

Teakoe: The Path To Growth

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Synopsis

Teakoe was relatively young, start-up tea manufacturer, located in Denver, Colorado. Since Teakoe's first sale in 2009, the company developed 16 signature tea blends for hot and iced tea consumption. Tea blends featured exotic ingredients and creative marketing aimed at attracting the health conscious Millennials. Teakoe also sold its products through wholesale and retail channels. Its wholesale market included restaurants, hotels, spas, and specialty grocers. Its retail sales were conducted through Teakoe's website. Although Teakoe management felt optimistic about the growth it had experienced over the past four years, they expressed concerns that they might be missing significant opportunities with some of their target markets because their efforts were spread across various product and customer segments. The case presents the specific questions Teakoe founders had expressed. Was Teakoe growing in the best possible way? Was it better for Teakoe to spread its efforts over numerous wholesale segments and product segments or should it narrow its focus on particular wholesale and/or product segments?

Learning Outcomes

In completing this assignment, students should be able to:

1. Assess the external environment using a PEST analysis and Porter's Five Forces.
2. Appraise the opportunities and challenges of targeting unique wholesale market segments.
3. Analyze the key resources and capabilities in a firm's value chain and predict which resources and capabilities have the potential to be a source of sustainable competitive advantage.
4. Determine the most appropriate breadth of wholesale and product market segments in which a firm should compete and predict the wholesale and product market segments that would maximize firm performance.

Application

This case is most appropriate for undergraduate and graduate courses in strategic management and entrepreneurship.

Key Words

business level strategy, industry segment analysis, strategy development, new venture strategy

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