

# Chipotle Mexican Grill in 2012 – Can It Hit a Second Home Run?

## ASSIGNMENT QUESTIONS

1. Does Chipotle Mexican Grill have any core competencies and, if so, what are they?
2. What does a SWOT analysis reveal about the attractiveness of Chipotle Mexican Grill's situation and future prospects?
3. What are the primary and secondary components of Chipotle's value chain?
4. What are the chief components of Chipotle's strategy?
5. Which one of the five generic competitive strategies discussed in Chapter 5 most closely approximates the competitive approach that Chipotle Mexican Grill is employing?
6. What chief difference(s) do you see between Chipotle's strategy and the strategy being employed at Moe's Southwest Grill?
7. What does an analysis of the data in case Exhibit 1 reveal about Chipotle Mexican Grill's financial and operating performance? Use the financial ratios in Table 4.1 of Chapter 4 as a guide in doing the calculations needed to arrive at an analysis-based answer to your assessment of Chipotle's recent financial performance. In addition to the ratios in Table 4.1, there are occasions when you will also need to calculate compound average growth rates (CAGR) for certain financial measures. The formula for calculating CAGR (in percentage terms) is as follows:

$$\text{CAGR \%} = [\text{ending value} \div \text{beginning value}]^{1/n-1} \times 100$$

(where n = the number of year-to-year or period-to-period changes)

8. How does Chipotle Mexican Grill's competitive strength compare against that of Taco Bell, Qdoba Mexican Grill, and Moe's Southwest Grill? Do a weighted competitive strength assessment using the methodology presented in Table 4.4 in Chapter 4 to support your answer. Based on your assessment and calculations, does Chipotle have a net competitive advantage over some or all of these rivals? Which rival—Chipotle Mexican Grill or Moe's Southwest Grill or Qdoba Mexican Grill—seems to have the strongest set of resource strengths and competitive capabilities and is most likely to achieve the best financial performance? Does Chipotle have a good enough strategy and adequate resource strengths and competitive capabilities to compete effectively against Taco Bell?
9. What action recommendations would you make to CMG's top executives to strengthen the company's growth and profitability?