

Situation

Frog's Leap Winery began as a family company that started small and dreamt big. Today, it finds itself at crossroads, having made huge investments in real estate and green technology and now being saddled with debt. Frog's Leap has to find a way to leap into new frontiers while remaining true to what it stands for – remaining nimble, fun, and environmentally sustainable. The following questions naturally arise:

- 1) Where do we grow the business?
- 2) How do we grow the business?
- 3) How do we remain sustainable?

Only by answering these questions can Frog's Leap find the growth story that will define its legacy.

Sow the Seeds – *aligning strategic direction with key concerns*

Frog's Leap can pursue a few options moving forward: a) widen product lines; b) deepen the existing product portfolio; c) enhance existing brand awareness; d) expand to new markets; and e) increase direct sales to customers. These possibilities are quickly whittled down to overseas expansion when we consider them against: their sales potential, their 'fit' with the company's values and core competencies, and their alignment with their management direction. Screening the global marketplace for market potential and size, six key markets are identified. Canada and China emerge as choice markets upon evaluation against ten different criteria.

Harvest the Grapes – *designing tactical moves to accelerate growth*

A deep understanding of customers is key to Frog's Leap's success in these markets. While both the Canadians and Chinese perceive wine as a status symbol, the nuances in the targeted groups necessitate different value propositions – the 'embodiment of sustainable values', and 'an aspirational lifestyle choice'.

To address challenges present at each stage of purchase, a comprehensive "Head-Heart-Hand" approach is proposed for each of the two markets. Perceived value is improved, the brand connects with its consumers, and brand advocacy is built – in ways specific to the country's culture and consumer patterns.

Nourish the Land – *engaging sustainability to secure long-term growth*

At the same time, Frog's Leap cannot neglect the sustainability pivotal to its story. An examination of its efforts thus far reveals that the next sustainability initiative points in the direction of enhancing winery operations. With limited resources available before more debt is repaid, improving the critical refrigeration process and imbuing the mentality of 'sustainability' in employees both emerge as cost-efficient solutions. They also pave the way for future initiatives once more resources are available, ensuring that by then, existing facilities will be maximally utilised and employee buy-in will be at optimal levels.

Sip the Wine – *achieving returns with a triple bottom line*

Our strategy sets out to accomplish three objectives: improve sales, keep true to Frog's Leap's ethos, and reduce debt. By 2018, 56% of sales revenue is generated from new markets while fixed assets grow by just 6%, and 75% of debt will be paid off.

These returns will be achieved while keeping in mind the triple bottom line: (I) profits, which help to pay down the debt; (II) people, where Frog's Leap's employees are increasingly imbued with the sustainability mentality and its environmental sustainability beliefs are spread among consumers around the world; and (III) planet, where Frog's Leap becomes increasingly energy-efficient.