



# Hemas Manufacturing (Pvt) Ltd

Company overview

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# Introduction to the organization

- Hemas manufacturing is a subsidiary of Hemas Holding which was started in 1948.
- Hemas manufacturing has range of products under home and personal care and school and office stationary.
- Operates in Sri Lanka and Bangladesh.

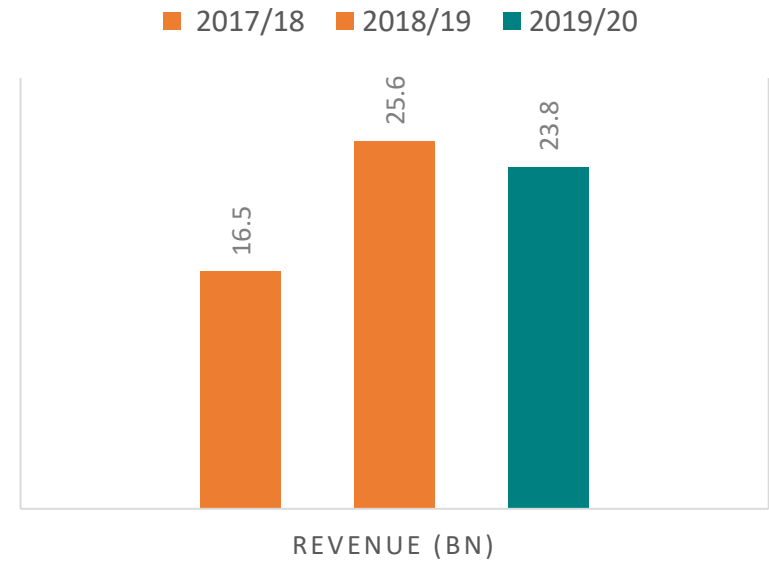


# Finance

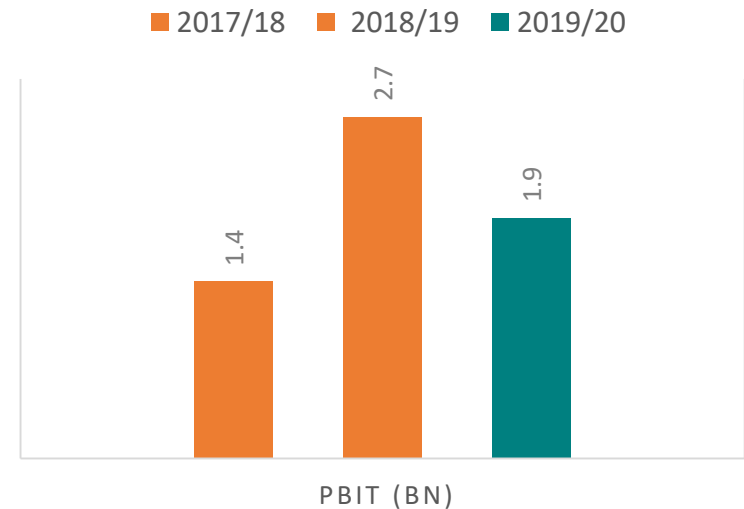
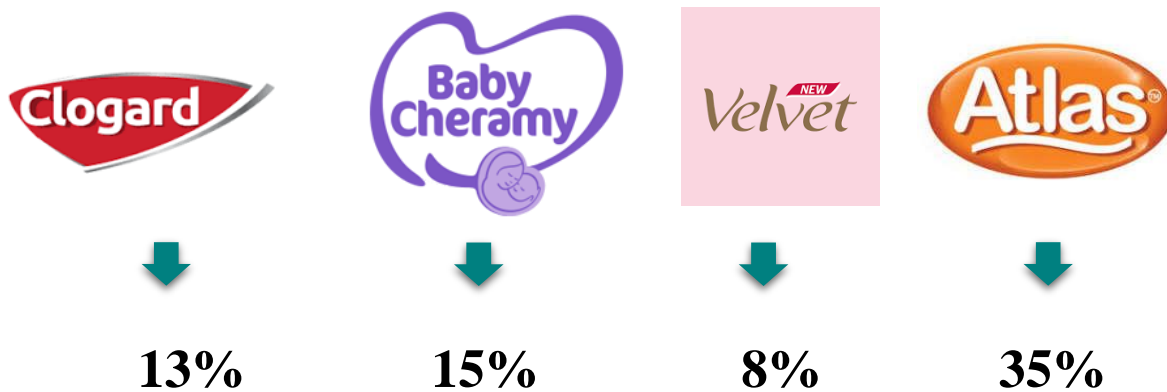
	Revenue	PBIT
Contribution to group	38%	48%

