

# Pestel analysis swot analysis of milk vita business essay



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A straightforward change in the action might act upon the other processes in other departments. Nevertheless not all departments will be conscious of the convert that was made. Managing these modifies come beneath alter organization. The dairy sector of the country is one of the principal agricultural industry, Since the simple national objective is to provide inputs to farmers at low cost and to deprive the income gap between rich and the malicious,

Bangladesh Milk Producers' Co-operative Union Ltd. popularly known by its brand name Milk Vita, was established by the Bangladesh Government in 1973, industry after the liberating war, based upon the recommendation by UNDP/PAZAO and DANIDA in the pattern of AMUL It was initiated as a development project of the Government titled " Co-operative Dairy Complex" with the objective of ensuring fair payment for the deficient, landless and borderline milk producing farmers of the rural Bangladesh and on the other palm to provide the metropolis dwellers with a regular assistance of advanced and sterile milk and milk products at a reasonable value.

The ever expanding city of Dhaka used to get 2. 00 to 2. 50 Lakh litres of milk vita liquid milk per day which was only early 3000-4000 liters the establishment of this project. The Milk vita's changes are mainly executed under this method. Because for developing the distribution system there need to create plans for the developments by the experts and many kinds of resources need to acquire. Another change need to create the own firm or own managed firms. This also need many kind of arrangement to change. So this process takes a time to stables.

The milk vita need to create own firm / own managed firm because if the supplier get extra price from another company they will give their milk to them. For that reason the company face scarcity of raw milk. If they have enough own firm, this kind of risk will minimized. The most of the people of Bangladesh is poor. The company can give cow to the people and ask them to cultivate.

## **Considerate Change Management**

Alternate is a method that's followed when some alter is made to the way that is followed in any business globe. A straightforward change in the action might act upon the other processes in other departments. Nevertheless not all departments will be conscious of the convert that was made. To insure that the alternate made to the course is recognized to all the sectors in the association, the alternate management way is followed. Think about that there's a alternate or a quality is supplementary to the software used in the affair means and this alternate in the attribute will be done immediately. A action has to be followed to effect that alternate. Once the decision to change a property is complete, it is knowledgeable to all the divisions that are by that software. The power of the modify on the departments using that software is stjdied and intimated to the individual subdivisions. The superiority team strength be testing that mark and once it has been accepted it will leave live. Proper documentation is made for the modify management. Once it is initiated a case stating the idea and the ladder to be skillful to finish the task are agreed in written. This article is circulated amongst the departments and correct approbation is got. The energy of the modify in the attribute is studies suspiciously by the individual departments

and then only the endorsement is known. If any of the power in their section is not addressed, they might elevate the question with the concerned convert management team to gain it included in the documentation. In the end the top management also has to present its nod for the alternate to be effected in the method. With the convert management in put the changes made are known to every department and it is certain to better the business method. However some believe that it will not fast down the actions taken when needed.

## **Role of change management in an organization**

Modify management plays an weighty rode in any organization thanks to the task of managing modify isn't an straightforward one. When we state managing mocfywe denote to say so as to making modifies in a intended and universal vogue. With reference to the IT projects we have the ability to affirm the convert in the descriptions of a development and organization these descriptions correctly. Changes in the association or a mission can be opened from inside the organization or outwardly. For instance a product that's general mid the customers might undergo a change in model based on the triggering factor affection a bloodthirsty invention from some other producer, This is an instance of outer issue that triggers a modify inside the organization. How the association reacts to these changes is what that's more worried. Managing these modifies come beneath alter organization. Reactive and practical responses to these modifies are potential from an organization. Change organization is done by a lot of sovereign consultants who maintain to be specialists in these areas. These advisors propel the changes for their customers. They direct changes or help the customer build

