

# The vision and mission of itc



**ASSIGN  
BUSTER**

ITC is one of India's foremost private sector companies with a market capitalisation of over US \$ 30 billion and a turnover of US \$ 6 billion. ITC is rated among the World's Best Big Companies, Asia's ' Fab 50' and the World's Most Reputable Companies by Forbes magazine, among India's Most Respected Companies by Business World and among India's Most Valuable Companies by Business Today. ITC ranks among India's '10 Most Valuable (Company) Brands', in a study conducted by Brand Finance and published by the Economic Times. ITC also ranks among Asia's 50 best performing companies compiled by Business Week.

ITC has a diversified presence in Cigarettes, Hotels, Paperboards & Specialty Papers, Packaging, Agri-Business, Packaged Foods & Confectionery, Information Technology, Branded Apparel, Personal Care, Stationery, Safety Matches and other FMCG products. As one of India's most valuable and respected corporations, ITC is widely perceived to be dedicatedly nation-oriented. Chairman Y C Deveshwar calls this source of inspiration " a commitment beyond the market". ITC practices this philosophy by not only driving each of its businesses towards international competitiveness but by also consciously contributing to enhancing the competitiveness of the larger value chain of which it is a part."

ITC employs over 26, 000 people at more than 60 locations across India. The Company continuously endeavours to enhance its wealth generating capabilities in a globalising environment to consistently reward more than 4, 05, 000 shareholders, fulfil the aspirations of its stakeholders and meet societal expectations. (assis, 2003)

## **The ITC Vision & Mission**

Sustain ITC's position as one of India's most valuable corporations through world class performance, creating growing value for the Indian economy and the company's stakeholders.

### **THE ITC MISSION**

To enhance the wealth generating capability of the enterprise in a globalising environment, delivering superior and sustainable stakeholder value.

#### The ITC Way

ITC is a board-managed professional company, committed to creating enduring value for the shareholder and for the nation. It has a rich organisational culture rooted in its core values of respect for people and belief in empowerment. Its philosophy of all-round value creation is backed by strong corporate governance policies and systems.

ITC's CORPORATE STRATEGIES are :

Create multiple drivers of growth by developing a portfolio of world class businesses that best matches organisational capability with opportunities in domestic and export markets.

Continue to focus on the chosen portfolio of FMCG, Hotels, Paper, Paperboards & Packaging, Agri Business and Information Technology.

Benchmark the health of each business comprehensively across the criteria of Market Standing, Profitability and Internal Vitality.

Create distributed leadership within the organisation by nurturing talented and focused top management teams for each of the businesses.

Continuously strengthen and refine Corporate Governance processes and systems to catalyse the entrepreneurial energies of management by striking the golden balance between executive freedom and the need for effective control and accountability.

## **CORE VALUES**

ITC's Core Values are aimed at developing a customer-focused, high-performance organisation which creates value for all its stakeholders:

### Trusteeship

As professional managers, we are conscious that ITC has been given to us in “trust” by all our stakeholders. We will actualise stakeholder value and interest on a long term sustainable basis.

### Customer Focus

We are always customer focused and will deliver what the customer needs in terms of value, quality and satisfaction.

### Respect for People

We acknowledge that every individual brings different perspectives and capabilities to the team and that a strong team is founded on a variety of perspectives.

We want individuals to dream, value differences, create and experiment in pursuit of opportunities and achieve leadership through teamwork.

Excellence

We do what is right, do it well and win. We will strive for excellence in whatever we do.

Innovation

We will constantly pursue newer and better processes, products, services and management practices.

Nation Orientation

We are aware of our responsibility to generate economic value for the Nation. In pursuit of our goals, we will make no compromise in complying with applicable laws and regulations at all levels.

## **GLOBALISATION:**

ITC's mission is to sustain and enhance the wealth-generating capacity of its portfolio of businesses in a progressively globalising environment. As one of India's premier corporations employing a vast quantum of societal resources, ITC seeks to fulfil a larger role by enlarging its contribution to the society of which it is a part. The trusteeship role related to social and environmental resources, aligned to the pursuit of economic objectives, is the cornerstone of ITC's Environment, Health and Safety philosophy.

