

## **SWOT Analysis**

The SWOT analysis tool is beneficial for Dick's Sporting Goods managers because it gives them a comprehensive view of the company's current standing. By analyzing the company's strengths, weaknesses, opportunities, and threats in-depth, managers can create an efficacious plan moving forward. The Dick's Sporting Goods is a well-known sporting goods store, and its market dominance can be analyzed using the SWOT analysis (Mao, 2020). This method necessitates cooperation between various departments within the firm, such as marketing, finance, operations, management information systems, and strategic planning. The company may continue to be a successful business in the future if it uses this approach effectively.

### **Strengths**

As a leading organization in the sporting goods industry, the company has several strengths that help it to succeed in the marketplace. One of these strengths is its brand recognition. The firm is a well-known and trusted brand, which gives it a competitive advantage in both existing and new markets. Another strength is its wide product range. Dicks Sporting Goods offers a comprehensive selection of sporting goods and equipment, making it a one-stop shop for consumers. This not only meets the needs of customers but also helps to increase sales and market share. Additionally, the firm has a strong online presence, which is increasingly important in today's digital world. The company's website is user-friendly and provides a convenient way for customers to purchase products. Furthermore, the company has an excellent reputation for customer service. This is evident in the high levels of customer satisfaction and loyalty.

The firm has mastered the art of penetrating and succeeding in untapped markets. Growth has allowed the company to enter new markets, which has helped to diversify its revenue and reduce its exposure to economic cycles. Additionally, the company has an excellent track record of executing new projects and generating returns on capital expenditures through the development of new revenue streams. Through the efforts of its CRM team, the company has built strong relationships with its current clientele and gained credibility in the minds of new buyers. Because of these, Dick's Sporting Goods has been able to stay ahead of the competition (Gaither, 2018). Over the years, the firm has consolidated its market dominance by expanding the range of goods it sells. This variety of offerings can be used to kick off brand-new ventures and fuel expansion. Success in merging and acquiring complementary firms is a hallmark of the company's history. To boost productivity and establish a reliable supply chain, the company has effectively incorporated several technology firms in recent years. The great majority of the company's potential customer base could be reached because of the company's extensive distribution network.

Dicks Sporting Goods can pursue new opportunities because of healthy levels of free cash flow. Investments in employee development have paid off in the form of a highly trained workforce comprised of motivated and ambitious workers who have benefited from the company's successful training and learning programs. This increased cash flow provides the company's Sporting Goods with more security and opportunities to explore new avenues, giving them a superior edge over other companies in their industry. With intelligent resource allocation, they have positioned themselves as one of the top organizations around.

## **Weaknesses**

In recent years, financial planning has become increasingly important to the success of businesses. However, many companies still do not have proper financial planning processes in place. This can lead to problems such as inefficient use of cash, lack of choice in product offerings, and insufficient investment in new technologies. The current asset ratio and liquid asset ratios reveal that the firm can put its cash to better use than it is presently doing. There are areas of the company's product line that are lacking. A new entrant may create a niche for himself or herself in the market by having less variety. The need for additional investment in innovative technologies is required. Given the size of the expansion and the different areas in which Dicks Sporting Goods wants to expand into, it will be necessary to invest more money in technology to unify the processes across the board. The company's current investment in IT is not up to par with its goal.

Although Dicks Sporting Goods spend more money on training and development than its competitors, they still have a high employee turnover rate. In addition, they lag behind the other industry leaders in investment in Research and Development. As a result, even though they are spending above average on R&D, they have not been able to keep up with their competition in terms of innovation. It has come across as a respectable company that is looking forward to releasing items based on proven traits in the market. The high attrition rate implies that the firm must spend money on training new personnel all the time, which is an extra expense. The lack of innovation may be attributed to the fact that the business follows a me-too approach rather than investing in cutting-edge research. As a result, it cannot keep up with changing customer demands and falls behind its rivals. The day's inventory is the number of days a company's inventory is kept before being sold.

