

# [Colgate-palmolive company](https://assignbuster.com/colgate-palmolive-company/)

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In this memo are key findings about the company referred to as CPC How much (and what of the company's total sales are outside the home country   
CPC is an American company with headquarters in New York, USA. Table 1 (Annual Report, 2004, p. 44) shows that U. S. sales of $2. 78 billion accounted for 26% of total sales. Therefore, 74% or $7. 803 billion are sales outside the home country.   
2. In which nations does it produce and market its products If possible, list countries beginning with the largest market, the second largest, etc.   
CPC markets its products in over 200 countries and territories worldwide (Annual Report, 2004, p. 18). Its biggest market in terms of net sales is the United States (with $2. 78 billion in sales accounting for 84% of North American total sales, 22% of Oral, Personal and Home Care sales, and 26% of the company's total global sales of $10. 58 billion in 2004).   
The next five biggest markets in terms of sales (and %-age contribution of total sales) are China (3. 5%), Russia (3. 3%), India (3. 1%), Mexico (2. 9%), and Brazil (2. 6%).   
The leading markets in each region, from highest shares in total sales, are:   
Europe: Russia, Spain, and United Kingdom.   
North America: United States, Mexico, and Canada.   
Latin America: Brazil, Colombia, and Venezuela.   
Asia: China, India, and Taiwan.   
Europe and North America remain its largest markets, but sales are growing fast in Latin America (4. 5%) and Asia (9%) (Annual Report, 2004, p. 19).   
3. Are its production facilities centralized or decentralized   
CPC's production facilities are decentralized according to the four regions in which it operates, following the principle of having the right product in the right store at the right time. Using SAP software for more effective management of logistics and promotional investments, reduction of out-of-stocks, and excellent customer service, it has production and R&D facilities in the following countries:   
North America: United States and Mexico   
Europe: Portugal, Russia, United Kingdom, France, Germany, Ireland, and Greece   
Latin America: Venezuela, Colombia, Brazil   
Asia/Africa: China, India, Taiwan, Malaysia, Thailand, South Africa   
4. Does it standardize products or adapt them for different markets Give examples of products that are adapted.   
CPC has a stable of global brands that include the following: Colgate, Palmolive, Kolynos, Sorriso, Elmex, Mennen, Protex, Softsoap, Irish Spring, Ajax, Soupline, Suavitel, Hill's Science Diet, and Hill's Prescription Diet. Its product formulations (Annual Report, 2004, pp. 8-12) are adapted to the country or region where these are sold.   
Examples:   
Colgate Sensitive for Western Europe (adapted to local taste and preferences)   
Mennen Speed Stick Roll-on deodorant in Costa Rica (form of packaging)   
Colgate Herbal Salt, Darlie Tea Care toothpaste, and Colgate Propolis in China (unique local tastes for toothpastes), and   
Protex Sun Care bar soap for Guatemala (adapted to hot and humid tropical weather).   
5. Is the company's export revenue increasing and, if so, at what rate   
Table 2 (Annual Report, 2004, p. 44) shows that export revenues increased 9. 4% in 2003, from $6. 5 billion to $7. 16 billion, and 8. 9%, to $7. 8 billion, in 2004.   
The growth rates of exports are higher compared to that of domestic sales, which declined slightly by 0. 19% (from $2. 744 billion to $2. 739 billion) in 2003 and grew by 1. 52% (to $2. 781 billion) in 2004.   
Reference   
  
Colgate-Palmolive Company (2004). Annual report: investing strategically for profitable growth. New York: Colgate-Palmolive Company. Retrieved November 26, 2005, from http://investor. colgatepalmolive. com/downloads/2004Annual. pdf   
  
Table   
1. Colgate-Palmolive Company 2004 Sales Summary   
  
Net Sales (in millions, $)   
  
%age   
%age   
US   
  
  
Oral, Personal and Home Care (OPHC)   
of OPHC   
of total   
Sales   
%age   
Of   
  
  
North America (NA)   
2, 378. 7   
26%   
22%   
2, 000. 3   
84%   
NA   
  
  
Latin America   
2, 266. 0   
25%   
21%   
  
22%   
OPHC   
  
  
Europe   
2, 621. 3   
29%   
25%   
  
19%   
Total   
  
  
Asia/Africa   
1, 885. 1   
21%   
18%   
  
  
Total   
9, 151. 1   
100%   
86%   
  
  
Pet Nutrition (PN)   
1, 433. 1   
14%   
14%   
781. 0   
54%   
PN   
  
  
7%   
Total   
  
Total Net Sales   
10, 584. 2   
100%   
100%   
2, 781. 3   
26%   
Total   
How much of total sales are outside the US   
  
Oral, Personal, Home Care   
78%   
7, 150. 8   
  
  
Pet Nutrition   
46%   
652. 1   
  
  
Of Total Net Sales, in $ millions   
74%   
7, 802. 9   
  
  
  
  
2. Annual Growth Rates of Sales: U. S. vs. Non-U. S. (2002-2004)   
  
Total Sales   
2004   
2003   
2002   
  
No. America   
2, 378. 7   
2, 356. 2   
2, 374. 1   
  
U. S.   
2, 000. 3   
1, 986. 9   
2, 030. 4   
  
Non-U. S.   
378. 4   
369. 3   
343. 7   
  
Latin America   
2, 266. 0   
2, 179. 5   
2, 206. 8   
  
Europe   
2, 621. 3   
2, 304. 1   
1, 984. 3   
  
Asia/Africa   
1, 885. 1   
1, 747. 5   
1, 542. 0   
  
  
  
  
  
  
OPHC   
9, 151. 1   
8, 587. 3   
8, 107. 2   
  
Non-U. S.   
7, 150. 8   
6, 600. 4   
6, 076. 8   
  
  
  
  
  
  
Pet Nutrition   
1, 433. 1   
1, 316. 1   
1, 187. 1   
  
U. S.   
781. 0   
752. 8   
714. 5   
  
Non-U. S.   
652. 1   
563. 3   
472. 6   
  
  
  
  
  
  
Total Sales   
10, 584. 2   
9, 903. 4   
9, 294. 3   
  
Total U. S.   
2, 781. 3   
2, 739. 7   
2, 744. 9   
  
Total Non-U. S.   
7, 802. 9   
7, 163. 7   
6, 549. 4   
  
Growth, %ages   
  
  
  
  
Non-U. S.   
8. 9%   
9. 4%   
  
  
U. S.   
1. 52%   
-0. 19%