California Pizza Kitchen’s Mission and Vision Statements

Case 1

Executive Summary

California Pizza Kitchen (CPK) is a publicly traded company with 265 restaurants in the United States and ten foreign countries.  Its goals were to provide tastes from around the world to pizza and the two attorneys who started the company also have made employee satisfaction a key to success. Now their goals have added to continue value for their investors, innovating their product and increasing cash flow and return on investment (ROI) in both the internal and external environments. They also want to achieve more restaurants in both the domestic and foreign markets, with both company owned and franchised restaurants part of the goal.  With a strategic framework in place that clarifies the vision, mission, and core values along with successful implementation strategies, the goals should be achievable. The main issue with CPK is the lack of an apparent strategic framework.  The strategic plan must have implementation to be successful and some programs are not reaching fruition, such as the "Thank you Card" program.  In 2010, unlike 2009, it was not conducted at all.  The company needs to learn to use the strategic outline to make shareholder's goals.  These are integral to making a strategic decision.  Board members are better able to adhere to goals using the framework of the four elements. This essay calls for a clearly defined mission statement.  There also needs to be definition of acceptable behaviors and what the core values and beliefs are for the company.  From these the company can set achievable goals and use the framework to implement them.

Introduction  
California Pizza Kitchen (NASDAQ: CPKI) is a casual-dining restaurant chain based in Los Angeles. The company has 265 restaurants in the United States and 10 foreign countries. California Pizza Kitchen generates one of the lowest turnover ratios in a high turnover industry; produces a high level of employee benefit satisfaction and offers a high level of benefits to their targeted employee base. (cpk.com, 2011)  
  
Vision, Mission, Values and Goals  
Vision - Two attorneys who always wanted to get into the restaurant industry and serve hearth baked pizzas.   
Mission - To introduce flavors and tastes from around the world - on pizzas (from Thai to Jamaican Jerk) and to "to satisfy an astonishing demand for quality food served in an energetic, upscale environment". (cpk.com, 2011)  
Value - Retaining employees who are the core of their organization; CPK's "people and benefit strategy" (cpk.com, 2011) is a core value.   
Goals - To capitalize on continuing value for their investors by driving their brand through menu innovation; and by increasing free cash flow and ROI, both internally and externally. Additional goals are: to open four Company-owned full service restaurants, two international franchised full service restaurants and one domestic franchise restaurant.

Quality  
For significant success, CPK needs to establish a strategic framework consisting of:   
 - a future vision

- a mission defining an action plan   
 - core values to shape their actions   
 - successful implementation strategies   
 - achievable goals and an action plans   
  
CPK's success depends on how each is defined, and how each concept is achieved.  At this point from the different websites visited it does not appear CPK has a strategic framework in place, if they do have one it cannot be found on the website. Not having a strategic framework can hinder the operations and financial success of a company. For example, CPK states "Rick Rosenfield and Larry Flax, co-CEOs of California Pizza Kitchen, stated "Earnings were at the high end of our recent guidance, but reflect the impact of not conducting the Thank You Card Program during the third quarter, as we did in 2009" (cpk.com, 2011). The vision was there, they had an action plan, but did not successfully implement their strategies; hence they felt the economic impact as stated the following quarter.   
  
Elements Considered  
Each of the four - vision, mission, values and goals, affect a shareholders' equity.  All four provide the foundation for judging and organization's success. They aid in verifying the organization is making strategic decision. These four provide a course when an organization must adjust to new or changing demands. They aid board members to adhere to their goals and objectives and serve as criterion in the decision-making process during times of divergence. Specifically, all four when combined can be used as a tool for resource allocation. Powerful vision, mission, values and goals attract shareholders, and every successful company needs investors to survive.   
  
Changes Needed  
 - CPK needs to have a mission statement that noticeably defines projected investor returns, and CPK should frequently evaluate their performance in terms of shareholder expectations.   
 - Even though a mission statement is short and to the point, CPK needs to define what is acceptable behavior, and make their beliefs and values as the core foundation of their mission.  
 - CPK needs to have defined and achievable goals set and strategically implemented.

