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Business Report

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Executive Report

The aim of this business report is to analyze the company INEOS Group from a range of contemporary perspectives in order to have insight about the specific aspects that build the strategies and patterns of the company. Also, this report critically assesses the standards of various perspectives for strategic alterations as well as draw on leadership capabilities that necessary for modifications. The business report includes both external and internal analysis in order to observe the factors that have influence on the business as well as to examine aspects within the company as the strengths and weaknesses. Customer Analysis and Five Forces Analysis will be used to conduct External Analysis in order to understand how the company operates in the marketplace in order to be so prosperous (Tragnic, 2014). On the other hand, SWOT Analysis, Resource Based View and Financial Analysis are tools, which will be undertaken to conduct the Internal Audit to explore the company's competency, organizational strengths, weakness, opportunities and threats in order to generate strategic planning to maintain and enhance the business (Sofyan and Primiana 2015).

Introduction

INEOS Group is a Britain's largest privately held leading chemical corporation producing raw materials, which are necessary in the manufacture for an extensive diversity of products (Ineos, 2018). There are probably twenty large

enterprises within INEOS Group, which are self-sufficient. All the outstanding businesses are parts of INEOS Group, which are results of strategic rethinking in that big corporation ([Ineos](#), 2018). Nowadays, INEOS Group has got fasten position in high competitive market and ranked among top chemical corporations in the world with a sales of around USD 60 billion ([Ineos](#), 2018). INEOS Group is in a “position for a chunky funding”, which could enlarge the current assets. However, being newcomer in the chemical business, it was expanded tremendously in a very short time of period coming one of the top biggest chemical producers with 65 manufacturing sites. From the point of view current market position, INEOS strengthens its competitive power and profitableness in the chemical business taking new steps in the UK and US markets. The high position of the company comes from the cost advantages of managing big-scale, well-invested, highly combined resources strategically placed close to main transportation aptitudes. Also, implemented diversity of wide strategic initiatives shaped to minimize the operational costs, to enhance the profitability and future development of the market position (Hill and Jones, 2007). For example, it includes the fixed resource funding to enlarge the capacity in more cost products, to develop productivity at the endure provisions and to minimize the fixed value structure by headcount decrease, manufacturing line termination and system upgrades. As INEOS Group is customer-oriented company, there is found necessity to conduct customer analysis first of all in order to observe customer profiling, market segmentation as positioning as well as present customer strategies. This will help to understand what are the strategic approached of INEOS Group that ensure success. Accordingly, Five Forces Analysis will draw general idea about bargaining impact of customers, suppliers, enhancement of substitute products

as well as for future market opportunities (Hill and Jones, 2007). Next, SWOT Analysis and Resource Based View will investigate the external factors and all the strategies that help INEOS Group to be leading in highly competitive market (Friedman, 2003). Moreover, Financial Analysis will allow understanding the internal condition of the company by figures. For example, how investments facilitate operation of low cost and high effective rates in comparison with most rival companies.

INEOS Group

INEOS Group is one of the world's biggest chemical organizations as it is presented by revenue. This company is highly focused on world-class chemical resources and manufacturing technologies. The main key products of the company brought the company to the leading global position and created sustainable and loyal customers. The company manages more than 30 production sites in 6 countries in the whole world. The key success of the company is also highly professional executive management team with more than 100 years of experience history that creates organizational culture and the environment that driven to be on the top among highly competitive companies ([Ineos](#), 2018). . The company manages the business among three main segments: Olefins & Polymers Europe, Olefins & Polymers North America and Chemical Intermediates, which presents 58% in Europe and 42% North America. INEOS Group is concentrated on manufacturing of different products as crude oil, natural gas including olefins, polymers and various petrochemical products directly or indirectly derived from olefins ([Ineos](#), 2018). INEOS Group delivers for a very different range of end market, which involves

agrochemicals, automotive, packaging, pharmaceuticals etc. The benefits of the company lies on highly integrated, first class production equipment and technologies, which help to bring raw substances turn into high cost added products. The enterprise believes that highly integrates equipment that company reproduces are very attractive margins through value chain, received more reliable feedstock contribution, decrease the logistic costs, enhance the energy management and do the most effective use of the company's product slate.