In the multi-business context of ITC, Corporate Strategies are designed to create enduring value for the nation and the shareholder, through leadership

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in each business and the attainment of world-class competitive capabilities across the value chain.

To contribute to sustainable development through the establishment and implementation of environment standards are scientifically tested and meet the requirement of relevant laws, regulations and codes of practice.

To take account of environment, occupational health and safety in planning and decision-making.

To provide and maintain facilities, equipment, operations and working conditions which are safe for employees, visitors and contractors at the Company's premises.

To institute and implement a system of regular EHS audit in order to assure compliance with laid down policy, benchmarked standards, and requirements of laws, regulations and applicable codes of practice.

## **SWOT ANALYSIS:**

### **STRENGTHS**

MANAGEMENT – experienced broad base of interests and knowledge

PRODUCT LINE – unique, tastes good, competitive price, and convincement.

MARKETING – diverse and global awareness.

PERSONNEL – international, diverse positions, high sales revenue, high sales growth, large capital base.

MANUFACTURING – low costs and liabilities due to outsourcing of bottling.

RESEARCH AND DEVELOPMENT – continuous efforts to research trends and reinforce creativity.

CONSUMER/SOCIAL – huge market in the healthy products and growing market for specialized foods for ethnic groups.

COMPETITIVE – distinctive name, product and packaging in with regards to its markets.

TECHNOLOGICAL – internet promotion such as banner ads and keywords can increase their sales and more computerized manufacturing their efficiency.

ECONOMIC – consumer income is high, more tend to eat out, convenience is important to us.

## **WEAKNESS :**

MANAGEMENT – large size may lead to conflicting interests.

PRODUCT LINE – new one calorie product have no existing customer base generic have brands can make similar product.

MARKETING – may lose focus, may not be segmented enough.

PERSONAL – possible conflicts due to so many people, possible trouble staying focused.

FINANCE – high expenses may have trouble balancing cash-flow of such a large operation.

RESEARCH & DEVELOPMENT – may concentrate too much on existing product, interpreneurship may not be welcomed.

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CONSUMER/SOCIAL – more expensive products, such a high price may limit lower income family from buying on ITC product.

COMPETITIVE – not entrails patentable, constant reliability by competitors.

TECHNOLOGICAL – computer break downs, viruses and hackers can reduce efficiency and must constantly update products or other competitors will be more advanced.

ECONOMIC – very elastic demand, almost pure competition.

### **OPPORTUNITIES:**

Expected 30% CAGR in organized market to result in better footfall and conversion rates.

Entry into Tier 2 & Tier 3 cities.

Collaboration with foreign player because of a national brand.

An opportunity to diversify its operations in e-relating.

As big company of India can go globally.

### **THREATS;**

Employee shortage and attrition due to rapid growth in the whole market.

Impact of slowdown in consumer spends to be felt in FMCG market.

Opening up of economy for free entry of foreign players. (Anon., n. d.)

### **PEST ANALYSIS:**

POLTICAL

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## Congress Dominance

Politically active unions

Govt. took over sick companies.

MNCs urged to liquidate equity with a cap of 40%

Multiparty coalitions causing political uncertainty

Rural job program launched in 2006

Reduced economic control & opened economy to imports

Govt. Approved 51% FDI provided company engaged in single branding.

## ECONOMIC

Favoured capital goods, increased black market

Low competition in domestic market

Not competent enough for international level

Lower purchasing power of consumer

Foreign investment discouraged

India's rapid GDP growth led to increase in spending power

Increase income 56% demand for FMCG product from rural sector.

## SOCIAL

Abundance of low wage sector

88 % of rural population below poverty line

Rural access hampered by poor – road , rail & telecommunication links

NGOs to assist smaller level cooperatives

Combination of low wage & relatively high skilled labour

## TECHNICAL

IT sector grew rapidly

Internet usage access to rural sector

Increased mediums to information available ITC provided web portal

Limited mediums available to promote brand building.