	2017/18	2018/19	2019/20
Revenue (Bn)	16.5	25.6	23.8
PBIT (Bn)	1.4	2.7	1.9

6.8% ↓  
30.5% ↓



Highest contributed brand to company revenue



# Marketing

## Strategy

Developing a portfolio of consumer brands locally and regionally with good quality for affordable prices.

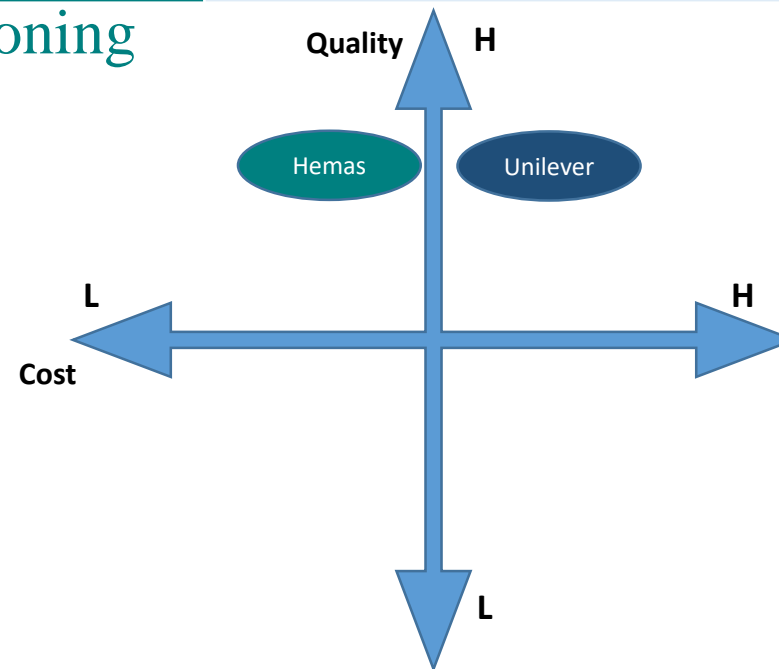
## Market share

Product category	market share
Hair care	54%
Baby care	48%
School & office	40%
Oral care	31%
Laundry detergent	26%
Feminine hygiene	23%
Beauty care	20%

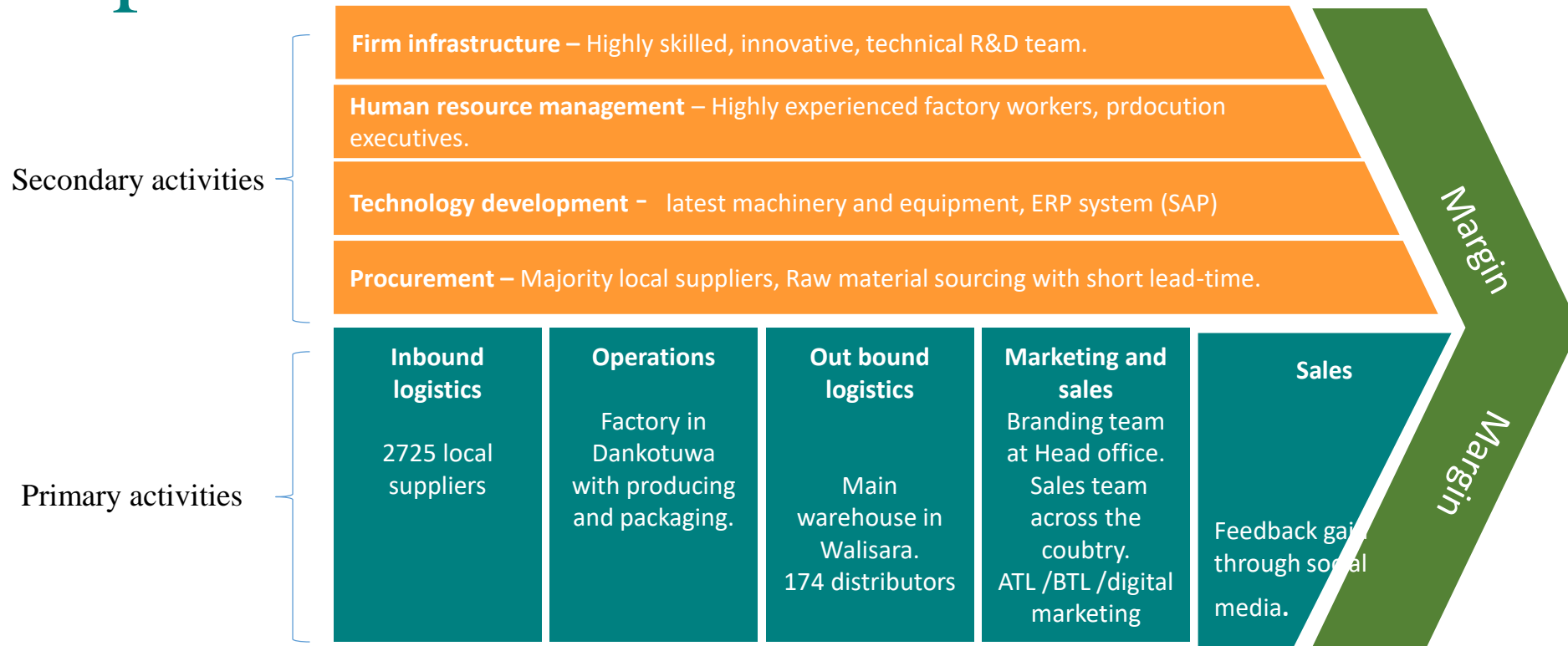
## Marketing mix (4Ps)

