

The revlon organizational stakeholders



Revlon cosmetics industry takes new step toward the technology side.

Revlon was founded in 1932, by Charles Revson and his brother Joseph, along with a chemist, Charles Lachman. Ever since that Revlon industry has been growing rapidly in innovation and technology in producing cosmetics. Competing with other companies and keeping a growing market share in the world market is a challenge task. In the industry we could find many skin care products which are for women. This industry is a segmented market which target women in all ages such as teen parents and old women.

Situating a large number of agents around the world and capturing a vast number market share with a competing market on other cosmetics industry. For this growing market the technology that stays today will not be a demanding market tomorrow. In order to compete in tomorrow's market, new products should be included and introduced. Stakeholders play a critical part by investing large amounts of money on the industry to gain profit someday.

TASK ONE

1. 1 The types of organizations that exists in the market

As there are many organizations in today's market, it helps to keep a balance economy in the market. Organizations act in different ways in the market, but almost every organization has the same goals such as profit, sales, growth, ROCE, etc. In business organizations there are two types of sectors. Pvt. Sector, Pub. Sector. (Yapa, 2010)

Pvt. Sector Pub. Sector

Sole Traders

Gov. Departments

Partnership

Gov. Corporations

Joint venture

Gov. Companies

Private Limited Company

Sole Trade

One of the smallest and the simplest business structures is the sole trade. This type of business is run by a single individual with his own expense. As having the complete control of the business, your liability is unlimited. In sole trade the possibility of evading tax is not compulsory because sole traders organizations are taxed as individuals and they pay income tax at personal tax rates. As the liability is unlimited there are no legal personalities.

Partnership

There are two different types of partnerships, they are limited partnerships and general partnerships. This business could be formed between two or more people. Partnerships are normally formed in order to make profits. A legal document is been made to certify that two individuals are carrying out a single business.

Rules and Regulations apply to P/S

P/S ordinance of 1890

Prevention of frauds ordinance 1840

Business names ordinance 1918

Other laws and regulations (Yapa, 2010)

Joint Ventures

A joint venture is a short term business partnership between two legal organizations to accomplish a specific task. Joint ventures could involve many types of business transaction. These business organizations could be a single individual, groups and companies. Every joint holder intending to make profit, sales, growth and market share increase by putting a huge share risk and assets on the business. (Legal Information Institute, 2010)

Private Limited Company

There are many types of incorporated companies. Partnerships and owners of businesses incorporate together establish a limited liability for their shareholders and to themselves. As the liability of the partners and the owners are limited, the firm capital increases giving the company growth and a huge market share. (Business Dictionary. com, 2012).

Limited companies (LLC)

Company limited by guarantee

Unlimited companies

Offshore companies

Foreign companies (Yapa, 2010)

Limited Companies (LLC)

This is company which offers limited liability to its shareholders. this is more likely a partnership based company. A flexible profit distribution is been added in to the shareholders to obtain a profit to the risk they take by investing. There are some restrictions over the ownership. (Business Disctionary. com, 2012)

Unlimited Companies

The shareholders liability is unlimited to their share investment. Unlimited liability helps to avoid double taxation like a limited company. As unlimited liability company, annual reports are not required to be given to the registrar. If there were to be any loans of the company the owner himself should act responsibility not the company itself. (Business Disctionary. com, 2012)

Offshore Companies

It s more likely to be a domestic company with the headquarters in its countries but may often move offshore to become an offshore business organization company. Offshore companies are incorporated with a foreign nation. Thus the headquarters is based in country, the company operations carried out in different country. Running offshore companies is more benefiting cause of the taxation is lower. (Investor Glossary, 2004)

Cosmetic product

REVLON

1. 2 Identifying and classifying Revlon Organizational Business Structure

Revlon business organization is a functional structure. A functional structure is a group of members working together in a organization in different functional departments such as marketing, accounts, sales, research, etc. Special boards of directors, chairman direct the organization while CEO, CFO carries out the directors must strategy by managing the company. Given below is the Revlon business organizational structure. (Sticky Marketing. net, 2004)