Conclusion  
While CPK is very successful and has grown since its inception, it lacks definitive strategies.  These strategies are important to keep up with the success and growth of the company.  Otherwise, the company is just growing with no clear course of action. The need for the company to set its mission and core values along with the vision, which is where the changes needed start, is paramount to gaining success.  If one does not know where they are going, the paths can lead to wandering and loss of time and income, profits and eventually shareholders and the business.  CPK has all the innovative ideas and successful proof they need to succeed, they must now decide exactly what they are trying to succeed in.

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California Pizza Kitchen’s External Analysis

Case 2

Executive Summary

This paper deals with the external environment analysis and industry analysis of California Pizza Kitchen. In the introduction section, the purpose, the outcomes, and the methodology adopted have been mentioned. Further, a PEST analysis has been conducted followed by a five forces analysis. In PEST analysis, it has been found that the company has to abide by numerous government regulations, but it has not reflected negatively on the profits. The company is likely to face some economic constraints in terms of costs of the supplies, expansion plans, credit supply, and insurance costs. The company may have to deal with negative impact on its future profits and EPS because of its lack of control on franchising and licensing partners. The company's profitability may get affected in case the consumer preferences about the offerings will change especially in terms of nutrition and health related issues. The company is abreast with technological advancements in the industry.

In Five Forces Analysis, it has been found that the bargaining power of suppliers is quite low as the nature of supplies is generic and easily available. The threat of new entrants is very high, which can be attributed to very low entry barriers in the restaurant industry. The bargaining power of buyers is moderate as consumers are generally loyal as far as they get value for money. Threat of substitutes is again moderate as the company is already producing frozen pizza, which can be the main substitute, but as the economy is reeling under recession, and people don't have much disposable income, so they can opt for home cooked food instead. The competition is very fierce in the industry with innumerable restaurants present across the country and the key players are quite well-established. Going forward, the company should look forward to consolidate its current position by keep on differentiating its offerings rather than look for expansion in such liquidity crunching times.

Introduction

The primary purpose of this paper is to analyze the external environment of California Pizza Kitchen in a strategic manner. Through this, various opportunities and threats based on a variety of factors, which the company is facing currently will be unearthed. This will be quite helpful for the company in making strategically sound decisions. To attain this, analysis of the political, economic, social, and technological factors (PEST) will be conducted in conjunction with Five Forces analysis (Henry, 2008).

PEST Analysis of California Pizza Kitchen

PEST analysis is the external environment analysis in which the political, economic, social, and technological factors, which affect an organization are analyzed to understand the opportunities and threats which a firm is facing (Henry, 2008).

1. Political Factors – California Pizza Kitchen has to follow a number of regulations and has to get required licenses regarding health, hygiene, security, fire extinguishing standards, and food and liquor from the designated authorities of both the state as well local level. The company has never had any problems regarding these licenses and regulations. The company needs to abide by numerous federal and state regulations regarding new construction, franchising, employee matters, and environmental matters; but it has not experienced any negative impact or capital expenses because of these regulations (2009 Annual Report, 2010).
2. Economic Factors – The Company is facing economic risks due to a number of reasons like consumer spending is reduced because of present recessionary conditions and turbulent financial markets, and potential increase in the food and supply costs due to inflation, governmental policies, etc. The company has 88 restaurants in California alone, which makes it vulnerable to negative economic conditions in California. The company has to satisfy a number of conditions like credit worthiness, if it has to continue with its current credit facility along with the likelihood of additional financing. The company does not have control over its franchising and licensing partners who contribute to the profits and royalties, and therefore, it affects company's profits and EPS. Existing economic conditions makes it difficult for the company to pursue its growth plans of expansion. Increasing insurance costs will also reduce the profit margins (2009 Annual Report, 2010).
3. Social Factors – The Company sells pizzas, pastas, salads, etc. and the ambience of the restaurants is quite informal and homely. The customer-base is not very nutritional conscience. Now, the consumer preferences are suiting the business model of the company but changes in consumer preferences and public disclosure of information about diet and health issues can change the consumers' preferences (2009 Annual Report, 2010).
4. Technological Factors – In restaurant business, there has been a number of technological advancements like point-of-sale system, employee scheduling and management system, inventory analysis system, online ordering, sales performance reporting system (2009 Annual Report, 2010). These technological tools help in managing the overall business operations effectively, and in maintaining a competitive advantage (Bensoussan & Fleisher, 2008). California Pizza Kitchen has already deployed all these technologies and makes it technologically abreast and competitive.