Product	<b>Oral care</b> – Clogard <b>Baby care</b> – Baby Cheramy, <b>Hair care</b> – Dandex, Kumarika, Pro, <b>School and office stationary</b> – Atlas, Homerun, <b>Laundry detergent</b> – Diva, <b>Beauty care</b> – Velvet, Goya, Paris, Capri, Gold <b>Feminine hygiene</b> – Fems
Price	Hemas follow the best cost strategy which provide quality products for affordable prices. Price of the products are comfortable to all income groups.
Place	Sri Lanka and Bangladesh Sales take place through retail and wholesale shops. 174 distributors island wide. More than 50,000 retailers.
Promotion	Mainly use ATL promotions. ATL – TV advertisements, Print advertisements BTL – Trade shows. Digital marketing campaign

## Positioning



# Operation

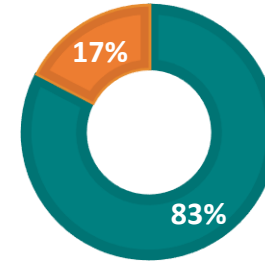


# People

Total no of employees	1579
No of employees as a % of group head count	27%
Total training hours	17,450

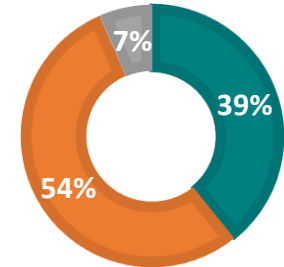
## Employees by gender

■ Male ■ Female



## Employees by age

■ Under 30 ■ 30 - 50 ■ Over 50



## Strategic priorities of Human resource management



# PESTEL analysis

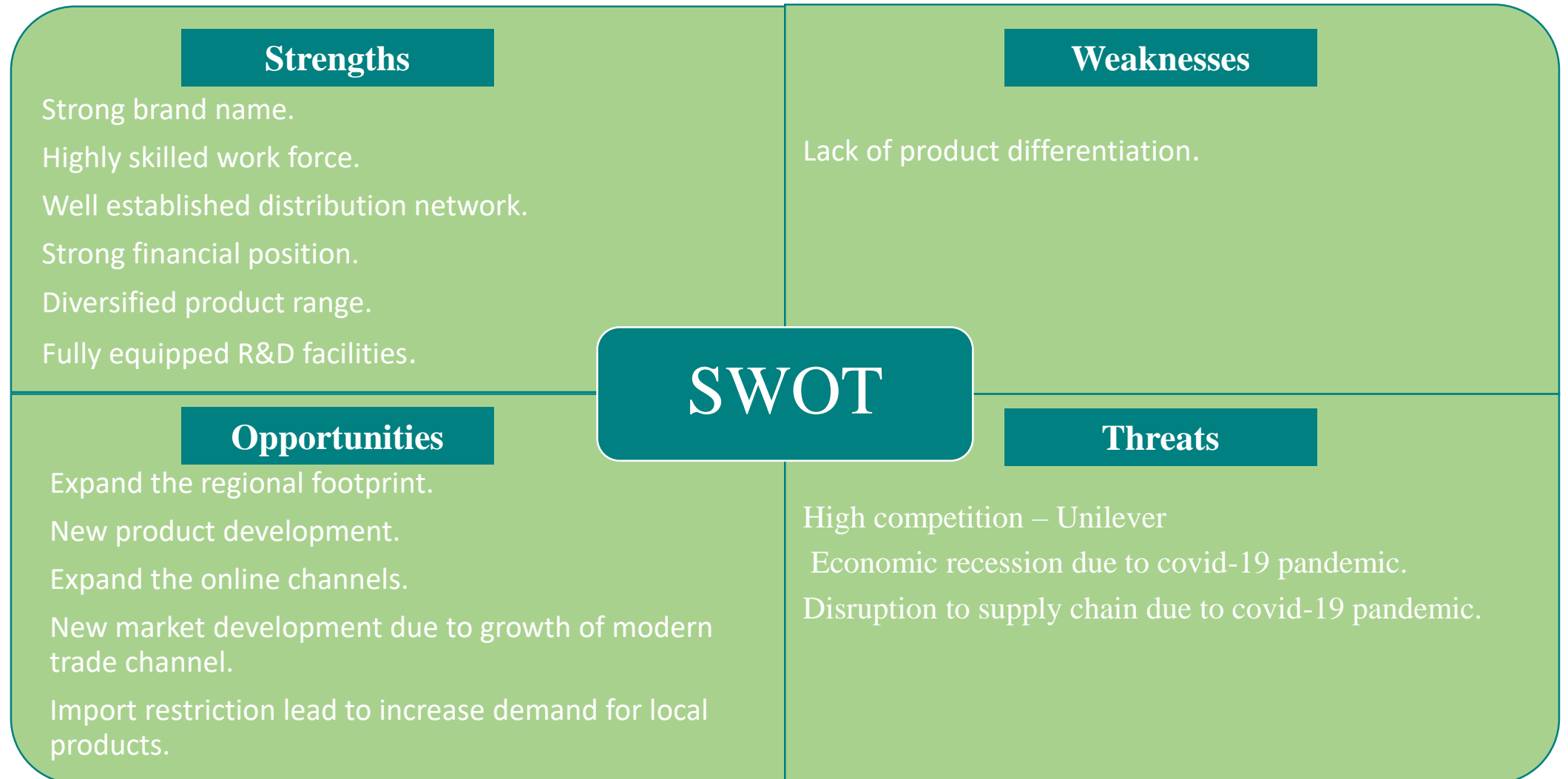
PESTEL factors	Key drivers
Political	<p>Political stability is high.</p> <p>Import ban and restrictions could be negatively affect to supply chain.</p> <p>Government emphasize on locally manufactured products.</p>
Economical	<p>Household consumption expenditure has been slowdown due to covid-19.</p> <p>Disposable income level were positively impacted by reduction of NBT and VAT.</p> <p>Interest rates are declined as monetary policy measures focused on reducing interest rates due to low private sector credit.</p> <p>Inflation has demonstrated an overall increasing trend.</p>