CEO- Alan Ennis

Accounting, Control & Intern-GM

CFO- Steven Berns

Tax- MS

COO- Chris Elshaw

Chairman of the board- Ronal Perelman

Treasurer & Investor Relatio-GE

Vice Chairman of the board- David Kennedy

Administration- RK

Canada- SW

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Science- AM

Director- Barry Schwatz

United States Region- JC

Supply Chain- XG

Director- Kathi Seifert

Asia Pacific Region- DT

North American Sales- KO

Director- Meyer Feldberg

EMEA- MW

Legal- LG

Director- Tamara Mellon

Latin America- MB

Legal & Secretary- SM

Director- Debra Lee

CIO- DG

Marketing- JG

Supply chain & Manufacturing-AF

1. 3 Revlon organizational stakeholders

Stakeholders are people who are interested in a business and willing to invest money in order to make profits to themselves. There are different types of stakeholders they are owners, shareholders, managers, employees, customers, suppliers, community and government. We could divide stakeholders into two parts internal and external stakeholders.

Internal External

Owners

Customers

Shareholders

Suppliers

Managers

Community

Staff and employees

Government

Characteristics of stakeholders

Owners and Shareholders:

According to size of the firm which is a large firm, owners carry out their roles.

In a large firm like this, there are thousands of stakeholders owning small parts of the organization.

Managers:

Managers make decisions to carry out business organizations. They organize, plan and control in order to make growth in the organization.

Employees and staff:

When it comes to employees depending the type of work they are doing, qualification, skills, age, locations and other factors their pay level will be chosen.

Employees carry out the managers orders to maintain and handle the business.

1. 4 The purpose of the organization

The customer is the main purpose of the business organization. The customer is more important than the stakeholders or management. The customer is the king, without customers there are no businesses in the organization. The company main purpose is to satisfy the customer. In order to satisfy the customer the products and services should good. There should be a vision and mission statement. The mission should be clear to the customer. The organizations should target their mission and achieve it to develop the organization

Mission and Vision business statements

Mission: A mission statement defines the purpose of the business organization. It also shows the products and services which they offer to the consumers. Mission statement gives the purpose of the company to the shareholders and to the investors. (Alan, 2008)

Vision: A image of the future we seek to create is a vision. It also creates a meaningful purpose to both organizational and individual to a high level of motivation and achievement. Through experience the organization pushes the future vision to its limits and creates new future visions to the organization. (Joel Barker 1998)

The mission and vision of Revlon

Revlon s mission is to emerge in the growing market as the leader in cosmetic. Revlon takes pride in manufacturing cosmetic the top skin care to please both young and older woman alike.

Revlon s vision is to satisfy the wants of their customers with glamour and excitement and innovation through quality products with a smile at affordable price.

Critical analysis on mission and vision of Revlon

A vision statement sees five years a head into the future and defines an outstanding achievement which that not even be possible to create today. A mission statement defines more likely a short term achievement what a company currently does in order to keep a growing market share. Also a Strategic planning process is been added to prepare the mission statements. Improving products and services to the highest quality and delivering on <https://assignbuster.com/the-revlon-organizational-stakeholders/>

time and how the organization competes in other companies in the marketplace. The vision and the mission, comparing both statements what we want to be and what we are is the future and the present. Planning the next mission for the organization after the current mission been complete, SWOT analysis could be used to identify Strengths, weaknesses, opportunities and threats. An internal analysis could identify the strengths and weaknesses through functional department. External analysis could identify Opportunities and threats through a external factor such as economy, technology, labor, governmental regulation.

1.5 Responsibility and Ethical issues of the organization

Responsibility of an organization is to identify functional areas where customers and stakeholders are involved. Giving them a policy of rules and regulations of the organization and maintaining their regulations is a part of their responsibility. Internal responsibilities is been handle by the HR team. Below given are some of the responsibilities of an organization facing today.

