

# Analysis of associated british food and their diversified products



**ASSIGN  
BUSTER**

## **ASSOCIATED BRITISH FOOD PLC**

**Associated British Food is worldwide-based company that produce diversified products. It is a public limited company.**

In 1935, Willard Garfield Weston founded it. The company was known by Food Investment Plc, but later in 1960 the company change the name and known as Associated British Food Plc. The company is also listed on London Stock Exchange. The main headquarters of this company is in London. As it's an international company who manufacture branded grocery products such as Allinson, Mazola, twining, vegetable oil, hot beverages, herbs and spice etc. Branded sugar and ingredients such as yeast. Bakery products they also produce ingredients for food and non-food product. They also produce agriculture products and services. The company also engaged with retail market such as Primark.

Associated British food has different segmentation in the produce, which are as follows.

SUGAR: (Based in Europe, Africa, and China.)

INGREDIENTS: (Yeast, bakery products, ingredients for foods and non-foods products.)

RETAIL: (Primark)

GROCERY: (Vegetable oil, hot beverages, herbs and spices, meat and dairy etc)

AGRICULTURE: (Deliver products, services and technology to the food, drinks and animal feed sector.

### **Board of Directors:**

Martin G Adamson: As a Chairman.

George Garfield Weston: As a Chief executive officer.

John George Bason: As finance director & executive director.

### **SHARE HOLDERS:**

Some of 54. 5% of ABF is Willington Investment.

In 2008, Archer Daniels Midlands and ABF Company each hold a 50% share in joint venture.

ABF will have 62% interest in W Jordan & Son Ltd

### **STATISTICAL ANALYSIS:**

MARKET CAPITALIZATION: Associated British Foods has good reputation and its market capitalization is more than £8000 million.

Operating business in 44 countries.

In compare to 2009, the profit of the company has increased by 10 percent in 2010, hence they revenue of the company is more than £4000 million.

Joint venture and association shares increased from 2 to 6 in 2010.

Earning per shares also increased in 2010.

Total share in issue £791. 7 million

In compare to 2009, operating profit of company has increased and it is more than £300 million in 2010.

The company paid Tax around 74 million in 2010.

Equity shareholder fund is more than 5000 million.

The company net Debt is more than 1000 million.

Number of Employees: more than 95000 and company running 44 countries.

## **PERFORMANCE:**

### **THE AIM OF THE COMPANY ARE AS FOLLOWS:**

To maximise there profit doing Ethical Business practice.

To maintain or sustain growth.

To be a strong Market leader.

To increase sales turnover.

To maintain good relation ship with customers and suppliers.

Low emission.

Reduce energy.

To maintain healthy and secure food products.

Recycle Waste.

**STRENGTHS:**

**BRAND IMAGE:** Associated British Foods plc is an International company who have very strong brand image worldwide.

2nd largest sugar processing business based in Europe, Africa, China.

**STRONG FINANCIAL POSITION:** As we can see that company financial position is really good in compared to previous year.

**STRONG BRAND:** The company brands are very popular worldwide and it's has strong brand such as Allinson breads, billingtons, Blue dragon, Patak's etc.

**HIGH INVESTMENT FOR SUSTAINABLE GROWTH:** the company doing lots of investment to maintain or to sustain growth continuously.

**STRONG TRADING PROGRESSES:** The organisation is doing strong trading in retail sector in cloth. Associated British Foods also have retail sector in which they are engaged with Primark. Primark is really famous worldwide and has broad concept with stuff like cloth, shoes, and all other accessories. Primark is doing really well. In Spain, Primark was on top because of discounting clothing chain that leads to increase in sales.

**CARBON FOOTPRINT MODEL:** The Company is first to developed using carbon footprint model for the sake of health, safety and security.

**WEAKNESSES:**

**LACK OF CONTROL:** Associated British foods are a worldwide corporation, so the first weakness of the company is that there is very less control on it.

Because there business is spread in 44 countries.

**SUPPLIERS:** suppliers are the weakness of company because if the relationship with suppliers is not so strong than they may not supply good quality products, which lead to loss for company. Hence they should supply of goods or services at right time, at right place and at right quantity.

**RETAIL SECTOR IN IRELAND:** As per research, there was difficulty trading in retail sector in Ireland, which may affect our sales turnover.

**OPPORTUNITIES:**

**EMERGED IN NEW MARKET:** As the company's financial position is very strong and there is continuous sustainable growth, the company can emerge in new market to satisfy the needs and wants of customers.

**PROMOTIONAL ACTIVITIES:** The organization should do promotional activities to promote their products. If organization promote their product in the market than there will be brand awareness and consumers are been aware of new products in the market and hence demand increases.

**MARKET LEADERSHIP:** They company had an opportunity to be a strong leadership position in the market.

**THREATS:**

**COMPETITORS:** As there are many competitors in the market who may sell same or different products in the market at different pricing strategy.

**SUBSTITUTE PRODUCTS:** As there are lots of buyers and sellers in the market and there are many sellers who sell substitute product at less price to attract customers, which can be threat for another organisation.

**CHANGE IN TASTE & PREFERENCES:** The consumer/customer taste and preferences keep on changes. The needs and wants of customer are uncertain.

**GOVERNMENT INTERFERENCE.****EXCHANGE RATE.****PESTEL ANALYSIS:****POLITICAL FACTOR:**

Political factor always have bad impact on the firm as the political factors includes of Tax policies, employment law, Tariffs and trade sanction.

In UK tax policy in corporation tax are very high and hence they are not constant.

**ECONOMIC FACTORS:**

Economic factors are those factors which are related to financial matters which includes of Government spending, disposable income, exchange rate and import/export ratio

Which affects our business and are not in control by the organization. In UK, Government spending is £661 billion. (FY2010)

### **SOCIAL FACTORS:**

Social factors are those factors, which are related to society. This includes of population shifts, demographic such as age, sex, family size etc, education, and culture.

Society is very health conscious, so the foods, which company producing, should be healthy and safety.

### **TECHNOLOGICAL FACTORS.**

As technology keeps on changing which affect the business as it's directly affect the business therefore company should adopt new technology and also do new product planning.

ABF should adopt new technology for packaging their products and services.

### **ENVIRONMENTAL AND LEGAL FACTORS:**

Environmental factors is also threat for this company because the company also in engaged in agriculture products and changes in environment such as change in temperature, weather etc will affect the agro products.

Legal factors also affect business, which includes of health and safety laws, consumer law and regulation etc.



## **CONCLUSION:**

Associated British foods is famous worldwide and the company financial position is too good but still to enhance or increase in sales turnover the company should do proper planning and controlling.

Associated British foods is the largest company who purchase agro products from farmers and in return they supply them products and services related to farming such as pesticides, animal feed etc. so I recommend them to motivate farmer by giving subsidies, offer and other financial incentives to motivate them and hence this motivation will lead them to do hard work which will lead to get good quality Agro products.

Retail sector in Ireland is not running at strong level so they should take some action. In compare to Ireland, Spain is doing very well in retail sector as they use to give discount or some other special offer to attracts the customers. Hence due to there strong trading in Spain, it boosted profit maximization.

They should also do market research as they company performing very well and it can easily get market leadership position if the sustain there growth continuously and there on.

YH

YH