

# Madar aluminum essay sample



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## Introduction

Madar Aluminum is one of the many constituent companies in the Daaboul Industrial Group (DIG). DIG is one of the largest private industrial groups in Syria which is pursuing production of aluminum and glass products (<http://www.dig.bz/eng/index.html>). Madar is the biggest company and deals with production of aluminum profiles.

Madar is leading in the processing and supply of highly quality aluminum profiles. All the other manufacturers have not attained Madar's quality. The company employs more than 500 workers and employees and uses the latest technology in the field from famous European companies (<http://www.madarco.com/eng/index.html>).

Madar is a family business and the family members from the Daaboul family hold the various key positions in the company. Many of the decision makers and managers are from this family. The decision making process is centralized and bureaucratic.

80% of the customers of Madar's goods are fabricators with the remaining 20% going to appliances producers, decorative material or private use.

Madar Aluminum manufacturer profiles that are used both in architecture and industrial appliances. All the products produced are of very high quality. In 1998 Madar was given ISO 9001 certification Award. It was the first company to be given the award. Madar Aluminum has a license of Technal to produce the high quality Technical profile systems.

## Objective of Madar Aluminum

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The core objective of Madar is to produce and provide both the internal and external markets with high quality aluminum accessories in accordance with the universal standards and customer needs (<http://www.madarco.com/eng/index.html>).

Madar utilizes the most modern technologies in order to adapt to developments in the aluminum industries. This is aimed at role in the provision of high quality products.

The company is committed to maintaining high quality products and this have made efforts to come up with a quality development and services strategy. There is also a department in the group that is concerned with maintaining quality and meeting international standards specification. This is done through the quality policy that is aimed at ensuring the products comply with international quality standards.

On of the main strategies employed is emphasis on the enhancement of expertise in production. The company endeavors to develop the professional skills of its staff so as to encourage responsibilities I n their work. This high expertise is achieved by sending the employers to forums to update their expertise in their new developments in their fields.

### Goals

- Foster architectural development by providing both the internal and external markets with aluminum products that meet their needs.
- Provide high quality products.
- Take care of the environment

- Developing staff expertise/experience and responsibility.
- Become the leader in the region in the provision of aluminum products.

### Our values

Madar Aluminum Company as part of the Daaboul Industrial group upholds certain values that have facilitated the success of operation (<http://www.madarco.com/eng/index.html>). These values can be summarized as

1. Quality: Quality is upheld in every operation of DIG so that customers can be provided with high quality products that meeting international specifications.
2. Employee Development. The company is committed toward development of their employees by increasing their expertise and offering them opportunities in which to grow their professional knowledge.
3. Care for the environment: Madar Company pays great consideration to the environment and ensures that the environment is taken care of.

### Strategy

Madar Aluminum wants to increase its presence in the domestic market as well as the external market. Though Madar Aluminum have been exporting some of the products produced there is a need to increase sales to the international market. In the same way the domestic market is not fully covered. Madar Aluminum should act quickly in order to take advantage of its early entry in the industry in Syria. Failure for the company to adapt to new tactics to counter competition will give the competitors a chance to grow and establish their operation to the demerit of the company.

Madar Aluminum's first strategy is integration of production of Aluminum products with production of glass. One of Madar's sister companies, Universal tempered glass (UTG) had specialized in production of different kinds of tempered glass ([http://www. utg-syria. com/about/](http://www.utg-syria.com/about/)).

Universal Tempered Glass (UTG) is a member of Daaboul Industrial Group (DIG). The company was started in 1997 and was a pioneer in architectural as well as industrial application. It manufactures both tempered glass and double glazing glass.

The mission of UTG is providing different types of glass using highly advanced equipments from Europe and Quality raw materials For that UTG employs high skilled engineers and other staff and is committed to training so as to keep in pace with advancement. This advancement is motivated by the commitment of the company to customer satisfaction and safety. UTG is also committed to offer realistic price for its products to the customers.

UTG has a broad range of glass products that are needed in architectural application. Its products are many and known for their quality. No any other company produce glass products that reach this quality.