the changes or accept up the task themselves to create the changes that must be made. An space of alternate that needs care is selected and real models, techniques, and tools are used for creation these modifies that are vital for the organization. When there's a means in an organization it isn't a simple task to create changes to this way at once. Sometimes a single organization might have varied matter entities and changes in an entity might be reflected in another body. In such organizations `changes are not so straightforward. There are dissimilar kinds of organizations which have a lot of branches across the earth with varied cultures. Implementing a modify in such organizations is a job by itself. The alternate method can be consideration of a procedure which stops the happening method, makes the essential changes to the in fashion method and the run the fresh means. It is simple said than implemented. Stopping a contemporary course in some industry is deadly for that organization. Consequently it has to be clone in steps which have the minimal effect h the course. These changes can not capture settle for a longer time in the organization because that might also be a calamity for the organization. The participation of the workforce worried is also pivotal for the alternate action to be smooth. The modify course could as well be careful as a problem solving circumstances. The alternate that is taking lay might be the result of a complexity that has happened. You should know that a occupation is a state of affairs that requires a number of act to be taken absolutely to grip that situation. This hopeful process is known as problem solving. The modify action could be dilemma solving for a particular situation. In this way there's a move from one to nation to another so that the difficulty gets solved. The convert course is leaving the contemporary authority and emotional to the final nation through some structured

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organized course. Managing the modifies in an organization require a expansive set of skills approximating political skills, system skills, investigative skills, public skills, and matter skills. Having acceptable analytical skills will build you a satisfactory change emissary. You should assess the monetary and following impacts of the modifies that can accept settle. You should know that next a particular method at that moment would fetch you direct financial effects and begin that process so that political impacts of the changes that can accept settle. You should know that next a particular method at that moment would fetch you direct financial effects and begin that process so that the modify action is renowned by the organization. The workflow has to be distorted in such a mode to reproduce the financial modifies that are taking lay. Operations and methods in the organization ought to be reconfigured in such a mode that obtain the desired financial force. Thus alternate management plays an momentous role in an business. This allows the business to confer a hasty or a practical response to the changes that happen inside or outwardly. Knowing the modify management and its process would cooperate an business and it s procedures to be steady.

### **About the Milk Vita**

The dairy sector of the country is one of the principal agricultural industry, Since the simple nabonal objective is to provide inputs to farmers at low cost and to deprive the income gap between rich and the malicious, the confer Control is perspicacious to undertake Application in the blaze of the objectives outlined. In the tune, it has been recognized that some rural benefits are already flowing to a crowd of co-operatively organized miniature

farmers through the Bangladesh Milk producers' Co-operative Union Limited (BMPCUL).

## **Backdrop of Milk Vita**

Bangladesh Milk Producers' Co-operative Union Ltd. popularly known by its brand name Milk Vita, was established by the Bangladesh Government in 1973, industry after the liberating war, based upon the recommendation by UNDP/AZAO and DANIDA in the pattern of AMUL. It was initiated as a development project of the Government titled "Co-operative Dairy Complex" with the objective of ensuring fair payment for the deficient, landless and borderline milk producing farmers of the rural Bangladesh and on the other hand to provide the metropolis dwellers with a regular assistance of advanced and sterile milk and milk products at a reasonable value. The scheme had the suggestion of establishing dairy plants in the milk extra areas already identified as Pabna, Tangail, Manikganj and Faridpur. The Authority started implementation of the programme in its First Five Year Method (1973-78). The plants were to manage through collecting of milk by a network of milk producers' co-operative societies in milk-shed areas. The project envisages the buy of milk from personal farmer members of the primary milk producers' societies, twice daily, transport of this milk to rural dairy plants of Tangail, Manikganj and Faridpur by a mix of various methods of transportation. After beginning processing at the countryside plants, milk is to be transported to Dhaka in insulated road milk tankers for processing, packing and marketing of pasteurized Liquid Milk and Milk Products. Milk together at the Baghabarighat Plant from its nearby societies, is to be converted into Butter, Powder Milk and Ghee etc. All the products on the

contrary, are to be marketed through Dhaka Marketing Unit. The Head Office named “ Dugdha Bhaban” of the organization. Milk Vita is a supply oriented too as commercial organization. It is the major and only on co-operative based milk business in Bangladesh. Adjacent the co-operative’s acts & rules it is direct by itself. It’s a profitable organization. In spite of various limitations it is trying difficult to get self sufficiency in the dairy sector.

