

OL 326: Final Project Milestone One: Introduction

Juan Carlos Perez

Southern New Hampshire University

Student ID: 1538648

Professor Jeffrey Williams

July 12, 2020

About ITC LTD

ITC LTD is a multinational corporation located in India. It started in the 1900s as the “Imperial Tobacco Company of India Limited.” Its name later changed to “India Tobacco Company Limited” and to “I.T.C. Limited.” The company’s name today is I.T.C. Limited, but the “I.T.C.” is no longer an initial or an acronym. According to Reuters (n.d.), the company focuses on FMCG (fast-moving consumer goods), and it operates in four segments: Agribusiness; FMCG; Paper and Packaging, and paperboards; and hotels (Reuters, n.d.). The FMCG segment comprises of items such as cigars and cigarettes, and other products. Despite being very successful in the cigarette industry, the company has also gained a lot of ground on the other products.

The company’s focus on the cigarette industry may be perceived negatively (cigarettes are bad for health), but it continues to be very successful in what it does. It is a perfect example of an international company that focuses on the “Triple Bottom Line” Performance (I.T.C. Portal, n.d.). TBL (Triple Bottom Line) is a model or theory that argues that businesses should pay attention to environmental and social concerns as much as they do on profits. TBL framework suggests companies should focus on three bottom lines (people, planet, and profit), and not just one bottom line. The purpose of TBL is to gauge the extent to which corporations are committed to C.S.R. and their overtime impacts on their environment.

Key Attributes of the Company

Strengths

Some of the strengths that ITC LTD has included the following:

- i) Strong business portfolio – the company has diverse and robust businesses that it operates. The many business ventures boost their revenue and allow it to explore other business ventures.
- ii) Strong brands – Most of I.T.C.'s brands are strong and are the leader in their market segments. The company has top-rated cigarette brands such as classic and gold flakes. Sunfeast – one of the leading biscuit sellers in India – is owned by I.T.C. Its property and hotel businesses are also doing exceptionally well.
- iii) Efficient Social Business Initiatives – through its triple bottom line strategy, “I.T.C. focuses on India’s environmental, social, and economic capital.” Its initiatives, such as Choupal Pradarshan Khet and E-Choupal, have benefitted many farmers at the grassroots level. Engaging in these initiatives has also promoted the company’s good image.

Weaknesses

Despite the above, strengths, the company has the following weaknesses:

- i) High revenue from tobacco products – the company has, over the years, been making efforts to diversify its products and has succeeded in some way. However, tobacco remains to be its leading source of revenue; over 60 percent of its revenue is from tobacco products.
- ii) Tobacco Products are affecting its image – The company’s image is very good, but its association with tobacco products harms its image. It has made attempts to

improve its image, but its corporate image is hurt by the many tobacco products that it produces and sells.

ITC LTD's Corporate Social Responsibility (C.S.R.)

C.S.R. has to do with how businesses or companies engage with their stakeholders, the community, and other aspects of its business environment. I.T.C. has a very effective C.S.R. policy. The company believes that the TBL strategy should measure its performance. It believes that besides pursuing profits, it should also be involved in community projects and initiatives (I.T.C. Portal, n.d.). The company, for example, has initiatives improving livelihood sources (such as agriculture and related activities) more productive. These initiatives include Women's economic empowerment, watershed development programs, and livestock and afforestation programs (I.T.C. Portal, n.d.). It also has initiatives for assisting people in taking advantage of economic activities. These include its programs for providing support for primary education, solid waste management, vocational and skills training, and many others (I.T.C. Portal, n.d.).

References

I.T.C. Portal (n.d.) Corporate Social Responsibility Policy. Retrieved from

<https://www.itcportal.com/about-itc/policies/corporate-social-responsibility-policy.aspx>

I.T.C. Portal (n.d.). I.T.C.'s Corporate Social Responsibility – Generating livelihoods & environmental impacts. Retrieved from

<https://www.itcportal.com/sustainability/corporate-social-responsibility.aspx>

Reuters (n.d.). I.T.C. Ltd (ITC.BO). Retrieved from

<https://in.reuters.com/finance/stocks/company-profile/ITC.BO>