

lpp group of
companies
background business
essay



**ASSIGN
BUSTER**

IPP is a private own group of companies which was established by Mr. Reginald Mengi, since 1980s after serving as Chairman and Managing Partner of Coopers & Lybrand in Tanzania. The IPP group was stated as a small scale, hand operated ball point pen assembly plant in Dar es Salaam and has now expanded and diversify to become of largest industrial groups in East Africa.

The company comprises four core divisions namely: -

Media

Beverages

Household and Beauty care

Minerals Prospecting and Mining

IPP MEDIA

IPP Media is one of leading East Africa's largest Media conglomerates. IPP Media is a private company, held under IPP Group and based in Dar es Salaam, Tanzania. IPP Media comprises nine newspapers, which are published daily in both English(The Guardian, Sunday observer, financial times and This day) and Swahili are (Taifa letu, Nipashe, Majira, Lete raha) also has three television stations namely (ITV, EATV and Capital television), and three radio stations (Radio One, Capital FM and East Africa radio). IPP Media is also a wide content provider for East African news on the Internet via its web site www.ippmedia.com.

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BEVERAGES

Water

Bottled on the slopes of Mount Kilimanjaro at Shirimatunda area, “Kilimanjaro Pure Drinking Water” is the leading water brand in Tanzania. In order to meet its growing demand while maintaining its international packaging standards, IPP is currently installing a cutting edge PET bottle blowing / filling line which will triple its bottling capacity.

Soft drinks

IPP holds the franchise for Coca Cola carbonated soft drinks brands:- Coca Cola, Fanta Orange, Sprite, Fanta Passion, Fanta Pineapple, Fanta Black Currant, Sparletta Citrus, Sparletta Classic, Sparletta Pinenut, Stoney Tangawizi, Krest, Bitter Lemon, Krest Ginger Ale, Krest Tonic Water and Krest Club Soda.

Over the years, numerous quality awards of gold and silver medals have been won bearing witness to the seriousness and importance attached to quality.

Beer

Carlsberg; “ Probably the best beer in the World”. IPP is the sole importer and distributor of Carlsberg, the internationally known premium larger.

Spirits

Several brands are professionally blended and packed to meet national and international quality standards; these brands include, the exotic spirits of “ Hakuna Matata”, “ Zanzibar Desire” and “ Kilimanjaro Ecstasy” describe local fundamental nature, aroma and taste and promise pleasure to all palates.

IPP Households and beauty:

Body soaps

IPP is involved in the manufacturing and distribution of a number of leading soap brands including REVOLA, Tanzania’s foremost beauty soap. It also manufactures and distributes under license the GIV Beauty Soap from “ PT. Wings Surya (Indonesia). A fully-fledged laboratory ensures the highest quality standards for its products.

Body soap products are readily available throughout Tanzania, via a strong network of own depots, agents and distributors. Export markets include Congo, Zambia and Burundi.

Detergents

TESA ULTRA WASHING POWDER, one of the leading and most widely used brands in East and Central Africa.

Under IPP Minerals and Prospecting category there are: -

Mining, cutting, polishing

IPP carries on the business of mining, cutting, faceting and polishing of precious stones and uses modern state of the art equipment manned by very

skilled staff. Precious stones cut and polished include Tanzanite, Ruby, Sapphire, Emerald and Alexandrite.

The cut and polished gemstones cater to the needs of the Tanzanian market and for exports worldwide.

Prospecting

Currently prospecting for Diamonds, Gold and Platinum in various concessions within Tanzania.

ORGANISATION STRATEGIES

Rigorous performance and financial management.

Integrity, honesty and moral standards.

Continuous product research, innovation and product quality.

Responsible corporate citizen.

Making a real and sustainable difference in markets in which IPP has business interests.

Human capital development.

Unparalleled service excellence.

VISION

To be the world's most admired diversified company with regard to employee and customer satisfaction.