External analysis

External analysis of INEOS Group is conducted applying tools of 9 o'clock approach to support analysis. For example, one of the tools was chosen customer analyses, considering customers as key success factors that add value and strengthen the company (Tragnic, 2014). On the other hand, customers are the ones who create demand for products, services and they are the end consumer of goods as well as services. They have ability to make decision and to choose among various products and providers. Correspondingly, customer service is very important to build huge business surviving in high competitive market (Chenhall, 2005). This analysis will assist to evaluate and discover the factors that have more influence on business sectors of INEOS Group. Even though competitive analysis is significant in strategy, still it's the purchaser, who is up to buying decision. Respectively, competitor analyses will follow customer analysis. As, INEOS Group is customer-oriented enterprise and the

mission of the company is to be distributor of choice to its consumers, thus the first analysis that is chosen to conduct is customer analysis ([Ineos](#), 2018).

Customer Analysis

Customer analysis is must be critical factor for conducting a business report, especially for INEOS Group, as it is customer-focused company. The customer analysis assists to define the market segmentation and the possible ways to reach them. Moreover, customer analysis provides all the necessary information that is important for business development accelerating to determine the key performance factors (Badi, Awni and Almougari, 2015).

Customer profiling

This will present the major characteristics of the purchaser and the way they make purchasing decisions. This factor is very significant, as understanding why purchasers buy will illustrate to the corporation where they need to enhance and maintain their competitive advantage.

From the point of company, the customers are the main focus for them as Chief Executive Officer from one of the INEOS Group companies mentioned during the presentation in the context of the cost-efficient and value added innovations of Chemical Innovation Exchange Forum in Frankfurt ([Ineos](#), 2018). He was talking about the importance of manufacturing special products that will bring advantage for the customers as well as will add value for the company. It became evident that INEOS Group doesn't pay attention to the consumers at the end of the chain but mainly focused on their customers. They do believe if

customers of INEOS Group will see the advantage then all their customers will see. Moreover, he also added that as a chemical company they are very distant from the consumer markets, because the products they make “in the end of the day” is just 1, 2 or 3% that ends up in the hands of the consumers if it is ever end up ([Ineos](#), 2018). INEOS Group is customer-oriented company that does its best in order to satisfy consumers’ demand. For example, recently it expanded its ethylidene norbornene plant in Antwerp, which means development and increase of the range of production adding 28% more tons becoming the biggest one in the world ([Ineos](#), 2018). Car manufacturers in the construction industry use ethylene-propylene-dyne rubber.

The company’s main objective is to make working environment for employees a secure place reducing risks as well as preventing any disasters. The corporation is focused on high responsibility towards its employees and the environment, as well as protection of customer’s interest, distributors and any other with vested engrossment. As it was mentioned above customer satisfaction is the fundamental for INEOS business fortune. The permanent high quality of the goods and services is primary necessity. The company deals closely with its consumers and always seeks to satisfy their needs and expectations ([Ineos](#), 2018). . Furthermore, in regard to internal collaboration, each of the INEOS’s workers is committed to guaranteeing the highest quality. On the other hand, to have precise imagination about the role of customer orientation of the company, also it is important to study and to examine the characteristics of customers as well as the aspects that have influence on their consuming behavior. Moreover, these factors are significant to have insight about the reasons why customers buy.