## **Opportunities**

The government's focus on environmental friendliness has opened the door for contractors to purchase products from Dicks Sporting Goods. With lower transportation costs, the company's products are now more affordable and thus more attractive to potential customers. Furthermore, new environmental laws provide a level playing field for all industry participants, and Dicks Sporting Goods is well positioned to capitalize on this opening due to its prior involvement with cutting-edge technology. As a result, the firm is well positioned to increase its market share in the new product category. The firm will be able to use the new technology to experiment with different pricing in a new market. This will allow Dicks Sports to provide excellent service to devoted clients while attracting new consumers with additional value propositions. The changing taxation system might have a significant influence on company procedures and present fresh prospects for established players such as this company. The organization's core competencies have been successful in other similar product fields.

With a stable free cash flow, Dicks Sporting Goods can invest in other product segments to expand its business. For example, the company's investment in an online platform has increased sales and reached new customer groups. In the next few years, the firm can grow its business by using big data analytics to understand better and serve customer needs. As a result, the company will be able to expand its reach.

### **Threats**

If people continue buying things online instead of in stores, the business model that relies on a physical infrastructure to ship items could be jeopardized. To keep up with this changing demand, businesses would have to revamp their supply chains by transitioning from relying on warehouse and distribution centers to a more digital e-commerce-based infrastructure. Although this transformation could eventually result in greater productivity and earnings, it might also

present obstacles in the beginning, as companies will need to invest heavily in innovative equipment and staff. Also, since peak times of the year usually see the most demand for many highly profitable items, any hitches that take place during these periods can noticeably affect profitability. Therefore, enterprises must be equipped to handle these hazards if they want to maintain their bottom line.

The company has developed many products, but these are usually in response to the development of similar products by other companies. Furthermore, the supply of new products is not always consistent, resulting in large fluctuations in sales numbers over time. The company could also face lawsuits as product standards continually fluctuate between different markets. To minimize the risk of missing estimates, the firm should focus on generating new items regularly to avoid any revenue swings. They should also be conscious of various markets' changing product standards, laws, and regulations to prevent any legal issues. The firm can safeguard against a constant rise in sales by adopting these procedures.

Dick's Sporting Goods is a multinational corporation that is subject to currency fluctuations because it operates in many nations. Several market situations are unstable, adding to the risk. Furthermore, liability rules differ from one country to another. The firm may be exposed to various liability claims as a result of policy changes in those markets. The company's increasing strengths pose yet another hazard. In certain countries, they have been shown to command greater margins than the firm is willing to pay. This gives the business an operational disadvantage relative to its rivals.

## **IE Matrix**

**Internal business factors**

Dick's Sporting Goods has a long history and is a well-known brand

The company has developed many products over the years.

The company's products are often in response to the development of similar products by other companies.

The supply of new products is not always consistent, resulting in large fluctuations in sales numbers over time.

Dick's Sporting Goods is subject to currency fluctuations because it operates in many nations.

**External business factors**

To keep up with the changing demand, businesses would have to revamp their supply chains by transitioning from relying on warehouse and distribution centers to a more digital e-commerce-based infrastructure.

The company can safeguard against a constant rise in sales by adopting new procedures.

If people continue buying things online instead of in stores, the business model that relies on a physical infrastructure to ship items could be jeopardized.

To meet market standards in various countries, Dick's Sporting Goods could face lawsuits.

The company's increasing strengths pose yet another hazard as they have been shown to command greater margins than the firm is willing to pay in some markets.

## **BCG Matrix**

Dicks Sporting Goods plans to employ the BCG Matrix to aid in the rollout of company-wide initiatives for its various divisions. The BCG Matrix for Dicks Sporting Goods will be used to figure out where each of the company's major business groups fits.