Five Forces Analysis of California Pizza Kitchen

Five Forces Analysis is an analysis of a firm's competitive environment. There are five forces, which pose a challenge to a firm namely bargaining power of suppliers, bargaining power of buyers, threat of new entrants, threat of substitutes, and competition among existing rivals (Grant, 2005).

1. Bargaining Power of Suppliers – The bargaining power of the suppliers is quite low since the supplies are readily available in the market and the differentiation of the supplies is insignificant (Allen, 2001).
2. Threat of New Entrants – It is also quite high since barriers to entry are not stiff in restaurant business. The capital required to start a restaurant business is not too high and this industry is open to a large number of players.
3. Bargaining Power of Buyers – Although the customers are willing to pay higher prices for the food at a California Pizza Kitchen because of the trust and ambience; but they have reasonably high bargaining power in case the prices go up since they can easily switch over to a competitor (Allen, 2001).
4. Threat of Substitutes – It is moderate as a consumer can switch to home cooked food. It can be attributed to reasons like reduced consumer spending due to prevailing recessionary economic conditions. Although the threat of frozen pizza was also there for California Pizza Kitchen, but it had eliminated this threat by entering into a contract with Kraft Pizza Company in 1997 (2009 Annual Report, 2010).
5. Competition among Existing Rivals – It is very high. There are a huge number of restaurants within the United States only and the target customers of all of them are the same. California Pizza Kitchen competes based on the value-for-money in terms of customer service, taste, price, and ambience (2009 Annual Report, 2010). Its main competitors are quite well-established namely the Cheesecake Factory, Chipotle Mexican Grill, and P.F. Chang's China Bistro (Competitors, 2010).

|  |  |  |  |
| --- | --- | --- | --- |
| **FIVE FORCES** | **High** | **Moderate** | **Low** |
| Bargaining Power of Suppliers |  |  | ✓ |
| Threat of New Entrants | ✓ |  |  |
| Bargaining Power of Buyers |  | ✓ |  |
| Threat of Substitutes |  | ✓ |  |
| Competition Among Existing Rivals | ✓ |  |  |

Conclusion

After conducting a PEST and Five Forces Analysis of California Pizza Kitchen, a conclusion can be drawn regarding the opportunities and threats it is facing in the current scenario. The company has not faced any problems regarding the government regulations and licenses as yet and the same phenomenon is expected in the future too. There are quite a number of threats looming on the company because of the weak economic conditions currently prevailing and will be likely to affect the profits negatively. The company has an opportunity to expand its customer base and eliminating the risks associated with changing consumer preferences by adding a nutritional element to its offerings. The company is facing a moderate threat in terms of obtaining its supplies in a cost-effective way. The company has an opportunity to expand by constructing restaurants in new markets but at the same time, its growth plans are threatened by shrinking sources of funds. It is recommended that instead of going for further expansion, at such recessionary times. It is better for the company to strengthen its present structure by continually keep differentiating its offerings.

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California Pizza Kitchen’s Internal and SWOT Analysis

Case 3

Executive summary:

California Kitchens is both successful and has reasons to worry about the continuation of

success.  Their net income shows value, but they do not capitalize on their values in ways

investors will appreciate and continue to support.  Part of the reason may lie in the continued

expansion of California Kitchens at such a rapid pace.  However, there are other factors to be

taken into account.