The company provides around 2000 applications of different sort of products for more than 4000 customers from 7 industries as automotive, electronic, healthcare, packing, construction, household etc ([Ineos](#), 2018). Accordingly, sustainable acquirement practice is extremely driving for enterprise's buying behavior, regulations and reputation. The company deals with more than 10 000 companies in the whole world. For example, the consumers of olefins business are main European petrochemical organizations, who use the INEOS's products in order to make large range of chemical products as polymers, rubbers etc. As, customers are the main revenue creators thus INEOS is always looks to increase potential customers with sustainable growth (Badi, Awni and Almougari, 2015). Based on INEOS Group sustainability growth factors, it became evident that the company focused to support the market fortune of its consumers by strengthening by sustainable business operations as a competitive margin ([Ineos](#), 2018). One of the ways to secure sustainable business management is to follow customers' needs as well as to be engaged in new innovations that will work for customers. The company always try to find new innovative solutions that optimizing economical, social as well as environmental performance with secure, high quality products that contribute consumers' businesses and end consumers' choice even more sustainable (Hill and Jones, 2007).

Market segmentation

It includes dividing markets into parts that ensure various consumer's requirements and wants. Market segmentation helps businesses to be more

focused and it enables the marketing to be more accurate ([Ineos](#), 2018). When businesses make a decision how to progress and to grow their marketing strategy as well as think how to create value for their consumers, there are primary two tasks they have to take into consideration: 1. Which customer they want to target and whom to sell to, so the first task is to identify and to segment the market examining the market from the different sights, in order to understand that is the most attractive and the way to target (Chenhall, R. (2005). After identifying the market into segments, and understanding what is the interested segments that they want to sell for. 2. It is necessary to identify the way to compete effectively in the market and how competitively serve the customers. Moreover, the market positioning is the next most important task. The way of identifying the right positioning for the product, and services in terms of interests and requirements of customers. Accordingly, external analysis will be conducted based on market segmentation and market positioning as well as will present customer strategies (Tragnic, 2014).

Market segmentation for INEOS Group is presented by the all companies included in the group, which are concentrated in very different aspects satisfying extremely large range of customers with very different manufacturing backgrounds ([Ineos](#), 2018). INEOS Group operates its business through 3 segments, which are followings:

- Olefins & Polymers Europe
- Olefins & Polymers North America
- Chemical Intermediates.

The range of the products that the company manufactures is derived from natural gas, petrochemical products, crude oil etc. The huge amount of the

products cover extremely large markets spread out all over the world delivering construction, pharmaceuticals, packaging etc ([Ineos](#), 2018). For example, from the point of market segmentation, the company covers seventeen sites for olefins and polyolefins, which includes big amount of integrated olefins cracker and polyolefin resources in Koln, Rafnes, Texas as well as 7 polyethylene pipe producing sites within the United States. These solutions ensure the company's highly competitive proprietary polyolefin operation technologies. These innovative technologies involve the company's cost-efficient gas phase polypropylene solution. The North part of US and European markets are very different from the distinct of olefins and polyolefins with diverse pricing strategies and allocation channels. The practice illustrates that each of the market has specific rates of increase and levels of return. That's the reason for the company to operate these two businesses individually and report them as a 2 separate segments: INEOS Olefins & Polymers Europe and INEOS Olefins & Polymers North America. From the view of figures by the end of December 31, 2017 these two segments (Olefins & Polymers Europe and Olefins & Polymers North America) contributes around € 6 billion and € 4 billion of revenue as well as €810 million and €900 million of EBITDA (EY, 2017).