Social responsibilities

Environmental responsibilities

Management responsibilities

Ethics and business

Legal responsibilities (Yapa, 2010)

Social responsibilities

Social responsibility is the obligation that the organization has towards the stakeholders, customers and the environment. Giving the customer what the customer wants is huge responsibility to the organization. Having a growing market share, improvements on products and introducing new products to the market holds a small responsibility. (Yapa, 2010)

Environmental responsibilities

Environmental responsibilities is creating a product with resources and not affecting the environment. Challenging the growing market and keeping up to other competitors with the lowest environmental pollution is a responsibility of the organization.

Critical analysis on Environmental responsibilities

By using advanced technical solutions environmental pollution could be cut down rapidly. A huge number of resource and investment is required in order to create such solutions. Producing cosmetic requires chemical and other natural elements which most of them are chemicals. Wastage of them is released to the environment in three different ways liquid, solid and air. Polluting the water, land and air could bring harm to mankind itself in many different ways. In a company creating a specified department to analysis the environmental pollution will help to reduce the pollution.

Legal responsibilities

The legal responsibilities of an organization are the guarantee which the company gives to the customers that their products are safe to use. Most importantly the product which the consumer uses should be safe to use on

the skin. Such chemical damages to the skin could cause effect to the company name for using harmful chemicals. As the legal responsibility of the organization, the health care of the consumers should be the first priority. Secondly the product quality should be in a good standard for the consumer to use. Satisfaction of the customer, stakeholders is an act of Legal responsibility. Sharing finance report with stakeholders, releasing annual reports, press releases are Legal responsibilities.

TASK TWO

2. 1 Types of market that exists in the market

A market is place for buyers and sellers. These two groups could meet physical such as shops or meet by telecommunication across miles far away. They meet to buy and sell goods and services. For a seller to sell goods or service he should know about the market he is selling. There are many competitors trying to sell the same product. The type of market you operate and how he market the product will have a big influence on his success. Below given is some of the market types that commonly used in today s market.

Perfect competition

Perfect monopoly

Monopolistic competition

Oligopoly (Yapa, 2010)

Perfect competition

Perfect competition is large number of sellers independently selling goods. The freedom of entering in to the industry and exiting out from the industry any time is common fact of this market type. Identical products are sold by all firms. Even the original product is also priced as the duplicated product. The reason is the market won t accept the same product in two different values. If a seller sells a product for 2\$ and another seller sells the same product for 2. 5\$, the market will not accept the 2. 5\$ product. The perfect knowledge of pricing and marketing is needed in this small firm of marketing corporations in order to have a small market share.

Perfect monopoly

Perfect monopoly is a single seller independently selling goods. The difference between perfect competition and perfect monopoly is, number of sellers in perfect competition and a single seller with a single producer in perfect monopoly. Perfect Monopoly is a complete market structure with complete market control. A perfect monopoly has its own power over the price. Perfect monopoly does not change the price high but it charges to the price for the largest profit it could get. A perfect monopoly market seeks to the maximum profit to get and it s capable of achieving such a target by controlling price and quantity of their product. (Petroff, 2002)

Monopolistic competition

Monopolistic competition is a large number of small industries selling goods similar but not identical products. Freedom of entry into and exiting out of the industry is common fact. Due to the small market share the industry gets more and more firms join this industry to gain profits. Each industry can

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demand their own pricing range according to the products and the quality they make. Almost all the firms have the same market ability, which means every one faces the same market competition. In order to get a good market the industrial marketer should be a challenger to sell their product. (Petroff, 2002)

Oligopoly

Oligopoly is a large industry with small number of firms which produces homogeneous products. The firm is small enough to give each industry some market share. There are several types of oligopoly. Freedom to enter or exit out of the industry is a common fact. In oligopoly a game theory is been used to compete with other industry. To play the game theory the industry should understand what the other companies are, what are their products and qualities. Focusing on what they do the industry should develop itself like thinking a strategy move like playing a chess game. (yapa, 2010)

