



How McCain responds to changes in the external environment

Introduction



Businesses have a number of objectives. Typical examples include:

- * winning the biggest share of the total market
- * increasing sales
- * satisfying customers
- * making profit for shareholders.

A business' ability to meet these objectives depends on two main groups of factors:

- i. the internal strengths of the organisation – for example being able to make the right products in an efficient way
- ii. being able to identify external influences in the business environment and on its consumers and adapt accordingly.

The external environment today is changing fast. This case study shows how McCain needs to identify changes in the external environment. It must then rise to the challenges posed by change. The external environment consists of everything outside the business.

McCain's business

The McCain product most people recognise is Oven Chips. McCain is the world's largest producer of chips. McCain buys 12% of the British potato crop. McCain is also one of the world's largest frozen foods companies. McCain is a privately owned company with a strong market focus. This means that it carries out research to find out what consumers want. It then uses this market information to create products that consumers want to buy.

McCain is the world's largest producer of chips. McCain buys 12% of the British potato crop.

McCain's business is broader than just chips, with a range as wide as frozen potato specialities and frozen light meals. It provides consumers with a wide variety of cut and seasoned potato products through UK retailers, like supermarkets and restaurants. These include roast potatoes, potato wedges, hash browns, waffles and potato croquettes. McCain produces more specific potato shapes like Potato Smiles, Crispy Bites and Sumthings (shaped as numbers) which appeal to younger consumers. McCain also makes pizzas.

Chips have come a long way since the potato was first brought to this country by Walter Raleigh in the 17th century. By the 1850s fish and chips were sold in the streets and alleys of London and in some of Britain's industrial towns.

If asked to name a typically English dish, most people will say 'fish and chips'. Chips are produced in lots of different shapes and sizes, ranging from those deep-fried in fish and chip shops to McCain's 5% fat Oven Chips.

External challenges

One of the biggest environmental factors affecting McCain in 2005/6 was the growing concern about obesity, particularly in children. This case study shows how McCain has risen to the challenges of this debate and other external challenges.

McCain's view is that its chips can and do play a role in a healthy balanced diet and it is continually finding ways to ensure McCain products are as healthy as possible.