Customer satisfaction is ensured by offering the customer what they exactly want. The glass is designed and cut as per the customer request and all the other processes of edging, tempering and sand blasting or double glazing. These processes are computerized to ensure the fine details of customers request are granted and that the final product is of high quality and safe for the customer.

Tempered glass and double glazed glass are used mostly for building projects for doors, certain walls, windows, show windows and others. Tempered glass and double glazed glass are also used for accessories, office desks, demonstration cabinets, separation walls, lighting systems, transport vehicles, ladder, lifts, shower cabins, refrigeration, deep freezers and others ([http://www. utg-syria. com/about/](http://www.utg-syria.com/about/)).

UTG have more than 175 workers and employees and just like Madar must decision maker and managers come from the Daaboul family.

It has a yearly production capacity of 500, 000 meters of tempered glass and 20-0, 000 meters of insulating glass. The company expects this capacity to improve with addition of production lines and equipments. Most of the machines and equipment are from Italy but there are others from Austria and finish ([http://www. utg-syria. com/about/](http://www.utg-syria.com/about/)).

Competition for UTG is increasing with for big competitors well established and for new competition starting.

Integrating the production of Aluminum and glass will bring a horde of benefits to Madar Aluminum as part of the Daaboul industrial group.

One of the benefits will be concerted efforts to create a bigger impact in the international market. Though some of the products have been sold in the international market, they represent a small percentage which can grow if extra marketing efforts are made. Integration of production of Aluminum and glass products will provide a bigger range of products and collaboration in penetrating new markets. Collaboration will cut on marketing cost and

other administrative costs. It will also bring more order and plan in the operations of the marketing strategy.

Integration of Madar Aluminum production and UTG production will facilitate increased and more use of the companies. Both Madar Aluminum and UTG are committed to use of sophisticated technology and to keep in pace with advancement. Joining efforts will provide them with power to be able to acquire and maintain the latest technologies in their lines of production. Integration will enable them to push down the cost of these technologies considerably because of economies of scale and other synergies. Achieving efficient use of technology will translate to greater achievements in terms of quality and cost efficiency.

Integration of production of Aluminum products and glass products will provide the customers with all their needs. This integration in production will provide a wide range of products to satisfy all the needs of the customer. This will save on the marketing of the products as well as in processing of the orders. It will facilitate faster and more operations in the sales division. These concerted efforts will also cut on costs. The ultimate results will be efficient services to the customers at lower costs. This will help increase the market both domestically and internationally.

Integration will also improve the selling efforts. As the products, that is Aluminum and glass are used by the same market it will be easier and more beneficial to market them together as the customer is the same. More so the network of agents and distributors will have an easier work as they will be sourcing the supplies form one point. In the past there had been projects

carried out successfully using integrated and sophisticated glass and Aluminum systems. The reputation that was gained from the successful performance of those projects should be enhanced by integrating the production of these products.

Integration in production will also mean more quality products. Madar Aluminum and UTG are both very committed to quality of their products. If their efforts will be integrated the result will be improved quality of the products and consequently increased sales and profitability.

As Madar Aluminum and UTG are sister companies in Daaboul Industrial Group a family business, they share the same values and priorities (<http://www.dig.bz/eng/index.html>). This will facilitate the integration and will not result to any friction or conflict that may have an adverse effect on their operation.

## Environmental Analysis

### 1. Political

There is no interference of the government in the Aluminum and glass industry. The company runs as an economic entity without undue political pressure.

The company strives to adhere to National and international standards specification especially on quality. In this environment the company is able to flourish and gain competitive advantage fairly as the market is dictated by economic forces.

### 1. Economic

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The domestic market for Madar products have grown considerably form 20, 000 meters in year 2000 to 60, 000 meters in 2006. In 2001 Manor Aluminum was the sole domestic producer of Aluminum products. By 2006, three more producers had come in making a total of four domestic producers.

The market has a potential that have not been utilized. Madar Aluminum has a potential that it's yet to utilize. In 2006 the total deliveries made were below the production capacity of the company. This means there is a big opportunity that is yet to he utilized.

Despite the presence of several competitors Madar Aluminum have an upper hand because of its leading role in provision of quality products. This leadership role can be enhanced by putting more effort to marketing. Promotional activity can create more awareness and satisfaction of the customers.