2. 2 The market condition that Revlon is competing

Revlon is a huge Cosmetics industry specialized in women beauty products. Revlon cosmetics industry belongs to the ' perfect competition market type. A large number of sellers selling the same product make the company the biggest market type. Market share increases by the number of seller involving in selling the product. In U. S cosmetics brands are generally well accepted by consumers. Brands such as Maybelline, Revlon, and Clinique industry have done well in capturing the local market. Consumers have not yet been exposed to many of the higher end brands, such as Estee Lauder and M. A. C. There are hundreds of industry produced brands and other prestige cosmetics from China and Thailand, targeted towards the mass low

income consumers. In between foreign makeup and skin care products are steadily gaining in popularity among consumers the low income consumers. International brands such as Revlon, Maybelline, Avon, Clinique, Estee Lauder, M. A. C, Lander, Make up Forever, Christian Breton, Orlane, Lancome, L Oreal, Cliven, Clarins, Roger Gallois, Kiss Me, Kanebo, Kose, Shiseido, Debon, Coreana, Oriflame and Aramis are sold in Vietnam. Most of the product are from European and U. S. Develop countries in Asia such as Japan, Korea are leading cosmetic industry. A few international companies have opened representative offices in Vietnam to oversee the distribution of their products and have appointed exclusive domestic agents to handle these and (Vietnamoverseas. com, 2007)

2. 3 The demand and supply of Revlon

Revlon industry faces good demand on their products especially to the American market European market and a little to the Asian market. Annually product is been introduced to the market from all the largest cosmetics industries in the world. The demand of them increases and the old product loose the market. There for Revlon has new products coming in each year to the market. It helps to keep a market share and the customers.

The supply chain of Revlon industry is high. In deferent countries there are many agents to market this product. Supplying product to the customer s new products is challenging to the industry. Facing the demand the supply could be controlled.

The prices of resources &

Production cost

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Supply goods

Technological improvements

Supply goods

Taxes

Supply goods

Price of goods

Supply goods

Future prices

Current supply goods

The levels of technology, researches and development the organization has

Revlon is a well recognized cosmetics industry in the world due to its various kinds of product and the technology been used. In the growing market to gain market share Revlon technology run critical part. Creating new inventions to the market through skin care product is the technology what consumers want to see. The latest technology created by the industry is an eye tool. An eye tweezers and eye lash tool with LED (Light Emitting Diode) technology added. The purpose is to curling while delivering a smooth, beautiful curl and better view while using the product.

The international recognition of Revlon

Revlon was founded in 1932, by Charles Revson and his brother Joseph, along with a chemist, Charles Lachman (Revlon, 2011).

Since 1932 Revlon has been in the market, and today its one of the world s famous cosmetics product manufacturing company. After several decades passed Revlon still have a large market share. The reason is the various product of the company keeps it running. Technology improvements, researches, and hard work has bought up the industry to its maximum level. And today Revlon cosmetics industry is an award winning company.

How is it recognized internationally (Beauty Awards 2010)

Allure

Readers Choice Awards

Revlon Super Lustrous Lipstick in

Soft silver Rose

Brides

Beauty Awards

- Revlon Luxurious Color Perle &

Satin Eye Shadows

- Revlon Super Lustrous Lipstick

Cosmopolitan

Beauty Awards

Revlon Grow Luscious Mascara

Fitness

Beauty Awards

Revlon Luxurious Color Perle &

Satin Eye Shadows

Glamour

The Grammys

Revlon Nail Enamel in Revlon Red

In Style

Best Beauty Buys

Revlon Color Stay Mineral Finishing

Powder in Brighten

Marie Claire

Top 25 Products That Changed

Our Lives

Revlon Color burst Lipstick

Natural Health

Beauty Awards

Almay Smart Shade

Anti-Aging Makeup

Redbook

MVP Beauty Awards

Revlon Luxurious Color Perle &

Satin Eye Shadows

Seventeen

Beauty Awards

Revlon Just Bitten Lip stain + Balm

Shape

Shape of Beauty Awards

Revlon Photo Ready Makeup

Working Mother

Beauty Awards

Almay Pure Blends Makeup

Simper Mujer

The 50 Best Beauty Products

Revlon IL luminance Crème Shadow

in Wild Orchids and Not Just Nudes

People en Española

Semi Annual Beauty Awards

Revlon Photo Ready Makeup

Revlon Color burst Lipstick

O, The Oprah Magazine

Spring Makeup O-wards

Revlon Luxurious Color Perle Eye

Shadow in Lilac Shimmer

Self

Healthy Beauty Awards

Revlon Luxurious Color Perle &

Satin Eye Shadows

Almay Intense i-Color Mascara with

Light Interplay Technology

2. 4 Emerging market

Emerging market of Revlon in different countries holds a good position of the industry. Based on segmentation market this company runs it. A lot of numbers of seller are joining the market ever month due to the profit they gain. This gains a huge market share to the company