MISSION

Ability to spot and harness opportunities

Employee satisfaction

Competent leadership and management

Business innovation and creativity

Service excellence

ORGANISATION STRUCTURE

According to Mullins, (2005: 596) Structure is the pattern of relationships among positions in the organisation and among members of the organisation. Structure makes possible the application of the process of management and creates framework of order and command through which the activities of the organisation can be planned, organised, directed and controlled. The structure defines tasks and responsibilities, work roles and relationships, and channels of communications.

ORGANIZATIONAL STRUCTURE FOLLOWED BY THE IPP GROUP

The IPP group of companies has cloned its organization structure from Organic according to the nature of the business. The Organic is very flexible and it has enabled the company to run all kinds of business effectively . This is due to the decentralization approach applied, where some decision making are carried out by heads of department rather than top management.. For the case of IPP group's channel of communication, is highly structured and is open to allow flow of information in all level within the company. The IPP <https://assignbuster.com/ipp-group-of-companies-background-business-essay/>

group has. Organic structure which is flexible in attaining its objectives such that:

It supports innovation

It is free more adaptable to the organization to changing circumstances

Channel of communication are open with free flow of information throughout organization.

Operating style allow to vary freely

Authority for decision making based on the expertise of individual in all division of work

More consensual and more loosely controlled

It emphasis on getting things done and un constrained by formally laid down procedures

In case o decision making is made in participation and group consensus

ORGANISATION CULTURE

According to Cook, C et al (1997, p 112) defined organization culture as the fundamental assumption people share about an organization's values, beliefs, norms, symbols, language, rituals and myths. All of the expressive elements that gives meaning to organization membership and are accepted as guide to behavior.

The following are the IPP group organization culture.

Transparency- IPP group of companies encourage transparency to its operations from its core divisions of media (Radio, television, investigative news from news papers)

Symbols- the IPP group of companies has a status symbol that communicate social position and pecking order in hierarchy, and their Grandness gives a good indicator about how much importance is attached to hierarchy as an organization principle

Rites and Ceremonies- it is carried on during retirement and farewell parties and can be used as a sign of a happy family as well ritual of taking a new comer around and introducing the person to new colleague

Power Culture: A power culture found in IPP group relies on Trust, empathy, and personal communication for effectiveness.

Task Culture: This seeks to bring together the right resources and people and utilize the unifying power of the IPP group.

They also have unique and robust culture of entrepreneurial team work and strategic focus.

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ORGANISATION BEHAVIOR

According to Cook, C et al (1997 p 9) defined organizational behavior as behaviors of individuals and groups within an organization, and the interactions between the organization and environmental forces.

The IPP group of company has the responsibility to create conducive working environment that are excellent for both employees and organization.

THE IPP EMPLOYEES

The people who work for IPP are the cornerstone of company's success. The group is also committed to not only receiving value from employees, but also delivering value to them. To this end IPP group systematically implement a company-wide system aimed at fostering an inspiring and caring environment.

Through teamwork and communication, the goal is to harness the exceptional intellectual capital they already have within the organization and provide an opportunity for this to be recognized, rewarded and fulfilled.

CUSTOMERS

The group continues to seek innovative ways to understand the needs of its potential customers who they see as their business partners.

Through their internal and external service excellence chain, they have always managed to come up with solutions that meet their business partners' needs. IPP's success is evident in market leadership in the sectors in which they operate.

