

Innovative Entrepreneurship and International Development Strategies: The case of the Dairy Company FAGE S.A.

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ABSTRACT

Technology has an important role in innovation and business growth. However, expansion on an international scale may be a result of other factors rather than technological development and innovation itself. The most typical case is where a firm already controls a very large share of a domestic market and, unable to grow further, turns to a foreign market. FAGE in the United States is studied as a relevant case. Based on the SWOT analysis which was carried out, the following can be considered as strong points of the company 1) Previous investments leading to a highly productive unit 2) Know-how & knowledge diffusion 3) Small share of sales per customer 4) Several suppliers 5) Tax decrease during the last years. The major weak point of the company regards the absence of company-owned farms. Exports to South America and Southeast Asia are the major opportunities. The COVID-19 pandemic, an increase in freight rates, a general downturn of the US economy, new firms in the US market, climate change and lawsuits are the major threats. The EBITA increased from \$ 81.270 thousand in 2019 to \$ 115.545 in 2020. The first six months of 2021 the EBITA was \$ 51.622 thousand, while in 2020 the related EBITA was \$ 53.904 thousand. While the strategic position of the business in the United States is strong, it is necessary to address the associated threats and exploit opportunities to ensure the future profitability and sustainability of the business. Conclusively we can tell that, FAGE currently appears to show stability in its financials and has a significant presence in the United States. It is, however, concerning that multiple threats to the business are listed in the future.

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