makes every effort to remain updated in terms of technology.

1. **Analysis of Strategic Factors (SWOT)**
2. **VRIO Analysis –**

Question of Value: Panera bread does a good work in differentiating its menu items, guest experience, food quality and ambiance by constantly evolving its strategy via innovative approaches such as use of new technology, fresh and high quality ingredients, etc. The company does a good job in differentiating itself from competition and sustaining competitive advantage in this segment.

Question of Rarity: The product offering of the company and strategic approach is not rare. Other players can obtain the same resources used by Panera to offer similar kind of offerings.

Question of Imitability: The product offerings of Panera can be imitated by other large players. Even though the company has strong distribution network and infrastructure to support its operations, it is not difficult for other established players to imitate its product offerings. Even though the company has competitive advantage in terms of ambiance that it provides to its customers, it can be replicated by competitors.

Question of Organization: Panera bread constantly adapts its strategy to capture value and create sustainable advantage for the firm. For example, the company has been working on improving the guest experience by leveraging on latest technologies. The firm definitely has the capability and resources to create sustainable competitive advantage for itself. The strategy of the firm is always evolving in light of the changes in the external environment.

Overall, I would say that the company is doing good in terms of creating temporary competitive advantage, but needs to constantly innovate and adapt its strategy in order to create sustainable competitive advantage.

1. **SWOT Analysis**

Panera's key strengths include strong network of outlets across USA along with strong brand visibility and reputation in the cafe industry. The company has a network of around 2000 stores and possesses strong reputation in terms of serving high quality items.

Panera's weaknesses include lack of global presence. It is dependent on the North American markets and thus, unable to exploit growth opportunities in emerging markets.

The key opportunities for the company lies in exploiting growth opportunities in markets such as India and China, as well as strong growth opportunities in healthy, organic food items. The company has promised to remove all artificial ingredients and improving the health quotient of its product, which would allow the firm to capitalize on the growing trend of healthy eating.

The threats for the firm include strong competitive threat from players such as Starbucks as well as other casual dining chains. Other players have also started to focus on healthy and organic offerings which pose a threat to Panera.

1. **Strategic Alternatives and Recommended Strategy**
2. **Analysis of Strategic Alternatives ( you must have at least 2 alternatives)**
	1. **Alternative One**
		1. **Pros –**

The first strategic alternative recommended for Panera bread is to expand overseas in emerging markets such as India and China. Many American chains have experienced strong success in overseas markets and thus, Panera can also exploit strong growth opportunities in such emerging markets. However, the main challenge or threat for operating in such markets is that Panera may lose its focus on the domestic market strategy in its effort to expand overseas.

* + 1. **Cons –**

The overseas customers may not like Panera's offering and thus, the company have to modify or localize its strategy as per the unique culture, taste and preferences of customers in these different markets. This, in turn, may deviate attention from the local US strategy of the company.

* 1. **Alternative Two**
		1. **Pros –**

The second strategic alternative for the company is to grow inorganically via mergers or acquisitions with other chains. This strategy can be advantageous for Panera in terms of expanding its foothold in the local as well as overseas markets. However, the main disadvantage for the company is that the acquired entity may not fit strategically or culturally with Panera and thus, the company may lose its niche, strong brand positioning in the marketplace.

* + 1. **Cons –**

The M&A activity may actually prove to be costly for the company and result in huge losses, if post integration issues arise due to differences in culture, vision and goals of the two firms.

1. **Recommendation (Which one of the above alternatives are you recommending?)**

My recommendation for the firm would be to expand slowly in overseas markets by adapting to the local culture and preferences of local customers. Several chains such as McDonald’s, etc. have been successful in expanding to overseas markets such as India. Panera can also leverage on its strong US legacy and brand reputation to expand in newer markets. This will help Panera to expand its revenues and reduce its dependency on the local US market, as well as make it a global brand. Panera will be able to exploit strong growth opportunities via its unique menu offerings.

1. **Justification (Why did you choose the strategy listed in A? What do you hope to accomplish?) –**

This will help Panera to expand its revenues and reduce its dependency on the local US market, as well as make it a global brand. Panera will be able to exploit strong growth opportunities via its unique menu offerings.