SWOT analysis

SWOT ANALYSIS FOR IPP GROUP OF COMPANY

Strengths

Availability of latest technology which meet the need of the organization

Good infrastructure that cater demand for production- warehouses, offices, transportation, communication system

Availability of skilled labors

Wide range of products

Good distribution system through deport and agents

Well known brand names example coca cola, Kilimanjaro pure drinking water, the guardian news paper, and local news paper like majira, nipashe etc

Weaknesses

Unpredictable and seasonal market

Weak collaboration and networking

Inadequate support from government

Shortage of resources and equipments

Shortage of expertise

Lack of job security

Opportunities

High local demand of information

Larger regional and international markets

Financial access from financial institutions

Political stability

Availability of training institution to train staff

Availability of broadcasting Act and Policy

Threats

Other competitors in the market

Frequently technological change

Natural disasters

Conflict between the Government and IPP Media (political conflict)

Outdated law governing media sectors

Brain drain

Constraints:

IPP group of companies faces the following constraints:

Market constraints: IPP group of companies faces market challenges from other competitor who are in the market doing the same business. Also the

market forces caused by demand and supply as well the change of price due to currency stability.

Technological constraints: rapid change of technology is one of the challenges which the IPP group is facing in today world. If the company is unable to cope with changes of technology this will cause the inability to compete in the market in terms of production of quality product.

Financial constraints: Poor allocation of fund and poor budgeting (under budgeting and over budgeting). Prioritization and allocation of resources are to be allocated in highly demand area within the organization.

Legal constraints: the new introduced policy which may hinder the company's activities as well the outdated policy which does not favor the operation of the organization.

Organisation Competitors

IPP group of companies have many competitors in its market, from media, beverages, and in mining division. These competitors include

Media competitors

Global Publishers Ltd, Habari Corporation, Business Times, Mwananchi Communication, Sahara Communication Ltd and Tanzania Broadcasting Corporation (TBC).

Beverages Competitors

Bakhresa Group of Companies, Nyanza Bottles

Mining Competitors

Tanzanite One and Barrick Gold Mining Ltd

BARRIERS TO MANAGING CHANGE

People tend to be resistant to change. It is important therefore for management of IPP Group to understand the reasons for, and nature of, resistance and to adopt a clearly defined strategy for the initiation of change. Barriers to Managing Change in IPP Group are

Organisation Culture

Once the organisation culture change suddenly it hinders the process of managing change as people within the organisation are not read to accept any change due to fear of loosing their job, positions, demotion.

Economic Implications.

Employees of IPP are likely to resist change which is consider as threat to their direct and in direct pay or other rewards. Some times changes increase levels of work for the same levels of payments.

Past contract or agreement.

IPP entered into contracts or agreements with other parties, such as (Coca cola companies). Theses contracts and agreement can limit changes in behaviours like operating under special license or permit or fixed price contract to supply goods/services to a Government agencies.

STRATEGIES TO OVERCOME BARRIERS TO MANAGING CHANGE

The following are proposed strategies to overcome barriers to Managing Change.

Education and Communication

This will help staffs to learn the reason for the change, how it will take form, and the likely consequences will be. Communication is required to reduce anxiety and ensure that staffs understand what is happening, what will be the expected of them and how they will be supported in adopting to change.

Participation and Involvement

The Management of IPP Groups should encourage those involved in designing and implementation of changes in order to give out their ideas and foster commitment. Participation increases understanding, enhances feelings of control, minimise uncertainty, and promote a feeling of ownership when change directly affect staffs. If people within the organisation are involved about bringing change it is difficult for them to resist.

Facilitation and Support

Whenever there are changes, IPP Group Management should encourage, support, counsel, train and provide resources to help those affected by change to cope with new requirements. Through facilitation and support, managers have a better chance of bringing the change and commitment to make it work.

Negotiation and Agreement

During powerful resistance on implementing changes, management of IPP Group should negotiate and agree with staff through their representatives on how to implement changes.

Conclusion:

IPP group of companies is still progressing despite of challenges from competitors and market forces. Proper allocation of resources that is human resources, operation resources, financial resources and raw materials is required to be improved through improved through imposing changes in terms of organisation Culture and Change Management. Developing strategies that will lead to better change.

MEDIA

BEVERAGES

HOUSEHOLDS AND BEAUTY CARE

STRATEGIC VENTURES

MINERALS PROSPECTING AND MINING