

Clairant marketing assignment

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We are also thankful to Mr.. Oman Patella 0 for his help and valuable Insights into Strategic Management at Claritin Pakistan Limited. Mr.. Patella, a very dedicated Individual, Is a competent and proactive professional at analyzing the Implications of Claimant's competitive strategic framework on each of the business' operations. He provided us with every detail about Claimant's corporate strategic activities and how they are aligned with the core competencies of the company.

Without his time and help, it would have been impossible for us to prepare this report. Sincerely, Amber Alicia Ham Aimer Birr Mommas Razz

Mohammad Moms Useful Gaga students of ABA (HON.) Institute of Business Management, Karachi. Letter of Transmittal Mr.. Abdul Qatar Mollie Institute of Business Management Koran Creek Karachi - 75190 Pakistan Date: 18th April, 2013 Dear Mr.. Moll: Management in Claritin Pakistan Limited" as authorized by you.

The purpose of this report is to examine how Claritin Pakistan Limited manages its strategic activities at the corporate as well as the business level. The project report is a comprehensive outline of Claimant's strategic mission, the competitive strategies it has developed to enhance its core competencies, the macro-economic analysis that it conducts for scanning the various environmental threats/pressures, the strengths and opportunities it effectively utilizes and the weaknesses and threats it counter- balances.

The group members were immensely excited to work on this project since in a few months' time we will all be part of the work force and will be concerned with these strategic tasks employed in the organization at the

basic level of an individual employee. With much effort and diligence all the work was divided equally amongst us. We prepared a questionnaire which contained a list of questions regarding Strategic analysis, development and execution. We then met a representative of Claritin Pakistan Limited, Mr.. Oman Patella 0 who responded to our list of questions diligently.

Later different parts of the report were asked to be written by each group member. While working on this report we observed the amount of energy, thought process and effort that goes behind into making an organization strategically competitive in its industry We are grateful to you for teaching us the important aspects of Strategic Management, for helping us whenever we needed your assistance and believing in us to complete this report in the best possible manner by fulfilling our capabilities. Contents 1 Objective To conduct Claimant's organizational analysis in the light of the chemical industry.

To achieve this objective a broad environmental analysis needs to be conducted in order to recognize the external opportunities and threats along with internal strengths and weaknesses. This would allow us to improvise their existing strategies and suggest recommendations. 2 Industry Definition At present there are nearly 30 Chemical companies having the total paid-up Capital of RSI. L . 7 billion. Most of them have shown remarkable progress in their sales in the recent years such as Fuji Fertilizer, Icily Pakistan, Negro Chemical, Atwood Hercules,

Claritin Pakistan, Sitars Chemical Colgate Palmolive, Berger Paints, BOCA Pakistan, Sins Alkalis, Dyne Pakistan, are considered as market leaders in the

field of Chemical Industry in Pakistan. The rapid industrialization resulting in the large increase in chemical consuming products has enlarged the demand of all types of chemicals in the country. Chemical Industry in Pakistan has gradually developed to its present stage and has played a vital part in the development of the country and will continue to do so in future with more foreign investment.

The Chemical Industry produces a arioso range of products such as polyester fiber, sodium carbonate, PVC, Soda Ash, PTA, Pharmaceutical, Paints, Fertilizer, Insecticides, Petrol-Chemical and other Chemicals. Chemical industry in Pakistan is widespread. The chemical imports constitute about 17% of the total import bill. Pakistan has made considerable progress in basic inorganic chemicals like Soda Ash, Caustic Soda, Sulfuric Acid and Chlorine and has acquired sufficient production capacity of these chemicals to cater for the needs of the local industry, while surplus is being exported. 2 Even then there are some challenges to be countered. The chemical industry of Pakistan is lagging behind due to some challenges. The main challenge is that it has to rely on its imports and foreign materials. It does not benefit the economy and results in production of expensive products. Secondly lack of industrial infrastructure and technology in Pakistan results in low quality products which do not mark the standard. Moreover the discriminatory approach of international community does not integrate the Pakistan market into the international economy and Pakistani products are not given access to the international market.

Moreover the lack of resources and weak trade policies of the ministries also result in the weakening of chemical industry. In order to enhance the

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chemical industry Pakistan must adopt the policy of “ self-reliance”. Instead of relying on foreign designs and engineering it must improve its own production and ensure high quality of chemical products. Pakistan must work towards integrated approach. It must bring four worlds of a society together which are traders, universities, research and development and production partners.

This will bring innovation and must utilize its youth which has rest minds and great ideas to enhance the chemical industry resulting in qualitative and quantitative perfection in the chemical products. Pakistan is capable of producing high technological products all it needs is a little bit of effort in improvement of administrative capabilities and induction of new technology and support from government to put things in order.

3 Company Background and Information

3. History Claritin was formed in 1995 as a spin off from the chemical company Sand, which was itself established in Basel in 1886. Through their direct lineage, Claritin have massed knowledge and experience of chemistry and industry spanning approximately 150 years. Claritin expanded through the incorporation of the specialty chemicals business of Hostess (Germany) in 1997, and the acquisitions of BIT PI (I-J) in 2000 and Saba’s Master batches division in 2006.