The company employs an excellent staff, which enjoys innovation and applies their technical

skills toward creating a better pizza.  The company does not have problems setting up and

opening new locations.  The company also recognized and saw the value of sales to the home

cooked market.  The company has an ongoing partnership with Kraft Foods.  The company

also modified its dining reputation by moving from fine dining to casual.  Offering are both

innovative and unmatched by others in the industry.  They have instituted a loyalty

program which is successful with customers.  Most importantly, the company has an

excellent reputation and their brand are built on marketing, and community service.

The strengths are in its innovation and positioning.  The restaurant is clean and inviting with

an open kitchen atmosphere.  This helps customers feel a positive association. It offers

healthier options for its products along with exotic and interesting combinations.  With these

strengths come the weaknesses that it has developed.  It is inviting, but is positioned as

upscale.  This perception eliminates a vast group of consumers.  The company needed to

maintain revenues. To do this the company should have modified its strategy from

differentiation to one that included cost leadership to respond to the economic

downturn.  Inflexibility in terms of pricing and image cost the company customers and

revenue when it needed it most.

Fixed costs for employees is another issue that prevents flexibility in pricing.  While the

employees enjoy stronger benefits and wages than many other companies offer, it can lead to

less ability to lower prices in the short term.   There is also weakness in the Kraft partnership

this hampers retail integration.  Management rigidity and locations are also an issue.  If

these issues can be addressed successfully; the company can engage interest with investors.

Introduction:

California Pizza Kitchen is one of the fastest growing and most popular restaurant chains in

the country.  The company has made unique pizzas fun and popular while maintaining a close

eye on the bottom line and increasing expansion plans.  The reasons for this success are

many.  Among them, the pizzas and wait staff who are friendly and enjoy helping customers

try new tastes.  Additionally, the company has embraced selling to the home user during these

tougher economic times. This paper will identify and show some of the internal reasons for

the success of the company while helping define some of the issues that needs to be

addressed for continued success.

Economic Value of Pizza Kitchen

Formula:

EVA = NOPAT - c.K

EVA = Economic Value of California Pizza Kitchen

NOPAT = Net Income from Continuing Operations

C = Weighted Average Cost of Capital

K = Capital Employed = (Fixed Assets + Current Assets) - Current Liabilities

California Pizza Kitchen Assumptions:

C = 2%

NOPAT = $4.581M

K = $261M

EVA = -.639M

A negative economic value means that accounting profit of CPK is inadequate to compensate

the equity capital at its required rate of return. This means that if CPK continues with a

negative economic value it will be shunned by investors.

Tangible Resources:

Physical - 265 locations in the US and 10 other countries (CPK, 2011)

Financial - Assets of more than $350 million.

Human - More than 14,000 well trained employees.

Intangible Resources:

Technical - The ability to serve gourmet pizza in its locations.

Intellectual - The skills required for serving this menu.

Goodwill - The reputation of California Pizza Kitchen.

Data Collected

1. The technical and skills available for serving innovative non-traditional pizzas.
2. The highly skilled personnel that can serve pizza as well as develop new pizza.
3. The ability to set up new locations and kiosks of California Pizza Kitchen.

Strengths

California Pizza Kitchen has several strengths. One of the most remarkable is that it has the

partnership with Kraft Foods. This has enabled California Pizza Kitchen sell its products

from store shelves. It sells packed pizza even from discount stores. The sales of frozen pizza

of California Pizza Kitchen have helped stem the tide of decline in prices of California Pizza