### 1. Social

One of the strength of the company among its customers has been the quality of its products. Madar Aluminum produces products that are unequaled in terms of quality. However, the company still faces a major challenge of improving the levels of customer satisfaction. The challenge lies in the communication between the customers and the company. Most of the customers appreciate the quality of the products but are not happy about the communication between the company and the customer is big percentage of unsatisfied customer is big thus posing a risk to the future market share of the Madar Aluminum company products.

The company also does not carry out any personal selling or direct marketing sales are made through agents and distributors thus there is no direct contact between the company sales department and the customers. Only a minute number of customers are served directly.

The sales effort of the company is not well ordered thus making it difficult to collect any customer information. The sales department does not have adequate knowledge of the state of the market thus complicating planning.

Madar Aluminum is a family owned company and most of the key decision making and management positions are held by family members. This discourages the workers as their chances of promotion to the key positions are limited.

The leadership of Madar in the industry has made it to ignore employing enough marketing measures to create awareness and expand the market. This is dangerous as it puts the company at risk of being overtaken by other competitors.

### 1. Technology

Madar Aluminum Company utilizes high quality technology in its operation. The various processes of production are computerized so as to achieve excellent quality outcome. The company has made efforts to keep advancing its technology with item, so as to keep up to date in terms of new technology. Despite the highly advanced technology at Madar Aluminum company precaution activities the technology has not been utilized fully. Only 97% of the customers use offline channels to place their orders. There

is still a big potential for utilization of technology to market the company's products to a bigger population. In the modern environment most of the companies are utilizing technology to a big extent to market their products and lag of madar in adapting to this change in the market practices may lead to adverse effects.

### 1. Ecology

The company is committed to maintaining the environment and carries out measures aimed at ensuring environmental conservation. This is encouraging and has earned the company good reputation.

## SWOT Analysis

### 1. Strengths

Madar Aluminum has various strengths in its fold that have enabled it to operate profitably and still have potential of sustaining or improving success in operations.

One strength is the reputation of products from Madar Aluminum in terms of quality. The company's commitment to quality has led to production of unequaled quality products. This has earned the company good reputation and quality among all the customers especially in the domestic market. These projects are strength of the company that can be utilized adequately to dominate the market and compete favorably and effectively with other competitors.

The other strength of the company is its pioneer ship to be awarded the 150 9001 certificate in 1998. Madar Aluminum was the first company in the industry to get such an award and this increased its reputation.

Technology is strength of Madar Aluminum. The company have been committed to keeping in pace with advancement in technology and usually utilize the best technologies in its fields. The company has sophisticated machines and equipments especially from Europe that is used in production. The various processes in the production activities are computerized. This is aimed at ensuring that the customer requirements are met to the fine details. This in turn increased customer satisfaction and his or her safety in using the products.

Good and well trained human resource is strength. Madar Aluminum is committed to improving the professional expertise of its engineers and technicians. The company offers various opportunities for its staff to advance their skills. The employees are sent to other countries to advance their skills or in-house training is done. This is aimed at utilizing the best skills and expertise in production so as to produce products that meet international standards specifications. That has resulted to Madar Aluminum having very well skilled workers who are able to produce very high quality products.

## 2. Weaknesses

Madar Aluminum has several weaknesses in its operations arrangements. These weaknesses should be dealt with so that the company can enjoy growth and benefits from its strengths and available opportunities.

One weakness is the poor market knowledge. The sales department of Madar Aluminum Company is not updated on the state of their market and only relies on outdated information. The company is not aware that the market have grown considerably in the last previous years and that the number of domestic producers have risen from one to four. This makes selling and planning ineffective. This consequently makes the company to produce below the market potential giving their competition a chance to flourish. Lack of knowledge of competitors gives them an upper hand to employ tactics to take over the market.

Another major weakness is the poor selling arrangements. Most of the sales are done through agents and distributors and thus most of the customers do not have contact with the producer's sales department. Each salesman has only contacts with a few dealers and handles all orders himself. The sales people stay in the office receiving and tracing orders and doing administration work. There is no organized system of gathering information about the market. The company does not enhance communication within the customers. Many of the customers are not satisfied with the communication arrangement. This is a weakness which may cause customers to shift to other products.