### **The Marketing Affair of Milk Vita**

The ever expanding city of Dhaka used to get 2. 00 to 2. 50 Lakh litres of milk vita liquid milk per day which was only early 3000-4000 litres the establishment of this project. This is hoped within the next couple of years the organization will be able to market it’s capacity quantity of 4. 00 lakh litres per day alongwith substantial quantities of milk products. The other milk products like Butter, Ghee, Ice-cream, Flavoured Milk, Powder Milk, Condands Milk, UHT Milk etc. are on regular supply in Dhaka as well as in some other cities. New avenues of marketing with new products are also being explored to strengthen the marketing operation.

The Milk Union has so far marketed 5. 50 Core litres of liquid milk worth Tk. 250 core and substantial quantities of milk products worth an amount of Tk. 70 core totaling an amount of Tk. 320 core.

### **Activities**

The co-operative dairy complex has succeeded in bringing together over 2, 00, 000 farming families into the fold of 1705 village milk producers’ co-operative societies covering about 21 district in 28 milk-shed areas. A highly perishable commodity like has provided cash income of about Tk. 10, 000



per family per annum benefiting about 10, 00, 000 members of these families. In addition to cash income from sale of milk, the members of primary milk producers' co-operative societies are getting patronage dividend of the profit made by these societies.

This infra-structure of the producers' owned co-operative is not so limited to milk purchase only from the farmers. The rural co-operative also provide an institutional base at the village level for active farmer participation in a number of other development activities, particularly for erective improvement of cattle and raising milk production in the country ensuring the subsidiary income of poor, landless and marginal farmers. During the last few years, the organization has collected some 325 million liters of milk from the rural areas with a resulting cash flow of almost Taka 9, 750 million from urban cities to the rural farmers. Total milk production of the country is approximately 27. 00 lac tons of which BMPCUL handles only 2% yearly.

## **Development future**

The success of Milk Vita with more scope for increase in the processing sector has encouraged the organization to method for widening of its actives more with the addition of a number of processing facilites. These increase comprise some direct and some delayed program :

Establishment of a number of Milk Chilling & plants throughout the Natore.

Stock Breed Development through Technology Transfer

Obtaining of batman land from the control for permanent exercise as grazing land by the milk creator farmers; Organization of a livestock feed plant;

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Replication of the scheme in other areas of the country, specially in the divisional head quarters, such as Chittagong, Khulna and Rajshahi.

Organization of Affliction analytic Laboratory and Simulated Insemination Technology Transfer for Milk Production Enlarge.

Establishment of Bio- Gas Plant at Village level for Poverty Alleviation of the State.

Brief Cooling Unit at Village level for milk collection of Farmers.

Mobile Cooling Tankers Unit at Village level for milk garnering of the farmer.

Training Succor to Human Resources Development for Size building in the Milk Production Sector.

## **Financial Status**

Govt. Equity: 41. 50 Core.

Govt. Loan: 44. 63 Core. (Principal)

Revolving Fund: 5. 00 Core.

Cooperators fund: 19. 10 Core.

## **PESTEL Analysis of Milk Vita**

### **PESTEL Analysis**

#### **Political Factors**

The political arena has a huge influence upon the regulation of businesses, and the spending power of consumers and other businesses. You must consider issues such as:

Bangladehi political environment is not so stable. The government is a republic government and has been change after every five years. Another matter is that the political rivalry is so high in this Bangladesh. The Hortal and other political issues are common phenomena in Bangladesh. Every Business has affected by the unstable government and the political issues. The milk vita is not the exceptional. But the most happiest matter is that at the political Hortal situation the transportation vehicle of this kind of food is out of the activities.

The government policy influence laws that regulate or tax are strongly affected the business in Bangladesh. The government here is the very powerful agent for establishing the rules and regulation. For that reason the company's business are affected. The milk vita company is also fall in this region.