## **Corporate Governance:**

### Preamble

Over the years, ITC has evolved from a single product company to a multi-business corporation. Its businesses are spread over a wide spectrum, ranging from cigarettes and tobacco to hotels, packaging, paper and paperboards and international commodities trading. Each of these businesses is vastly different from the others in its type, the state of its evolution and the basic nature of its activity, all of which influence the choice of the form of governance.

Globalisation will not only significantly heighten business risks, but will also compel Indian companies to adopt international norms of transparency and good governance. ITC's governance policy recognises the challenge of this new business reality in India.

Corporate Governance emerge the cornerstones of ITC's governance philosophy, namely trusteeship, transparency, empowerment and accountability, control and ethical corporate citizenship.

### Core Principles

ITC's Corporate Governance initiative is based on two core principles. These are –

Management must have the executive freedom to drive the enterprise forward without undue restraints; and

This freedom of management should be exercised within a framework of effective accountability.

ITC believes that any meaningful policy on Corporate Governance must provide empowerment to the executive management of the Company, and simultaneously create a mechanism of checks and balances which ensures that the decision making powers vested in the executive management is not only not misused, but is used with care and responsibility to meet stakeholder aspirations and societal expectations.

Trusteeship:

ITC believes that large corporations like itself have both a social and economic purpose. They represent a coalition of interests, namely those of the shareholders, other providers of capital, business associates and employees. This belief therefore casts a responsibility of trusteeship on the Company's Board of Directors. They are to act as trustees to protect and enhance shareholder value, as well as to ensure that the Company fulfils its obligations and responsibilities to its other stakeholders.

#### Transparency:

ITC believes that transparency means explaining Company's policies and actions to those to whom it has responsibilities. Therefore transparency must lead to maximum appropriate disclosures without jeopardising the Company's strategic interests. Internally, transparency means openness in Company's relationship with its employees, as well as the conduct of its business in a manner that will bear scrutiny.

#### Empowerment and Accountability:

Empowerment is an essential concomitant of ITC's first core principle of governance that management must have the freedom to drive the enterprise forward. ITC believes that the Board of Directors are accountable to the shareholders, and the management is accountable to the Board of Directors.

#### Control:

Control is a necessary concomitant of its second core principle of governance that the freedom of management should be exercised within a framework of appropriate checks and balances. Control should prevent misuse of power,

facilitate timely management response to change, and ensure that business risks are pre-emptively and effectively managed.

Ethical Corporate Citizenship:

ITC believes that corporations like itself have a responsibility to set exemplary standards of ethical behaviour, both internally within the organisation, as well as in their external relationships. We believe that unethical behaviour corrupts organisational culture and undermines stakeholder value.

## **The Governance Structure**

Flowing from the philosophy and core principles, Corporate Governance in ITC shall take place at three interlinked levels, namely –

Strategic supervision by the Board of Directors

Strategic management by the Corporate Management Committee

Executive management by the Divisional Chief Executive assisted by the Divisional Management Committee

The 3-tier governance structure thus ensures that:

Strategic supervision being free from involvement in the task of strategic management of the company, can be conducted by the Board with objectivity, thereby sharpening accountability of management.

Strategic management of the Company, uncluttered by the day-to-day tasks of executive management, remains focused and energised; and

Executive management of the divisional business, free from collective strategic responsibilities for ITC as a whole, gets focused on enhancing the quality, efficiency and effectiveness of its business.

## **CODE OF CONDUCT**

### **Preamble**

ITC's Code of Conduct was circulated to the employees more than five years back and is posted on the Company's corporate website. This Code has now been re-drafted for better presentation. This Code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct.

### **Philosophy**

ITC is a professionally managed organisation and the core value underlying our corporate philosophy is "trusteeship". We believe this organisation has been handed to us by the various stakeholders in "trust" and we as professionals are the "trustees" of these stakeholders. It is therefore our responsibility to ensure that the organisation is managed in a manner that protects and furthers the interests of our stakeholders.

