

# PART 1



# STRATEGIC PLAN

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Strategic Plan Part 1: New Product or Service

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## Strategic Plan Part 1: New Product or Service

The Fill Station Group is developing a new product and division for the Fill Station® Pillow Kiosk program targeting more high-end retailers in a new strategic plan. This new division will focus on developing a Fill Station® Pillow Elite Kiosk with higher-end fillers, shells, and pillow protectors that sell at a higher price point than the current kiosk program. Therefore, a new innovative mission statement will discuss how this division will be customer focused.

The Fill Station® Pillow Elite Kiosk can address customer needs and achieve competitive advantage in its strategic plan. To create a vision and a business model for the new division, the Fill Station Group's new division has to demonstrate what the business should become in the future. The vision, mission, and value of the new division align with the Fill Station Group's mission, and vision will be explained in this strategic plan. Furthermore, the Fill Station Group will summarize on how the vision, mission, and values will guide the division's strategic direction. Lastly, the Fill Station Group will define its guiding principles and values for the division in the context of culture, social responsibility, and ethics.

### **New Company Division and Product**

The Fill Station Group is aiming to engage in the high-end bedding industry. There are many luxury pillow companies that have made an impact on the industry. The Fill Station® Pillow Kiosk division is limited to growth in a high-end targeted market. The Fill Station Pillow Elite Program will open doors to be more attractive to high-end mattress and furniture stores that are looking for a product that will make them more competitive or give them an edge similar to the current program. The Fill Station® Pillow Elite Kiosk division will focus on a different innovative business model with more technology, with more choices of higher quality shells including Bamboo or Organic, and a higher quality filler including horsehair, white goose, or wool that can be customized right in front customers at retailers. This idea will be able to compete against online companies like the Sustainable Pillow Company.

Today, The Sustainable Pillow Company announced it would begin selling pillows online. The company offers luxurious white goose down and feather pillows just like those found in the world's finest hotels, except they provide an environmentally friendly, sustainable alternative. The pillow can be

cleaned using a proven sanitization process to create a 99% germ-free pillow in a new high-quality cotton cover at any time, virtually eliminating the need to ever replace the pillow. The first cleaning is absolutely free. The Sustainable Pillow Company uses superior quality, responsibly sourced white goose down and feather fill (Newswire, 2016).

Although this is a different division, the Fill Station Pillow Elite Kiosk division will still have the current trademark for its famed Free 5 Year Re-Fluffing and Adjustment Guarantee to compete against competitors online. Further, The Fill Station Group will create a new innovative mission statement with a new business model and innovative products.

### **Fill Station® Pillow Elite Division Mission Statement**

Fill Station® Pillow Elite Mission Statement: To provide a high-end custom pillow that enhances sleep, spinal support, and natural comfort. To provide high-end filler that is healthier, no off gassing for every sleeping environment. To provide a higher standard of service to better the life of the pillow for comfort and support for the customer. To provide Licensees with a higher profit margin and options to target its elite customers with a quality product.

In this mission statement for the Fill Station Group, it sets the two divisions apart with one targeting a broad audience with various incomes and the new division targeting a higher income bracket that would have disposable income. With a mission statement part of Fill Station Group's strategic plan, the new division must address customer needs and achieve a competitive advantage.

### **Customer needs and achieves competitive advantage**

As stated in the Fill Station Group's innovative mission statement for its new division, will address customer needs. With the Fill Station Pillow Elite Kiosk new-targeted audience in mind, product in the kiosk must achieve greater satisfaction and experience to sell at higher price points than the starter kiosk model. The following are some ideas that the new division must do to meet customer needs:

- The Fill Station Pillow Elite Kiosk must be attractive to the retailer and their customer with some esthetic changes.
- Products built in the kiosk must have a story of quality, health, and scarce product that is not supplied through other retail channels.

- The fabric, filler, color, feel, stitching, and comfort must be a higher quality product that is unmatched to pillows found in the market.
- Customer experience to build and craft their own comfort of a pillow from the Fill Station Pillow Elite Kiosk will be incomparable to the current division.
- A mobile app will have a notification service when it is time to re-fluff or adjust their pillow. With this app, engagement with customer experience will be more social and allow feedback on service. If time is a problem, the customer can arrange for a pickup to have their pillows re-fluff and/or adjusted.

