenteeism, lower labour turnover