### **Corporate Governance Policy**

The Corporate Governance Policy is the apex level instrument guiding conduct of the affairs of the Company and clearly delineates the roles, responsibilities and authorities of the key entities in the governance structure of the Company. This Code forms an integral part of the Company's Governance Policy.

## **Good Corporate Citizenship**

In the conduct of the Company's business, the practice of good corporate citizenship is a prerequisite and embraces the following –

### **Relationships with Suppliers and Customers**

All directors, senior management and employees shall ensure that in their dealings with suppliers and customers, the Company's interests are never compromised. Accepting gifts and presents of more than a nominal value, gratuity payments and other payments from suppliers or customers will be viewed as serious breach of discipline as this could lead to compromising the Company's interests.

### **Legal Compliance**

It is the Company's policy to comply fully with all applicable laws and regulations. Ensuring legal and regulatory compliance is the responsibility of the Chief Executives of the Businesses and the Divisional Management Committees. Divisional Management Committees must satisfy themselves that sound and adequate arrangements exist to ensure that they comply with the legal and regulatory requirements impacting each business and identify and respond to developments in the regulatory environment in which they operate.

### **Health and Safety**

The Company attaches great importance to a healthy and safe work environment. ITC is committed to provide good physical working conditions and encourages high standards of hygiene and housekeeping. Particular attention should be paid to training of employees to increase safety

awareness and adoption of safe working methods, particularly designed to prevent serious or fatal accidents.

## **Environment Policies**

The Company believes that commitment to sustainable development is a key component of responsible corporate citizenship and therefore deserves to be accorded the highest priority. In addition to complying with applicable laws and regulations, Businesses must establish procedures for assessing the environmental effects of their present and future activities.

## **Personal Conduct**

All directors, senior management and employees have the obligation to conduct themselves in an honest and ethical manner and act in the best interest of the Company at all times. They are expected to demonstrate exemplary personal conduct through adherence to the following:

## **Avoidance of Conflict of Interest**

All directors, senior management and employees must avoid situations in which their personal interest could conflict with the interest of the Company. This is an area in which it is impossible to provide comprehensive guidance but the guiding principle is that conflict, if any, or potential conflict must be disclosed to higher management for guidance and action as appropriate.

## **Transparency and Audit-ability**

All directors, senior management and employees shall ensure that their actions in the conduct of business are totally transparent except where the needs of business security dictate otherwise. It shall be necessary to



voluntarily ensure that areas of operation are open to audit and the conduct of activities is totally auditable.

## **Protection of Confidential Information**

No director, senior management and employee shall disclose or use any confidential information gained in the course of employment/ association with the Company for personal gain or for the advantage of any other person. No information either formally or informally shall be provided to the press, other publicity media or any other external agency except within approved policies.

## **Company Facilities**

No director, senior management and employee shall misuse Company facilities. In the use of Company facilities, care shall be exercised to ensure that costs are reasonable and there is no wastage. (Deveshwar. Y. C, 2002)

## **CORPORATE SOCIAL RESPONSIBILITIES:**

### **CSR activities:**

#### **ENVIRONMENT**

- ITC has been ' Carbon Positive' three years in a row (sequestering/storing twice the amount of CO2 than the company emits).
- ' Water Positive' six years in a row (creating three times more rain water harvesting potential than ITC's net consumption).
- Close to 100 % solid waste recycling

- All Environment, Health and Safety Management Systems in ITC conform to the best international standards.

## **SOCIAL**

- ITC's businesses generate livelihoods for over 5 million people
- ITC's globally recognised e-Choupal initiative is the world's largest rural digital infrastructure benefiting over 4 million farming families.
- ITC's Social and Farm Forestry initiative has greened over 80, 000 hectares creating an estimated 35 million person days of employment among the disadvantaged.
- ITC's Watershed Development Initiative brings precious water to nearly 35, 000 hectares of dry lands and moisture-stressed areas.
- ITC's Sustainable Community Development initiatives include women empowerment, supplementary education, integrated animal husbandry programmes.