Kitchen. Another strength of California Pizza Kitchen is that it has the personnel and the

know-how to innovate. It has been able to adapt to the needs of the people because it has

modified its offerings from fine dining to fast casual. Even as the numbers of people that eat

at home increase, California Pizza Kitchen is ready with its pizza on the store shelves. The

innovativeness and creativity of California Pizza Kitchen expresses itself in its menus. It

offers variety and differences in tastes that others cannot offer. In particular, some of the offerings of California Pizza Kitchen like pasta, salads, and sandwiches are unmatched by any other restaurant chain in the same range (Patriot Leger, 2011). The company has a loyalty program and the program has been successful with its customers. The customers have responded to its card program. California Pizza Kitchen has tremendous ability to develop products. This can help develop suitable products for the current market. Strength of California Pizza Kitchen is its dedicated and well-focused management team. It is expected that the team will produce positive results. California Pizza Kitchen strength is its name, reputation, and the positioning. The brand equity of California Pizza Kitchen has been built through a combination of advertising and community service. For instance, the charity that California Pizza Kitchen does has earned the company a good reputation for itself. These charities have been linked to store openings so that the company and its activities get positive reputation.   
  
What is important for California Pizza Kitchen is its positioning. It has placed its kitchen in the open so that the customers get to see the cooks prepare their pizza. The atmosphere of the kitchen as well as the restaurants is clean. The customers can see that pizzas are cooked in wood burning ovens. The sight of pizza cooking in the imported ovens from Italy has created a strong positive perception about California Pizza Kitchen in the minds of its customers. The pizza is cooked in high temperature ovens in such a way that the ingredients are seared. The overall effect is much tastier pizza. The company has been able to position its pizza's as healthier. Further, the California Pizza Kitchen has gone in for innovative pizza leading to the development of designer pizza. Some of the exotic toppings include goat cheese, and duck sausage. These exotic pizzas have positioned California Pizza Kitchen in such a way that even those people that normally don't eat pizza have visited California Pizza Kitchen restaurants just to taste them.   
  
The great strength is that California Pizza Kitchen does not stop at being another pizza restaurant. Its strength is that it combines its creative and innovative pizza with equally attractive pasta, salads, desserts, soft drinks, and even liquor. One of the strong points of California Pizza Kitchen is its ability to expand and it has developed the ability to set up a new restaurant every month. Further, California Pizza Kitchen restaurants have been successful in high profile buildings and premium malls. The location of California Pizza Kitchen itself has helped develop a premium positioning for the company. Further, the employees of California Pizza Kitchen across locations have been of the top quality. They are efficient and capable, but at the same time they are courteous and friendly. These are invaluable strengths of California Pizza Kitchen. Internal promotions and excellent HRM policies have developed a strong culture among the employees. The company has regularly upgraded the pay-scale and benefits of the employees and this has led to strong loyalties.   
  
Weaknesses

The greatest weakness of California Pizza Kitchen is that it is positioned as an upper-scale restaurant. During the economic meltdown California Pizza Kitchen needed to maintain its revenues and profits by changing its strategy from differentiation to cost leadership. The weakness of California Pizza Kitchen is that it has not been able to respond to the economic weakness by cutting costs and presenting a menu that is affordable to most potential customers. Even when there was a steep recessions California Pizza Kitchen continued with its premium positioning and in the bargain lost revenues and market share. This inflexibility is its weakness. Consider this, the revenues of California Pizza Kitchen were $677 million in the year ended Dec 2008, this declined to $664 million in the year ended Jan 3 2010. In the same period the net income declined from $8.7 million to $4.6 million. When faced with falling sales, California Pizza Kitchen did not reposition itself as a cost leader but continued to innovate and offered a wider variety.     
  
Similarly, the personnel of California Pizza Kitchen are high paid and have a generous benefits package. This fixed cost has been responsible for the inability of California Pizza Kitchen to quickly reduce prices and protect its market share. This fixed cost is a strong weakness of California Pizza Kitchen. Some managers of California Pizza Kitchen feel that selling frozen Pizza through discount stores can increase the revenues of California Pizza Kitchen. In this context the agreement which California Pizza Kitchen has with Kraft prevents it from marketing frozen pizza direct through retail chains. In this context the partnership with Kraft is a serious weakness. California Pizza Kitchen has continued to sell exotic and designer pizza during recession. It should have focused its resources on developing low cost yet high value pizza. However, the firm has not been able to refocus its research and development in tune with its business environment. Currently, the market may not support Chicken Tequila Fettuccine or Tuscan Bean Soup but it will support value for money Pizza. The rigidity of the management is its weakness. The locations of California Pizza Kitchen in upscale business office buildings and costly malls are not appropriate. These areas are avoided by restaurant goers. When the sales drop at premium malls, the sales of California Pizza Kitchen also decrease; These locations are an important weakness of California Pizza Kitchen.