Social	<p>Society highly focus on personal hygiene.</p> <p>Parents highly focus on children's education. Private consumption expenditure on education increased by 9.8% and accounted for 1.3% of total PCE in this year.</p> <p>Due to urbanization, rising income level, market has been expanded.</p>
Technological	<p>Internet penetration is 62.3% in Sri Lanka and there are more than 7million social media users.</p>
Ecological	<p>Community prefer to buy products from the companies which protect environment.</p>
Legal	<p>FMCG manufacturing companies need to comply with many regulations such as consumer authority act, factory ordinance, shop and office employees act, central environment authority act etc.</p>



# Porter's five forces analysis

Porter's five forces	Key drivers	Impact
Bargaining power of suppliers.	Strong supply chain integration. In-house manufacturing. Low threat of forward integration by suppliers. Readily available equivalent suppliers.	Low
Threat of substitutes	Competitors has similar kind of product range. Lower switching cost	High
Bargaining power of customers	Lower switching cost Low product differentiation in the eyes of customers. Buyers has power to enhance or tarnish the brand image via social media.	High
Threat of new entrances	Higher initial investment is required. Key players have high market share. Range of products of the company will not be threaten by few new entrants.	Low
Competitive rivalry	Presence of strong players in the market. Lower buyer switching cost. High relative market share of competitors. Low product differentiation.	High

# SWOT analysis



## Strengths

- Strong brand name.
- Highly skilled work force.
- Well established distribution network.
- Strong financial position.
- Diversified product range.
- Fully equipped R&D facilities.

