



How McCain responds to changes in the external environment

How McCain responds to changes in the external environment

Introduction

McCain is the world's largest producer of chips. Its range includes other potato products like hash browns and waffles. It buys 12% of the UK potato crop. It is also one of the biggest suppliers of frozen light meals.

External factors

Businesses set themselves aims. These help them to be efficient. For instance, they may aim to increase sales or make more profit. It then plans to reach these aims. To do this it must look at its own strengths. These are called internal factors. It must also look at outside influences. These are called external factors. McCain looks at changes in these. This helps it to plan how to respond.

SLEPT

SLEPT is one tool that can be used to look at external factors. It can be used to measure their effect. The letters in SLEPT stand for five factors. These are

- * Social
- * Legal
- * Environmental
- * Technological and
- * Political. McCain dealt with these factors as follows:

Social and Legal factors

Social

A number of campaigns have told people to eat in a more healthy way. This led to falling sales for some McCain products. McCain responded by reducing the salt and oil in its potato products. It also sent out the message that its chips were not unhealthy.

Legal

Governments pass laws, and set standards. McCain has to obey the law or set its own, higher, standards. The Food Standards Agency has developed a system of 'traffic light' labels. These are designed to help consumers see which products may be less healthy. The food industry uses a system based on 'Guideline Daily Amounts'. These GDAs are what an average person should eat to stay healthy. McCain uses both of these. All of its potato products can display the green traffic light (low levels) for saturated fat. None of its products displays a red traffic light (for high levels) in any category.

Economic, Political and Technological Factors

Economic

This refers to changes in buying habits. Income is rising, but people have less time to spend it. This is called being cash-rich but time-poor. This leads to more demand for convenience foods. To meet this challenge McCain provides a range of products to suit different tastes.

Political

There is government pressure for suppliers to come up with healthier foods. McCain supports the government. It believes that the foods it provides are healthy when prepared properly.

Technological

The technology used to prepare food is fast moving. McCain's food technologists have made its potato products more healthy. They have reduced levels of fat and salt but still maintained flavour. This was achieved through a switch to sunflower oils. This reduced saturated fats by 70%.

Conclusion

Businesses must take account of changes in external factors. Change comes from a number of sources. Each presents a challenge. McCain is a business focused on the market. It knows that it is vital to keep customers happy. It has listened to what customers want and made changes in response. It aims to give them the best value chips and other healthy food products.