The government's position on marketing ethics is very influential in Bangladesh. Government have no such kind of marketing rules about the advertising and marketing activities. The company can create any kind of advertisement and can circulate it rather than only the political issue.

The government's policy on the economy is only in the boundary of the government issue. The company is running in the independent way.

Government only ask for the tax and the others charges. The government also try to provide the infractural facilities for developing and rapidly growth the company's situation.

## **Economic Factors**

Marketers need to think the state of a trading economy in the small and long-terms. This is particularly true when preparation for global marketing.

Milk vita require to look at:

Interest rates in the Bangladesh for the food industry is very low.

Government provide the loans through the specialized banks such as Bangladesh Krishi Bank. The interest rate is very low at that case. Another way government also circulate the circulation that the commercial banks should invest in those sector.

The level of inflation Employment level is very high. The most of the people in this country is living under the poverty. Another matter the un-employment rate is also high. So the company get the labor with a minimum cost and milk vita also develop the own dairy firms and employ the labor in there with a very low cost.

Long-term prospects for the economy Gross Domestic Product is very bright. Day to day the economy is developing and people's living standard is becoming high because of the foreign direct investments and SME loans make the people self independent by doing small business.

### Socio-cultural Factors

The social and cultural influences on business vary from country to country.

It is very important that such factors are considered. Factors include:

The dominant religion in Bangladesh is the Muslim and the Muslim also drink the milk product very frequently. The second dominant religion of

Bangladesh is Hindus. They also need the milk in their various occasion.

Though in this dairy industry the product is perishable and the product is domestically produce so the people can not buy the product with high price from the foreign.

In the Bangladeshi society father is the main decision maker of the family but mother takes the decision what will buy for the consumption in terms of the food products.

### Technological Factors

Technology is very important for spirited advantage, and is a main driver of globalization. Consider the subsequent points:

Technology allow for food and services to be made additional cheaply and to a improved typical of quality. The USD technology is very useful for the preserving the milk without the refreezing.

Technologies present consumers and businesses additional pioneering products and services such as USD Milk, High tech packaging, the standard maintaining etc.

For distribution and communication altered by new technologies e. g the innovation of freezing system lorry, track the position of the distribution vehicles etc.

### Environmental factors

Recent a day the environmental issue is very much impotent for the survival any of the organization.

The packages those are used by the Milk vita that is perishable and can be recycle. For that reason the environment is not polluted.

The cow-dung is used for the Bio-Gas system and the gas is used for the cooking, lighting system. For that way the people of the village is not used the wood for the cooking purpose.

The milk vita is not mixing any kind of comical those are harmful for the consumers.

### Legal Factors

The organization, in which environment is playing should comply the rules and regulation of that government.

Milk vita get the crepitate from the Bangladesh Standard Testing Institute for operating in the country.

They also give the tax and other charges to the government.

## **SWOT Analysis Of Milk Vita**

### **Strengths:**

Demand profile: Absolutely optimistic. The milk vita; s milk demand is very high in the year round. People all the year consume the milk and milk products.

Margins: Quite reasonable, even on packed liquid milk because the packet liquid milk's demand is very high.

Flexibility of product mix: Tremendous. The people always know the milk is milk they event not thinking the flavor with the milk. The children are very much like to get the flavorful milk. With balancing equipment, can keep on adding to product line.

Availability of raw material: Abundant. Presently, more than 85 per cent of milk formed is flowing into the unorganized part, which requires correct canalization.

Technical manpower: Professionally-trained, practical human resource puddle, built over previous 35 years.

### **Weaknesses:**

Perish ability: Pasteurization has conquer this weakness partly. UHT gives exploit long life. Surely, a lot of new processes will go after to improve milk excellence and extend its shelf life.

Lack of control above yield: Theoretically, there is little manage over milk yield. However, greater than before consciousness of developments like

origin transplant, false insemination and properly managed animal husbandry follows, coupled with senior income to rural milk producers ought to automatically guide to development in milk yields.

Logistics of procurement: Because of bad roads and insufficient transport facility create milk procurement difficult. But with the overall financial improvement, these harms would also get solved.