Conclusion  
California Kitchens must reduce their weaknesses and the effect it has on the ability to regain market share and therefore profits.  To do this, the company must renegotiate some issues with Kraft Foods and address their own inflexibility.  Making sure the company reaches its full potential with new and successful innovations is not enough to sustain growth and keep the company competitive.  Increasing focus on changing the weaknesses while maintaining the positives will certain make it better for California Pizza Kitchens to regain market share and profits during the recovery and beyond.

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Business Strategy Employed by California Pizza Kitchen

Case 4

Executive Summary

The main purpose of the paper was to examine if California Pizza Kitchen’s current strategy is in alignment with its mission and vision. Further, the paper seeks to examine the effects of California Pizza Kitchen’s current strategic choices and seeks to make recommendations for its improvement. It was found that California Pizza Kitchen has a mission and vision of opening authentic California style restaurants and expands, first in the US and then globally. Instead the firm actually tried to sell off its restaurants in 2010. It is concluded that California Pizza Kitchen should follow its vision and mission dutifully and should grow by acquiring other restaurants.

Introduction

The main purpose of the paper is to develop a strategy for California Pizza Kitchen that is in alignment with the vision and mission of the country. The reason for re-visiting the strategy of California Pizza Kitchen is that the profits of California Pizza Kitchen are declining.

Strategy Followed by California Pizza Kitchen

The strategy followed by California Pizza Kitchen is that of differentiation. The reason is that the restaurant chain specializes in California-style pizza. It sells non traditional pizzas and is not focused on any niche or segment (Porter, M, 1998).

Strategic Choices

California Pizza Kitchen is making strategic choices but these are at variance with its overall strategy. Instead of maintaining its exclusiveness, California Pizza Kitchen has started including the normal pizza toppings and has started charging lower prices at its restaurants. The surprisingly reasonable pizza has been launched to attract customers during economic downturn. However, this leads to dilution of the differentiation strategy and leads to mediocre financial performance for California Pizza Kitchen.

Competitive Advantages Conferred by Strategic Choices

California Pizza Kitchen has enjoyed sustained competitive advantages by the virtue of its differentiation. During the downturn when less exotic items appeared on its menu and the firm was compelled to sell lower priced items. The result was that California Pizza Kitchen lost its competitive advantage. It has a large debt and in 2010 was seeking to sell the company (Kurtz. D, 2008).

Effectiveness of Strategy

California Pizza Kitchens internal strengths are that it has been able to develop high quality authentic Californian Pizza. Its strength is that the company has been innovative. It has been able to create pizza like the Thai Chicken Pizza, Jamaican Jerk Chicken, and the BBQ Chicken Pizza. The weakness of California Pizza Kitchen is that it has a large debt and needs to earn sustained profits just to service this debt. The opportunities for California Pizza Kitchen are the low priced pizza market in the US, and priced pizza market abroad, especially in the emerging markets. Further, there are excellent opportunities in the unrepresented parts of the United States. The threats of California Pizza Kitchen are strong competition from other chains including hamburger restaurants (Simon, L, 2006).

Sustained Competitive Advantages

California Pizza Kitchen created and sustained competitive advantage by developing innovative pizzas and a range of pasta, salads, soups and desserts. Currently, California Pizza Kitchen has also launched kiosks that serve passengers at airports and shopping malls.  The company has leveraged its brand recognition and has licensed its name to Kraft Foods to distribute frozen pizzas. The unique taste of Pizza, the open cooking of the Pizza that could be seen by customers, and good quality service helped California Pizza Kitchen to gain competitive advantage. Even now California Pizza Kitchen is earning profits but its profits are declining (Kurtz. D, 2008).

