

Michelin co. ltd.



**ASSIGN  
BUSTER**

The Michelin Tyre Company Ltd, incorporated in 1905, was set up in 1889 by two brothers, Andre and Edouard Michelin. Now active in more than 170 countries, Michelin operates across all continents of the world, manufacturing and selling tyres for all kinds of vehicles, publishing maps and guides, and operating Specialist digital services. Most people recognize our world famous mascot, Bibendum, 'The Michelin man', looking good considering his age! My own division is concerned with tyres made for heavy goods vehicles over 3.5 tonnes, including trucks, coaches, and buses.

In the UK and the Republic of Ireland, we have an extensive sales force supporting thousands of tyre distributors, from tyres used in cars and trucks, to those used in specialist industrial and earthmoving equipment. To conduct environmental scanning, we adopt several approaches. We use joint panels with key national and regional trade journals, conducting telephone questionnaires with customers on challenges, issues, and developments in the haulage industry. Our sales Force in the UK and Ireland is responsible for collecting market intelligence, especially on competitors' actions and products.

We work with the Road Haulage Association and the Freight Transport Association, which offers us a chance to mix with customers in a non-selling environment, and we belong to the Euro Pool organization, an independent body which acts on behalf of all European tyre manufacturers. Here, we declare our sales on a monthly basis and they send back to us details of our market share. In addition, we conduct our own annual surveys with distribution partners (including ATS Euro master-a Michelin group

company-and independent tyre dealers). We use the results of these surveys to track industry market shares with sales revenues.

Finally, we analyse and test competitor's tyre products at our research and development centre. Our scanning activity has picked up lots of challenges, for example rising fuel costs, changes in haulage' patterns due to an increase in internet shopping, new legislation around driving and emission standards, and changing patterns of labour with the increase in Eastern European drivers (often bringing with them their cheaper fuel). However, the biggest challenge that we have experienced in the last 4 or 5 years is the strong competition from cheap imported tyre manufacturers from emerging economies in the east, including India, China, and Korea.

These new tyre brands sell very cheaply because of the low manufacturing and labour costs in these countries. Although we knew these brands were coming, we were very surprised by how rapidly customers adopted them. 1. What environmental challenges are faced by Michelin? 2. What are the options with Michelin to handle the situation? Chocolate Bars Food and beverage companies, like their fast food counterparts, are facing increasing pressure from governments as child obesity rates increase in major Western nations. In England, obesity in children under 11 has risen from 9.9% in 1995 to 13. % in 2003 according to figures outlined in the Health Survey for England (1995-2003).

Governments are beginning to scrutinize their public health policies. The British government's 2004 White Paper on Public Health sets out how government will work across departments, with industry and other

stakeholders, to support healthier life choices for citizens with specific requirements that food and beverage industry companies will:

- Provide people with clearer information on labels about food ingredients so as to allow consumers to make their own choices about what they consume. Promote healthy eating and drinking lifestyles.
- Improve the nutritional quality of food products generally.
- Restrict certain food, alcohol, and tobacco marketing and promotion to protect Children and young people's health through self-regulation or face some form of government legislation.

The chocolate confectionery business is a target for the government as it attempts to wean kids off chocolate snacks at schools and tries to introduce them to apples and oranges instead.

The chocolate market in Great Britain, dominated by the trinity of chocolate makers Cadbury Schweppes, Mars Inc. (which trades as Master Foods Europe in Europe), and Nestle. The total market has grown only slightly, by around 1% between 2004 and 2005, with some of the major brands' sales falling by as much as 24% (e. g. Kit Kat). Nevertheless, Britain does seem to have a love affair with chocolate. The question is whether or not it expands our waistlines.

1. What environmental factors are impacting chocolate business in UK?
2. How would you respond in such a situation?