Problematic sharing: All is not well by means of allocation. But then if ice creams container be sold almost at every nook and corner. Moreover, it is merely a matter of occasion before see the appearance of a cold sequence linking the producer to the refrigerator at the consumer's residence!

Competition: With so a lot of newcomer entering this manufacturing rivalry is becoming tougher day by day. But then rivalry has to be faced as a earth reality. The marketplace is great sufficient for many to slice their niche.

## **Opportunities:**

If Milk vita industrialists are looking for opportunities, the subsequent areas must be tapped:

Value adding: There is a extraordinary scope for improvements in manufactured goods growth, packaging and appearance. Given below are possible areas of value addition:

Steps ought to be taken to bring in value-added goods like ice creams, paneer, khoa, tasted milk, dairy sweets, etc. This will guide to a greater



attendance and suppleness in the market place along with opportunities in the field of brand building.

Addition of refined products like yoghurt and cheese lend additional power – both in conditions of operation of capital and presence in the marketplace place.

A on the side view unlocks up opportunities in milk proteins all the way through casein, castigates and other nutritional proteins, extra opening up sell abroad opportunities.

Yet another characteristic can be the addition of newborn foods, geriatric foods and nutritional.

Export potential: Efforts to develop export possible are by now on.

### **Threats:**

Milk vendors, the un-organized sector: Today exploit vendors are occupying the arrogance of place in the industry. Organized dissemination of information about the harm that they are doing to creators and clients should make out a stable decline in their significance.

Then Milk vita business, following its deli censing, has been attracting a great numeral of industrialists. Their attainment in dairying depends on factors such as an well-organized yet economical procurement system, hygienic and cost-effective dispensation facilities and innovativeness in the market place.

Poters 5 Forces: The 5 spirited forces that are taken into deliberation are:

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Competition in the Industry

Potential of new entrant into Industry

Power of Suppliers

Power of Customers

Threat to substitute products

Lets discuss each of these points in detail:

### **Competition in the Industry:**

This describes the rivalry between the obtainable firms in an manufacturing.

Greater the spirited rivalry lesser are the profit edge. The fee of the manufactured goods/services is the solitary most important factor that powers the customer's pay for decision. Thus to maintain low cost, companies steadily has to build manufacturing improvements to keep the matter competitive. This requires additional capital outlay which tends to eat up company's makeing. On the other give if no one else can give products/ services the method you do you've a monopoly Lets strive to investigate these points in more detail. Gaze at the current scenario, the miniature automobile market in Bangladesh is also competitive with players like Lets catch an case of a monopoly industry. Chocolate industry in Bangladesh has just one big player Cadbury. This will come across 90% of chocolate by Cadbury. When you depart to purchase chocolate what you peep for . . . Dairy Milk, Perk, Eclairs, Temptation, Party, Halls all are shaped by Cadbury. As far as keep in mind I have seen Dairy Milk's ad on TV when was 5 years

old and its much there in market and in all likelihood it will be there for nearby 20 years. The present market share of Cadbury stands at imposing 71% still the 2003 worm were not capable to eat its market share. What we have the ability to conclude a monopoly and a great business.

### **Potential of new entrant into Industry:**

Its not only the obtainable players in an manufacturing pose risk to each other, a new applicant can also influence the competition. The easier it is for a new solid to enter in a commerce, the more cut-throat opposition there will be. The aspects that can limit danger of new applicant are called as Barriers to Entry. Following are a number of barriers to admission:

Government Restrictions and legislations: though government's occupation is to conserve free competitive marketplace, it restricts rivalry through system and restrictions. Oil part in Bangladesh is an case in point. Pre linearization era it was a conquered by Public area. However following linearization the segment has opened up for private group of actors and FDI but it still remnants highly keeping pace sector.

Patents: Ideas and information that provides spirited advantage over others when original, preventing others from using it and thus generates fence to entry. Parma and Software parts sees maximum numeral of patents being filed creation it difficult for new firms to duplicate their products.