Although the Fill Station Pillow Kiosk Elite program has one competitor known as the Pillow Bar, the Fill Station Pillow Kiosk is the only patented pillow kiosk in the world. Plus, the Fill Station Pillow Kiosk can build more than four fill types of pillows versus one. See below the only option The Pillow Bar has to offer:

Prepare to enjoy a perfect night's sleep. Our hand-made customs European white down pillows are custom crafted by trained pillow makers one-at-a-time to match your unique sleep style, size, and age. Our own frustration motivated us to discover how important your pillow is to great sleep and that your pillow should be as unique as you are (The Pillow Bar, n.d.).

With the Fill Station Pillow Elite Kiosk, the kiosk will offer the same European white down, wool, shredded latex, memory foam, and buckwheat hulls. Retailers will be able to allow their customers with more options will achieve a competitive advantage.

### **New division's vision and business model**

The Fill Station Group sees the Fill Station Pillow Elite division as the new standard in luxury for pillows in the industry. The vision of the Division is to educate its consumers about quality sleep comes from quality pillows that are built with sustainable fabrics, zippers, filler, and non-toxic to sleep their sleep environments. The Fill Station Group's change in style will sport a luxury look that when a consumer's see a pillow shell or pillow protector on their pillows, they will know it is an indication of luxury. The Fill Station Group's business model is listed below:

- License the Fill Station Pillow Elite Program to the high-end mattress and furniture stores with high-ticket averages.
- Pillows will average \$200 to custom build versus starting at price at \$50 from the current program. The pricing structure will have more clarity and simplicity.
- The point of sale materials will be designed to create a luxury feel and vision.
- Management will have experience in business-to-business of high-end furniture and mattress stores.

The Fill Station Group's new division creates another brand that enhances the current brand. With this new division, Fill Station Group's supply chain will change; therefore, it will add more suppliers and distributors. To gain market share into new markets with the Fill Station Pillow Elite Division, the Fill Station Group must understand its business model and follow its mission. Dess 2014 explained, "What Unilever does well is get inside these communities, understand their needs, and adapt its business model accordingly," notes a professor at Barcelona's IESE Business School. "It's not about doing good, but about tapping new markets," says Chief Executive Patrick Cescau.

**Explain how the vision, mission, and value of the new Division align with the company's mission and vision.**

The Fill Station Group's vision, mission, and value of the new Division will align the mission and vision of the organization. In the previous paragraphs, there were mentions of the vision of the Fill Station Group that explained what type of business model the new Division is aiming for, and how it aligns to the company's mission and vision. It was explained that its markets including luxury products from the Fill Station Pillow Elite Kiosk would sell to retailers that value high-end products. In the mission statement, we discussed high-end mainly, and how it will appeal to a different market versus the current program that provides product to low to mid level incomes.

**Summarize how the vision, mission, and values guide the Division's strategic direction**

When analyzing the Division's strategic direction, the vision, mission, and values guide the Division's path to success. The new Division evaluated the price, quality, style, and business model of the

new Division, and the direction it needs to go through to achieve success through its product and business life cycle. During this strategic direction, a business will go through the stages of a business lifecycle similar to a tree's lifecycle. As a seedling that sprouts and matures, the tree will require different amounts of resources through the stages of its lifecycle (Chen, n.d.). The Fill Station Group's vision, mission, and values will mature through these stages, and may have to be updated due to changes in the business environment that will guide the Division's strategic direction.

**Define your guiding principles and values for your Division in the context of culture, social responsibility, and ethics.**

The Fill Station Pillow Elite Division guiding principles are defined as it takes ownership in building a great brand that the marketplace sees as integrity, safe, and well-crafted product. Internally and externally, the Division will be expected to be responsive to its environment to stay competitive through feedback from various marketing channels to improve quality and service. The Division's supply chain will be vetted for their quality levels, and will guarantee timely production to provide retailers with levels of transactions that define their own business model. The Division will partner with retailers, suppliers, and distributors to who have similar values, ethics, and a social responsibility to the mission and vision of the organization.

**Conclusion**

In this strategic plan for the new Division, a discussion of how the Fill Station Pillow Elite Kiosk demonstrated a need for luxury product for high-end furniture and mattress retailers. There were some comparisons, competitive advantages, vision analysis, and the direction the new Division will go with the new product into the future. There were a discussion about competitors, how they would be competing for a similar customer base, and how the new Division will overcome their program. To begin the new Division, a new supply chain management is recommended, so that raw materials can be delivered to retailers timely.

## References

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