



## 5 Companies Meeting Marketplace Challenges Head On

### Description

A company resting on its laurels is a sure recipe for corporate stagnation in today's ultra-competitive business environment. The best companies make hard decisions to drive growth and become more efficient. It sometimes means short-term pain for long-term gain. The following five companies are doing what is necessary to ensure future returns.

#### 1. Vecima Networks

**Vecima Networks** ([TSX: VCM](#)) makes equipment for cable companies. Its products are used for encryption, decryption, processing, converting and transporting all kinds of digital media within connected-device environments. However, the company has a new program to build future growth. It involves fleet management.

This initiative tracks and monitors commercial trucks employing proprietary technology. Its FleetLynx is a Fleet Management and Telematics solution. It provides plentiful engine data, fault information, and location based monitoring and events. The fleet management industry is growing at a rate of 25% each year. Commercial vehicle fleets play a vital role in the economy in North and Latin America.

#### 2. Canadian Tire

**Canadian Tire** ([TSX: CTC-A](#)) is now focusing on its specialty retail business format. To this end it's revamping its home repair and sporting goods departments. It already revamped its automobile parts and service department.

The company is moving away from its general merchandise image. Company President Mr. Michael Medline said in March, "We have to think more like a specialty retailer under this big roof of a general merchant."

Moreover, Canadian Tire wants to be a leader in digitizing retail. It has made considerable investments in advanced technology and digital innovations that it believes will improve the efficiency of its business.

### 3. Sears Canada

**Sears Canada Inc.** (TSX: SCC) is making the tough decision to possibly dispense of more valuable real estate. The reason? It desires to improve its operating results. At its April annual meeting, CEO Mr. Douglas Campbell said, "We're always open to opportunities to unlock real estate value when something presents itself that makes sense."

Last year, it terminated leases early on seven stores, with an option on an eighth. The company realized total consideration of \$591 million. Furthermore, Sears Canada sold a 50% joint arrangement interest for \$315 million in eight properties it owned.

### 4. Dollarama

**Dollarama** (TSX: DOL) is addressing its product line-up as it faces the challenge of the Canadian dollar's depreciation and extreme retail competition. It doesn't want to raise retail prices and jolt consumers. Consequently, the company is assessing each of the thousands of products it retails in Canadian stores. Moreover, it recently hired Ms. Johanne Choinière to oversee its retail operations. Ms. Choinière is a former executive of **Metro, Inc.** (TSX: MRU). She will join Dollarama on May 12, 2014, and oversee logistics, distribution, and supply chain management for the company.

### 5. Procter & Gamble

In the U.S., **Procter & Gamble** (NYSE: PG) has made the decision to get out of the pet food business. Now, pet food is big money worldwide. However, the company has made the tough decision to focus its resources on beauty, baby, and other products such as its Tide and Pampers products. Therefore, it is selling 80% of its pet food business (Iams, Eukanuba, and Natura) to Mars, Inc. for \$2.9 billion. Procter & Gamble is no stranger to change. It's dispensed of Jif peanut butter and Folgers in recent years.

The key to meeting marketplace challenges head on is the willingness to integrate adjustments into usual operating protocols. Well-researched strategies that address new market challenges are vital to sustaining and building returns. Investors should analyze companies that are implementing change to give them competitive advantages.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:PG (The Procter & Gamble Company)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:DOL (Dollarama Inc.)
4. TSX:MRU (Metro Inc.)

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**Date**

2025/08/27

**Date Created**

2014/05/07

**Author**

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