

EXECUTIVE SUMMARY

Henkel Corporation, founded in 1876, is a world-wide leader in brands and technologies that are globally-recognized in many parts of the world. It operates in three business areas: Laundry and Home Care, Cosmetics/Toiletries, and Adhesive Technologies. Outside its corporate headquarters in Dusseldorf, Germany are several manufacturing plants and subsidiaries located worldwide with employees totaling to about 50,000.

Henkel Philippines Inc. was established in 1976 and mainly operates three business units under Henkel Adhesive Technologies. The company reported a net income of Php136 million in 2013 which is down from the Php206 million net income in 2010. Its business units are: the Industrial Adhesives (AI) business unit that covers the supply of adhesives in the market of woven and non-woven and, food and non-food packaging; the Engineering Adhesives (AG) business unit which supplies adhesive and specialty chemicals in the market of light and heavy industries, mining, canning, medical, steel, construction, aerospace, automotive and industrial electronics

assembly; and, lastly, the Electronics Adhesives (AE) business unit which supplies adhesives and specialty chemicals for semiconductor and electronics assembly market.

Henkel Philippines is a well-recognized player in the Philippine market where its three business units are present. However, opportunities for growth are available in identified and emerging markets awaiting for Henkel to tap available resources for further exploration. Indeed, Henkel Philippines, to defend its business, needs to make sure that appropriate operational excellence are exercised throughout its entire organization.

This research paper sought to review Henkel Philippines' organizational structure, financial capabilities, and operational process and procedures together with its competitors; the market; the economy; technology; environment; socio-cultural and political aspects; and the industry it belongs. Using Porter's Five Forces Analysis; Competitive Profile Matrix (CPM); Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) matrices; Quantitative Strategic Planning Matrix (QSPM); Threat-Opportunities-Weakness-Strength (TOWS) Matrix; and the Grand

Strategy Matrix, were used to analyze the position of Henkel Philippines in the industry it operates.

Only four competitors- HB Fuller, ThreeBond, Dow Corning, and Hitachi Chemicals are considered in the competitor's analysis. These competitors supply adhesives and specialty chemicals in the same industry where Henkel Philippines belongs.

The strategic management process for strategy formulation, implementation, and evaluation model of Fred David were utilized in this research. In addition, similar references were extracted from The Association of Business Executives' (ABE) Corporate Strategy manual as a supplement. The company's current vision and value statements were also evaluated.

A new mission statement were developed based on the requirements of vision and mission formulation techniques. The new mission statement is tailored to locally fit the Henkel Phils. Inc. organization and at the same time remains to be aligned with Henkel's global vision. The new mission statement: "To be the best in class supplier of leading adhesives and

specialty chemicals in packaging, industrial and electronics industries in the Philippines. Be the first-in-mind by our business partners through excellent product support and services. Be an employees' choice that provide safe, conducive, and rewarding workplace with culture that embodies social responsibility in protecting our stakeholders and the environment."

From the strategy formulation process, business strategies were formulated that could best apply to the company such as Market Research and Development, Integrated Distribution Channels, and Expansion of Local Plant's Capabilities.