High Entry Cost: If the first cost to set up a new firm is tricky, then the probability of new applicants are very less. Once more pending back to oil sector, Assessment and Production of oil and gas engages a highly resources

and technology concentrated process of finding oil reserves, assessing its feasibility, drilling and removing. Hence creating a extremely high entry cost

Existing loyalty to major brands: If the obtainable brands are very entrenched, then probability of a new firm charitable them rivalry is minimal. Pepsi and Coca Cola dominate the soft drinks industry worldwide making it difficult for any new entrant to survive in front of them. On the other hand, if the industry uses ordinary technology, there is little or no product franchise and if the entry charge is low then it is very easy for a new applicant to enter into the industry. Here the dairy industry there are a lot of packed milk suppliers. So the customer power is high. If the milk vita increase the price or decrease the quality then the customer switch to other brand.

### **Power of Suppliers:**

A business to manufacture its products requires raw material, labor etc. This creates a buyer-supplier relationship in an business. If there are few suppliers providing material essential to make a product then they can set the price high to capture more profit. In the dairy sector if the company have not owned milk supply firm then the company suffer by the suppliers power. Other wise the supplier have not power to dominate the company.

### **Power of Customers:**

This is the force a customer can rest on a business. If there are few buyers then they are competent to say aloud the terms. For example, defense contractors have to move on the way to Governments to sell their aircrafts, submarines, missiles and shells. Also if switching to one more product is simple and contemptible. An example can be telecommunication business.

The good dealing power of purchaser is high as there are group of choice obtainable to the buyer and the repair do not vary from one repair provider to the other. Switching to an additional service supplier is also simple and cheap. Some industries such as retail manufacturing has very feeble or almost no power. It is very tricky to bargain for the rate of potatoes at say fresh store. Here the dairy industry there are a lot of packed milk suppliers. So the customer power is high. If the milk vita increase the price or decrease the quality then the customer switch to other brand.

### **Threat to substitute products :**

Substitute products refer to goods in other industry. The threat that user will switch to a alternate product if there has been an augment in price of the creation or there has been a diminish in price of the replacement product. Suppose if the cost of coffee augments considerably then customers may switch to other beverages like tea. In early times produce media was the only way of announcement. But the advent of electronic medium and internet provides option medium to promote and marketplace products. The strong 2 wheeler marketplace in Bangladesh can face a stiff rivalry from a substitute

From the assessment of milk vita company found that the company has all the capital of their won. But their sharing system and the own firm is calm weak. So to do batter presentation they need to modify in the distribution scheme and require to produce own firm for supplying the milk.

### **Change procedure:**

There are two kind of the change procedure. The procedure are\_

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Revolutionary Change: This kind of change happen suddenly in any organization. There will not any kind of plan for this kind of change. This changes are the change which are happen with in the organization. Such as a transfer of any employee.

Evolutionary change: This kind of change process is happen through the proper planning and in a systematic way. This kind of changes are affect the organization efficiency and the organization policies in a great way. The Milk vita's changes are mainly executed under this method. Because for developing the distribution system there need to create plans for the developments by the experts and many kinds of resources need to acquire. Another change need to create the own firm or own managed firms. This also need many kind of arrangement to change. So this process takes a time to stablish.

Implementing procedure:

Develop the distribution & collection system: Milk vita need to develop and update the distribution and collection system of milk. The should distribute the packed milk to the retailer at very early. Market should not be suffer for the unavailability of product. Because many competitor in the market. Customer will switch to other brand. So the milk vita try to provide the product always earlier before market out of he products.

Create own firm / own managed firm: The milk vita need to create Create own firm / own managed firm because if the supplier get extra price from another company they will give their milk to them. For that reason the company face scarcity of raw milk. If they have enough own firm, this kind of <https://assignbuster.com/pestel-analysis-swot-analysis-of-milk-vita-business-essay/>

risk will minimized. The most of the people of Bangladesh is poor. The company can give cow to the people and ask them to cultivate. For this their management cost will become low and the cultivator is bound to supply milk to the company.<