## Weaknesses

- Lack of product differentiation.

## SWOT

## Opportunities

- Expand the regional footprint.
- New product development.
- Expand the online channels.
- New market development due to growth of modern trade channel.
- Import restriction lead to increase demand for local products.

## Threats

- High competition – Unilever
- Economic recession due to covid-19 pandemic.
- Disruption to supply chain due to covid-19 pandemic.

# Key issues and plans

## Issues

- Downturn of economy due to covid-19
- Competitive landscape.
- Decline of disposable income.

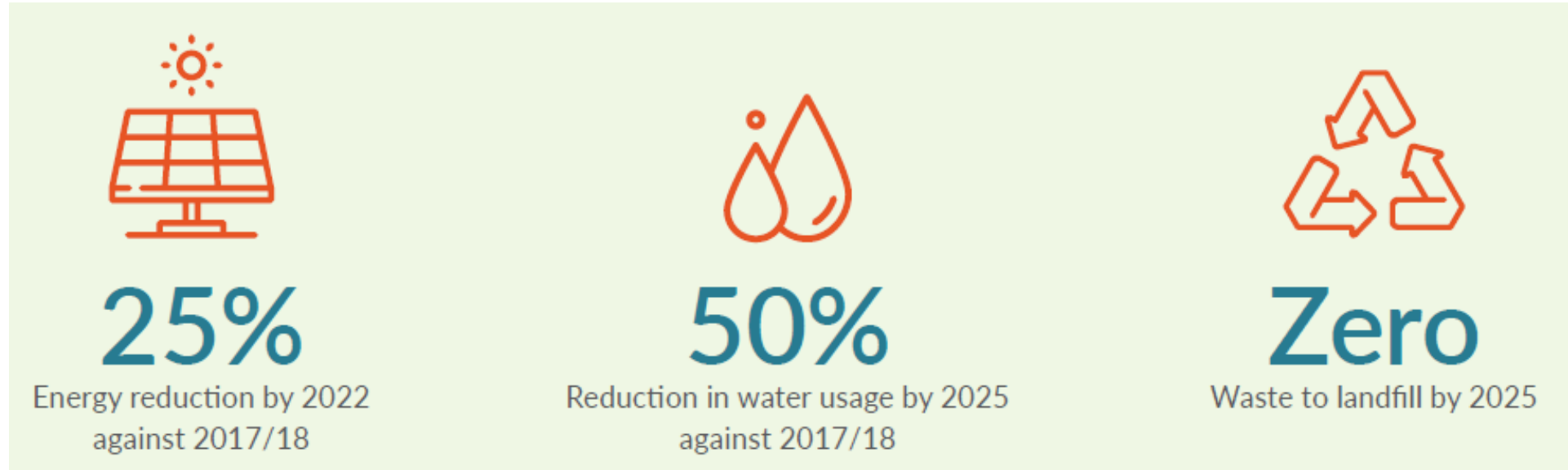
## Plans

- Selective expansion of consumer portfolio into south Asian markets.
- Consolidate market leading position in school and office stationary market and home and personal care market.
- Deepen equity positions through localization and premiumisation.
- Review the organizational structure and cost structure.

## Progress

- Defending market share in challenging environment.
- Driving lean manufacturing.
- Strengthen brands with new variants and relaunch.
- Entry into personal hygiene wash category.

## Sustainable goals



## Strategic sustainable priorities



# References

- Central bank 2019, *Annual report 2019*, viewed 20 December 2020, < <https://www.cbsl.gov.lk/en/publications/economic-and-financial-reports/annual-reports/annual-report-2019> >
- Hemas 2020, *Making healthful living happen*, viewed 20 December 2020, <https://www.hemas.com/investor-relations/#>

Thank you