Unaddressed Threats or Missed Opportunities

California Pizza Kitchen has not adequately addressed the threat of weak economy and falling sales related to the weak economy. In addition, there was a threat from other restaurant chains that threatened to eat into the sales of California Pizza Kitchen. Even though the menu was satisfactory, one opportunity that was missed was having a pleasant dining atmosphere. The white tiles, dining partition, and black ceilings do not create a pleasant dining environment. The decor of the restaurant can be improved thorough dining partitions, and lower hard gleaming surfaces. Even though California Pizza Kitchen has positioned itself as a high quality restaurant some of the food items are indifferent. For instance, Thai food items are too salty and the quality of tomatoes is not good. There was an opportunity to improve the quality of salads and to improve the quality of toppings in case of pizza. California Pizza Kitchen has been rigid, has not changed its menu to respond to weak economic conditions, and has not been able to cash in on low cost seeking customers. Further, CPK has missed the opportunity of expanding in the United States.

Build on Strengths and Shore up Weakness and Alerting Strategic Choices

California Pizza Kitchen can build on its strengths and shore up its weaknesses by maintaining its position of serving gourmet Californian pizza.  California Pizza Kitchen can make its purchasing centralized, and can mechanize the pizza making process for some of the pizza and this will reduce the cost of pizza and help improve the quality of ingredients. One of the strengths of California Pizza Kitchen was its ability to expand its operations. 70 of its stores are in California in addition it has presence in 32 states. There is a need for California Pizza Kitchen to leverage its strength for growth and continue to expand within the US.  One of the weaknesses of California Pizza Kitchen is its rigidity and its inability to quickly change to change in the business environment. California Pizza Kitchen should be able to reduce costs on its ingredients but not lower the quality, on its personnel, by using more automatic pizza makers, and in real estate by opening more kiosks. California Pizza Kitchen should increase its menu in kiosks and should increase the number of kiosks. Further, promotions like gift cards should be handled in a legal manner. There was a complaint that California Pizza Kitchen did not redeem in cash gift card worth $10 or lower. California Pizza Kitchen should not make such infringements (Simon, L, 2006).

Has Mission and Vision Changed or Reconfirmed

California Pizza Kitchen has the mission of being a leader in authentic California-style cuisine, have innovative menu, creative dishes, California hearth baked pizzas, and wide beer / wine lists. It also has the vision of growing worldwide.   
To a great extent the mission and vision of California Pizza Kitchen has been reconfirmed by the process of this strategic analysis. California Pizza Kitchen has specialized in California style hearth baked pizza, it has developed and persisted with creative dishes, and has strived to grow into 32 states.

Suggestions to Revise Strategy

California Pizza Kitchen should change its strategy to comply with its mission/vision. The mission is to provide California style cosine and the founders of California Pizza Kitchen have a vision of becoming a global company. First, most of the restaurants of California Pizza Kitchen are located in California itself. Even though California Pizza Kitchen has presence in 32 states, there is plenty of scope for expansion. Currently, when restaurant chains are being sold at very low prices, it is good time for California Pizza Kitchen to expand its operations. I feel that the right strategy is to buy other restaurant chains so that the expansion of California Pizza Kitchen is quick. Consider the example, the Wingstop chains of 440 chicken restaurants were sold in 2010. California Pizza Kitchen could have acquired this chain and grown.

Conclusion

California Pizza Kitchen has a strategy of differentiation. It produces authentic California hearth baked pizza and other foods and salads. Recently when confronted with declining profits, it has added low priced items to its menu. The sustained strategic advantage that California Pizza Kitchen has enjoyed is one of good reputation and high quality (exotic) positioning among restaurant chains. The strategy of adding lower priced items has not been very successful, especially since the profits of California Pizza Kitchen have continued to decline. California Pizza Kitchen has missed the opportunity to expand through acquisition. It is recommended that California Pizza Kitchen should expand first in the United States and later abroad. The strategy recommended is that of acquiring restaurant chains.

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