The marketing efforts of the company are also poor. The company does not carry out direct marketing or personal selling. The sales representatives wait for the customers to come to them. No advertising or promotional activities are carried out to make customers be aware of the company and its products. Also though Madar Aluminum uses highly sophisticated technologies no efforts have been put to foster online marketing or selling.

97% of the customers use offline channels with only 3% placing their orders online.

### 3. Opportunities

Madar Aluminum has several opportunities that can be utilized for the benefits of the company. One opportunity available to the company is the unutilized capacity. The company can still produce more than it currently does as it has the technology and human expertise required. This capacity can be pursued so as to satisfy the market with the company's products and thus avoid giving competition a chance to flourish.

The big and unutilized market potential is another opportunity. There is still a big share of the market that has not been pursued the size of the market has increased meaning there is still a potential market that Madar has not been able to service with their products. Greater efforts should be put to reach this market. Online selling has also not been utilized to reach other markets. The company has the opportunity of using its advanced technology to encourage online transactions and to advance intensive marketing for its products.

Another opportunity available to Madar Aluminum is its integration with Universal Tempered Glass, the sister company in the Daaboul Industry Group. This is an opportunity to exert concerted efforts in marketing, selling and technology for their benefit. This will also facilitate success of more Aluminum and glass projects.

### 4. Threats

Despite the various opportunities available for Madar Aluminum, the company faces several threats. The new entrants in the market are likely to take part of the company's market share. The number of domestic producers have rose from one to four meaning the three additional competitors will take a part of Madar's market. This will increase competition which will translate to increased cost for marketing or reduced sales.

Another threat is the changing market condition. The domestic and the international market are under constant changes thus posing a threat to Madar Aluminum. As the companies do not have adequate market information some changes in the market may result to great loss of revenue or market share of the company.

## Competition and industrial Analysis

### 1. Rivalry

Madar Aluminum now has many competitors both in the domestic and regional market. These competitors include Awad Amoura, Massooh, Almouayad, Alifarah, Siral Aluminum, Mahjouh PVC, Sedem which is based in Lebanon and other Arab producers of Aluminum and PVC.

This increased competition means that the company has to put more efforts in marketing for it to continue leading in the industry. Each of the competitors has its own survival strategy and Madar Aluminum will have to evaluate and analyze its operations so as to counter competitors' tactics.

Madar Aluminum has the advantage of a well founded reputation for quality products. This gives the company an upper hand though the selling and

marketing operation will have to be streamlined in order to achieve the competitive advantage of this reputation. Also Madar has the technology which can be utilized to achieve all types of the customer requirements.

## 2. Suppliers

Madar Aluminum imports the best raw materials for use in its products. This is aimed at ensuring the products produced are of the highest quality. The company also uses the best machines and equipments from famous European companies. Quality supplies lead to production of quality products that have big competitive advantage in the industry.

## 3. Entrants

Though there are no signs of other entrants, the market is still open and more competitors may enter the market.

## 4. Buyers

The product buyers are mostly in Syria though some come from the neighboring countries in the region and from far countries. The customers are attracted by the high quality of the products which meets their needs. The products are also made according to their specific requirements. However, many of the customers are not satisfied with communication between them and the company.

## 5. Substitutes

There are other substitutes in the market by products from Madar Aluminum have an upper hand on quality. The other products do not reach the standards of quality of madar products.



## Resources and capabilities

Madar Aluminum Company has many resources and capabilities that foster its success in its industry.

- Technology

The company uses sophisticated technology from famous European countries and all its production processes are computerized. The company has ample investment in technology.

- Human Resources

The company uses high professional expertise in its production. It has workers who are well trained and skilled. These workers are updated of all advancement in their profession and in the industry.

- Capacity

Madar Aluminum still has a big unutilized capacity. The company can be able to produce more than it's producing with the same resources.

- Market expansion

The company has a chance of increasing the size of its market by putting more efforts in marketing and customer relations.

## Conclusion

Madar Aluminum has capacity and opportunity for growth. It has the chance to achieve competitive advantage in all its operations. The company should put more emphasis in its strategy and adapt more serious measures in marketing itself.

Reference:

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