Cost of capital

ASSETS Production Corporation

Cash and cash equivalents

\$ 20. 5

Trade receivables, less allowances for doubtful accounts

91. 0

Inventories

76. 6

Deferred income taxes- current

34. 4

Prepaid expenses and other

72. 5

Intercompany receivables

895. 1

Investment in subsidiaries

229. 8

Property, plant and equipment, net

89. 4

Deferred income taxes- noncurrent

214. 0

Other assets

55. 8

Goodwill, net

150. 6

Total assets

1, 470. 1

The cost of capital is the company full amount of assets they have in order run the company under losses in company.

POSTER

Main Similarity of fiscal policy and monetary policy

Used to influence the performance of the economy in the short run.

Main difference of fiscal policy and monetary policy

Fiscal Policy

Monetary Policy

government make decision

Central Bank implements

Level of government spending

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Influencing the supply of money

Levels Taxation

Setting base interest rates

To reduce demand and inflation, the government can increase tax rates and cut spending

Improve the economy rate of growth (GDP)

Fiscal policy and monetary policy in UK and Sri Lanka economy

UK Tax rate

SL Tax rate

Income Tax Rate : 50%

Income Tax Rate : 35%

Corporate Tax Rate : 28%

Corporate Tax Rate : 35%

Sales Tax / VAT Rate : 17. 5%

Sales Tax / VAT Rate : 12%

Due to Gov. spending on development Income Tax rates are high.

Increasing taxes could reduce the inflation of its country.

Central Bank implements when inflation is high

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Conclusion

Revlon Cosmetics Company is a growing industry in the market. As we could see, Revlon has stood up to its reputation, mission and vision. We could see that by the international recognition of Revlon has achieved a number of global awards winning cosmetic products.

When it comes to the management structure of the organization, we could find that Revlon is clearly a functional structure. It s been controlled by a Board of Directors. Choosing a functional structure is the first most success of the organization.

Stake holders act in such ways that they could get a profit for themselves. Some invest for a long term and some invest for short terms to get their profits. Doing short term investments could bring down the company when the profit goes high. The reason for that is, when the profit goes high all the stake holders sell their shares in order to get their profit. As soon as the largest stake holder sells its shares, the company could be bankrupt. I find that this is one of the dangerous situations which could happen to a company.

As we know than in any organization, the company always considers the customer is king. Customer satisfaction is the first priority.

The vision and mission statements are true by looking at the industry itself to emerge as the market leaders . Revlon is the top rank market leader to provide quality product . Their top quality products have even won global awards. The organization is very successful in creating them. The vision they

wanted to accomplish five years ago has been accomplished and I think it is time they should set out a new vision.

Speaking of the responsibilities, I find the most responsible thing which the organization should focus on is the environmental and legal responsibility. As the global warming increases, the organization should be responsible for the action they take. I think, spending more on researching about the environmental issues they face, will help them to prevent such damage to the environment by their actions. The legal responsibility of the organization is to keep their customer intact. Due to health care reasons, the customers may stop buying skin products. So, to prevent that happening, the organization should invest in research work. Losing customers is the last thing any organization won't want to have so investing in research work from time to time would be better.

Revlon cosmetic industry is competing in dangerous market in the US. There are several cosmetic industries in the US and the Revlon market is still competing with them.

The reason of Revlon's popularity is that the name has been a household name from 1932 ever since it was manufactured. Revlon products are for the middle income category. Customers do not want to change their product. Revlon has developed their foreign market in the European and Asian continents. The new inventions and technology have taken the company beyond on to a whole new level in getting a stable foreign market.

The opportunities in the market are high for the new creations and technological development.

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The goal I see in Revlon is to emerge in the market and to keep it standing in the fast growing market.