



Top 10 Issues

MCS Nov '22 & Feb '23 – Happy Playz



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Expansion of online retail

- It is suggested that the retail toy market will be driven by online sales (pre-seen, pg. 7), hence, it is likely that Happy Playz focuses on online retail expansion strategies.

Acquisition of a competitor

- With the aim of increasing its market share in Westaria, Happy Playz may consider the acquisition of a competitor such as Browsershop.
- Business models, Investment appraisal, Business risks, Negotiation, Sources of finance, Group accounts, Change management, Conflict resolution can be some focus areas in such a scenario.

Vertical backward integration

- With the aim of achieving higher level of control over its inventory and to achieve increased retail margins, Happy Playz may consider the acquisition of a toy manufacturer.
- Business models, Investment appraisal, Business risks, Negotiation, Sources of finance, Group accounts, Project management, Leadership, Change management, Conflict resolution can be some focus areas in such a scenario.

New market development

- Given the intense competition among toy retailers in Westaria, it is possible that the management of Happy Playz considers foreign expansion.
- In the real world, Smyths Toys (UK) acquired "Toys R Us" stores in Germany, Austria, and Switzerland in 2018, and re-branded all the stores to Smyths.

Introduction of new products

- Given the intense competition and trend towards technologically advanced toys, Happy Playz may consider introducing new products such as video games smart toys to its product portfolio; both physical and online.

Diversification

- Happy Playz counts over 30 years' experience in retail and merchandising and given the intense competition in the toy retail industry, Happy Playz may consider diversification into a new line of retail such as kids clothing.

Operational issues within the company

- Inventory related issues such as Happy Playz failing to build sufficient inventory for the 4th quarter or failing to order sufficient quantity of a popular new toy.
- Website related issues affecting the online sales and delivery.
- Installation of new fixture and fittings in stores, refurbishments affecting the operation of the shops which are supposed to be open all 7 days.

Legal issues

Legal issues can arise due to:

- Toys imported by Happy Playz failing to meet the safety standards of Westaria
- Toy related injuries caused by toys sold by Happy Playz
- Sale of toys by Happy Playz that do not specify the minimum age limit when necessary
- Non-compliance with Data Protection Regulations while collecting or processing consumer data generated from Happy Playz launches Club Card

New capital investment

- Happy Playz can consider capital investments such as opening a new retail shop or relocating a shop, upgrading fixtures and fittings or investment in IT and Website.
- You can be expected to advise on areas such as Investment appraisal, Risk management, Sources of finance, Project management in such a scenario.

People related issues

- Happy Playz employs over 6,500 staff members across its head office, warehouse and retail shops. This is quite a huge number and various HR related issues can be anticipated in the business.
- You can be expected to advise on areas such as Leadership, Communication, Team management, Motivation, Negotiations, Conflict resolution, etc. (largely to do with application to questions than reproducing the theory directly from E2)

Business models and Integrated reporting

- Business models and Value creation – evaluation of the impact of new product/market development on Happy Playz's business model.
- The six capitals in the integrated report for Happy Playz and the impact various business decisions can have on these capitals.

Managing responsibility centres

- Evaluation of the performance of the 120 shops/managers (responsibility centres).
- Developing appropriate KPIs with justification for the responsibility centres. (currently, all 120 shops are managed as profit centres)
- If Happy Playz acquires a toy manufacturer, there can be transfer pricing considerations.



Good Luck!

TCS