In 2008, it acquired the leading U. S. Colorado suppliers Rite Systems and Ricoh Colors. The latest acquisition, the highly-innovative specialty chemicals company Sjd-Chemic (Germany), was completed on 21 April 2011. Additives Catalysis & Energy Emulsions, Detergents & Intermediates Functional Materials Industrial & Consumer Specialties Leather Services Masturbates Oil

& Mining Services of specialty chemicals and application solutions for consumer care and industrial markets.

Textile dyes include disperse, reactive, direct, acid and sulfur dyes. The textile business encompasses special chemicals for pretreatment, dyeing, printing and finishing of textile. Optical brightener and chemicals for special treatment are also the part of the range. Moreover, textile region also include water based application of the emulsion for the paint and the construction industry. Paper business supplies paper dyes, optical brightener and process and pulping chemicals.

Leather region produces chemicals for finishing and complete range of wet-end chemicals. The Consumer Care segment includes the Personal Care business which, among others, develops and produces specialty ingredients for skin and hair care, wet wipes and selected pharmaceutical applications. They supply all relevant information and advice for safer use, handling, labeling, storage, and disposal of our products as a part of Claimant's commitment to sustainability and product stewardship to best meet customer needs.

Industrial & Home Care business helps customers gain a competitive advantage with its product range for household cleaning fluids, disinfectants, industrial and hospital cleaning solutions Claritin, as a world leader in the field of specialty chemicals, is fully committed to sustainable operation and development in all business activities. It develops and offer products and applications that allow for use of the product during its whole life cycle helping to avoid risk to employees, customers, the public and environment.

Claritin has signed the Global Responsible Care Charter as our commitment to Sustainability. It is the chemical industry voluntary initiative to continuously improve health, safety and environmental performance, and to communicate with all stakeholders through the supply chain. This enables Claritin to make a strong contribution to Sustainable Development through the Responsibleethic and the Global Product Strategy targets which promote the safer use of chemical products and enhance product stewardship throughout the whole supply chain.

Their comprehensive product stewardship approach includes cooperation and partnership with Claimant's suppliers Claritin is aware that the energy issue is one of the key challenges of today's and future society and industry. Claritin highlights energy efficiency and savings as the most cost-effective and fastest way to reduce CO and other emissions and increase security of supply.

3.3 Mission Statement

Our mission clearly expresses what is important to us and what we stand for – as a brand and as a company. We build leading positions in the businesses we are active in and we adopt functional excellence as part of our culture.

We create value through appreciating the needs of: our customers – by providing competitive and innovative our environment our shareholders by acting sustainable – by achieving above-average returns

4 Porters Five Forces

4.1 Bargaining Power of Suppliers

The bargaining power of suppliers is low. Claritin is a chemical manufacturing firm; they make chemicals used in different sectors like textiles, oil & gas, mining, dyeing etc. Claritin does not have a particular supplier for its raw materials; the Company buys raw material from different suppliers.

The planning department is responsible for planning of the units of raw material to be purchased based on the market forecast. The procurement then takes prices from approved suppliers and then places an order to the supplier who gives the lowest deal on the purchase. The bargaining power of suppliers is low as there are many suppliers in the market and they cannot charge a high price otherwise they would lose business to their competitors. Yes (+) moderate No (-) 1 . My inputs (materials, labor, supplies, services, etc. Are standard rather than unique or differentiated. 2. I can switch between suppliers quickly and cheaply. 3. My suppliers would find it difficult to enter my business or my customers would find it difficult to perform my function in-house. 4. I can substitute inputs readily. 5. I have many potential suppliers. 7. My cost of purchases has no significant influence on my overall costs 4. 2 Bargaining Power of Buyers The bargaining power of buyers is high in the chemicals industry as the buyers have many choices from where they can purchase their products from.

Claimant's consumer markets include automobiles, candles, cosmetics, detergents, latex, stationery, as well as finishers for aluminum and leather. Claimant's buyers are aware of the need for information and Claritin helps its customers through the technical service centre. But this does not undermine the fact that other local chemical industries are also major players in the market so similar products are available, and buyers do not really incur a switching cost when changing where to purchase from. To what extent are your customers locked into you?

No effect 1) Are there a large number of buyers relative to the number of firms in the business? 2) Do you have a large number of customers, each

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with relatively small purchases? 3) Does the customer face any significant costs in switching suppliers? 4) Does the buyer need a lot of important information? 5) Is the buyer aware of the need for additional information? 7) Your customers are not highly sensitive to price.) Your product is unique to some degree or has accepted branding? 9) Your customer's businesses are profitable. 0) You provide incentives to the decision makers. 4. 3 Rivalry among the Competitors Threat of competitors is high. 1 . The industry is growing rapidly. (Not so rapidly due to Energy constraints) 2. The industry is not cyclical with intermittent overcapacity. 3. The fixed costs of the business are relatively low portion of total costs. 5. The competitors are diversified rather than specialized. 6. It would not be hard to get out of this business because there are no specialized skills and facilities or long-term contract commitments etc. 7.