### **Stars**

In the BCG matrix of Dick's Sporting Goods, the financial services SBU stands out as a leader. It's a part of a potentially lucrative market segment. The sales and Marketing Unit (SBU) contributes significantly to the company's bottom line. Since this Strategic Business Unit shows promise, the company should consider vertically integrating by acquiring other enterprises along the supply chain to help it attain bigger earnings (Stack, 2019). For the company to remain competitive in today's market, which is subject to ever-shifting rules and regulations, the company must vertically integrate by purchasing companies further up the supply chain that offer complementary products and services. In addition to helping preserve market share, this will also boost revenue. In BCG's matrix of this company, the Number 2 brand Strategic Business Unit, stands out as a leader with a 20% market share. Dick's is the market leader in this category, and it is also the most popular. The overall category is anticipated to rise 5% over the next five years, indicating that growth will continue at a fast pace. It should utilize its existing goods to enter the market and improve distribution methods to reach out to previously uncharted areas. This may assist increase sales for the company. The firm may also use its existing goods to improve margins by improving pricing or offering distinctiveness.

### **Cash Cows**

For a long time, Dicks Sporting Goods' strategic business unit devoted to supplier management services generated a healthy profit. However, the market for these services has recently begun to decline. This is a business that the corporation should stop putting money into and should only be kept open if it can generate a profit. It is no surprise that the BCG matrix's third-ranked strategic business unit for the brand is also a moneymaker. The category this product occupies represents 25% of the market, so it must be doing something right. Even while the sporting goods industry as a whole is in decline, market leaders like the firm have a substantial advantage. If profits cease and the SBU becomes unprofitable (a dog), then DS should divest from it. The advised plan for Dicks Sporting Goods is to spend just enough money on the SBU to keep it running. The most formidable danger the company faces is that if it does not maintain this strategic business unit in operation, its rivals will be able to take over this market share and become the market leader.

### **Question Marks**

As any business knows, market trends are essential to monitoring to make decisions about product development and future investments. Therefore, when observing the recent trend of consumers shifting focus to local foods, it is important to also consider the implications for businesses – particularly those with a low market share in this segment, like Dicks Sporting Goods. In this case, the recommended strategy is to invest in research and development to create innovative new features for this strategic business unit. This product development strategy will not only help to improve market share but also turn this business unit into a cash cow, bringing profits back to the company in the future. With careful implementation, this strategy has the potential to bring success to all parties involved.

### **Dogs**



Based on the BCG matrix, Dicks Sporting Goods' plastic bags SBU is a dog. For the past five years, this crucial division of the company has been losing money. Additionally, the company is in an industry that is seeing a decline as a result of rising public awareness of environmental issues. The best course of action for Dicks Sporting Goods would be to sell off this division. This is because the company is unlikely to be able to turn around the fortunes of this business unit, and it will continue to drag down earnings. In addition, by divesting this business, Dicks Sporting Goods can focus on more promising areas of its operations.

### **SPACE Matrix**

The SPACE Matrix is a tool used to analyze a company's strategic position. It takes into account four factors: the company's internal environment, its external environment, its competitive advantage, and its overall financial health. By considering all of these factors, the SPACE Matrix provides a comprehensive picture of a company's strengths and weaknesses, as well as its opportunities and threats. The company has built up strong brand equity and enjoys high levels of customer loyalty. Dick's faces stiff competition from both traditional retailers (like Macy's and Kohl's) and online retailers (like Amazon). However, it has maintained a strong market share by offering competitive prices and convenient shipping options. The company is financially healthy, with strong revenue growth in recent years. Based on these factors, Dick's Sporting Goods would fall into the quadrant of the SPACE Matrix. This indicates that the company is in a strong position to compete in its industry and that there are significant opportunities for growth

<b>Internal Environment</b>	<b>External Environment</b>
Dick's Sporting Goods falls into the quadrant of the SPACE Matrix, which indicates a	Dick's has built up strong brand equity and enjoys high levels of customer loyalty.

<p>strong position to compete in its industry with significant opportunities for growth.</p>	
<p style="text-align: center;"><b>Competitive Advantage</b></p> <p>Dick's faces stiff competition from both traditional retailers and online retailers but has maintained a strong market share by offering competitive prices and convenient shipping options.</p>	<p style="text-align: center;"><b>Financial Health</b></p> <p>The company is financially healthy, with strong revenue growth in recent years.</p>