## **PRESERVING NATIONAL HERITAGE**

As a socially responsible corporate citizen, ITC endeavours to create value for the Indian society in multiple ways, one of them being preservation of India's rich cultural heritage. ITC has made significant contribution to the promotion of Indian classical music, theatre, art and cuisine.

## **ENVIRONMENTAL AND SOCIAL PERFORMANCE**

In the past, I have shared with you the abiding vision that inspires us to create sustainable stakeholder wealth and enlarge our contribution to the

Indian society. This commitment goes far beyond the market to create simultaneously financial, environmental and social capital for the nation.

This year, ITC joined the United Nations Global Compact, the world's largest global corporate citizenship initiative. (Anon., n. d.)

## **REFLECTION:**

Renowned company always follows all the issues and regulation to reach at the top most point that is appraise by the organization, follower and people's one of the company that follow all issues and have a brand image in all areas and all people internally and externally apologize this company and ITC is one of that company that have many follower and as a customer I also follows ITC as a source of inspirations . It have done many CSR activities to communicate with the people of different region to capture a wide market area that in turn increase their market share.

Corporate governance of ITC is very strong and cover and takes all from stakeholder to shareholder governing body to make its company successful in every aspect to achieve it target point.

So, this is the main reason why i am very much influenced from ITC company enjoy to follow it point to implement in my organization to make it successful.

## **REFERENCE:**

Anon., n. d. [www. echoupal. com](http://www.echoupal.com). [Online].

Anon., n. d. [www. itcportal. com](http://www.itcportal.com). [Online].

assis, c. g., 2003. ITC'S RURAL SYMPHONY. BUSINESS WORLD.

Deveshwar. Y. C, 2002. THE INDIAN TABACOO COMPANY.

## **CONCLUSION:**

ITC Ltd. is a leading FMCG Company in India and from last three consecutive years has shown accelerated growth in FMCG portfolio. Customer in India also spending more in FMCG as their standard of living is growing. ITC has placed itself successfully in the position of market leader in FMCG product, though there was some downfall in sales and profit of company in beginning of this decade but after that ITC has shown considerable rise in both sales and profit.

ITC promoting their brands through advertisement campaign as well as door to door promotion.

The demand of their product in very low, because people don't know about their brands very well.

ITC knows their strength and weakness in the personal care market, so they are applying new concept to overcome their weaknesses.

ITC now offering more margin, exiting offers and long credit period to retailers and wholesalers.

The future of the company is looking bright as FMCG market in India is still expanding and so we can safely conclude that ITC will be able to secure it No. 1 position in FMCG product.

POLITICAL

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DATE

TOPICS COVERED

KEY ISSUE COVERED

RELATION OF KEY ISSUES WITH THE CASE

28MARCH

GLOBALIZATION

Introduction of Globalization

Social and Economic Implications.

31MARCH

SWOT ANALYSIS

INTERNAL ANALYSIS-STRENGTHS, WEAKNESS

EXTERNAL ANALYSIS-OPPORTUNITIES, THREATS

5APRIL

PESTEL ANALYSIS

PEST ANALYSIS POLITICAL

ECONOMICAL

SOCIOCULTURAL

TECHNOLOGICAL

9APRIL

12APRIL

CORPORATE GOVERNANCE

CSR(corporate social responsibility)

CORE PRINCIPAL,

THE GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

CORPORATE MANAGEMENT COMMITTEE

CODE OF CONDUCT CITIZENSHIP

PERSONAL CONDUCT

CORPORATE GOVERNANCE POLICY

GOOD CORPORATE CITIZENSHIP

IMPROVED CULTURE

REPUTATION

ENVIRONMENTAL PRESERVATION

CORPORATE RESPONSIBILITY

Environmental Preservation

Resettlement of War Victims

Welfare of the neighbouring communities.

Environmental Preservation