Market positioning

Market positioning for INEOS Group is well developed for the majority of key products with strong and stable customer substructure having leading role in the market. The company manages 32 manufacturing sites in 6 countries in the whole world. The strength of the company also comes from the professional

and well-experienced management team. According to statistics, in the end of December 2017, the final chemical production was around 21, 700 kta, which includes European market with 58% and North America with 42%. The company has been developed dramatically since April 2018, when it was created with the purchase of the Belgian “Oxide” assets from Inspec plc and enlarged through the series of strategic investments, from major chemical companies as well as through organic extension. The incorporation of INEOS and Innovene in the end of 2005 brought substantial milestone for the company presenting universal scale and future upstream combination. Market positioning has been developed even more with the purchase of 50% interest in the Noretyl ethylene cracker at Rafnes from the INOVYN group in 2015 (EY, 2017). There was another acquisition aromatics and cumene assets from Axiall Company in 2015 with the initial investment of \$57.8 million (EY, 2017). Later this corporation was moved to the INEOS phenol facility at Mobile, Alabama. Furthermore, in 2016 the Group purchased the whole stock of WLP Holding Corporation, which is one of the biggest high density polyethylene pipe producers in North America. Correspondingly, the strategy for INEOS Technologies corporation in 2016 was to conclude marketing operations with its polyolefins licensing technology externally moving the outstanding parts of the INEOS Technologies corporation to existing enterprises within the Group to illustrate a clearer orientation on particular product line.

Present customer strategies

Present customer strategies are very important for the company's growth, as INEOS is focused on growth as a primary driver, which is illustrated by the

very quick growth of the company in the world of manufacturing chemicals and oil products. For instance, nowadays INEOS insight has got 1049 customers from the different part of the world in 2017, who are mainly served by in house group of business, sales and technical department ([Ineos](#), 2018). The strategy of the company is to sell major European petrochemical companies who consume wide range of products as polymers, synthetic rubber, intermediates and specialty chemicals ([Ineos](#), 2018).

As it was mentioned before INEOS Group includes several businesses as followings: INEOS Nitriles, INEOS Oligomers, INEOS Oxide, INEOS Phenol, INEOS Enterprises and others, which are manufacturing very different and specific key products ensuring the customer satisfaction in different way with certain strategies based on the market segmentation ([Ineos](#), 2018). .

One of the main customer strategies of the INEOS Group is assisting the customers to become successful in their market. The company is based on the claim to drive for fortune together. Moreover, the corporation including all its sub-businesses strive to promote its customers fortune in their market and quality, sustainable innovations for better productivity and goods / services differentiation as well as the best customer relations (Pfeifer, 2014).

*Styrolution aligns company with its “Triple Shift” growth strategy. The development of the new unit range with the organization’s growth strategy, which aims to highlight 3 shifts concerns to bring greater concentration on the following spheres: higher-growth industries, ABS norms and styrenic strengths as well as market enlargements.

*International industry group for automotive, healthcare, electronical diagnostics, consumers in automotive and the rest of the above mentioned industries rely upon the thorough collective styrenic polymer mostly

styrolution suggestions. On the other hand, the corporation's many years of partnership with top ranked companies in each of the corresponding industries suggests styrolution with the know how and understanding required to direct the specific demands consumers have through the value chain. These advantages combined with styrolution's international presence bring the corporation in a special position to supply styrenic polymers and services in worldwide scale tailored to the requirements of purchasers worldwide (Pfeifer, 2014).

*Accessibility is a prime motion for Styrolution's approach to the construction and building as well as household industries. According to the region specific demand of consumers in these spheres, they will be continuously supplied territories. In order to secure consumer's interest from Styrolution's perspicacious expertise in this sphere, international and local coordinators will assist t share with the best experiences.

*Packing and toys as well as sporting industries are still have greate role. Styrolution is considered to be one of the most significant global enterpirses in these industries. The customers appreciate and will continue staying loyal because of the high level of regional service and product proficiency that company provides.

*Consumer-oriented modernization approach or strategy is the center of styrolution's industry. By the help of global R&D and Intellectual Property to the contemporary organizational unit will facilitate styrolution to be concentrated to its modernizations and innovations on industry movements and consumer requirements by trying to explore more strongly to application enhancement.

As Roberto Gualdoni, CEO of styrolution: announced that styrolutions are rare set-up incorporates the worldwide assets, international teams from each particular industry as well as R&D provide in all parts of the world, which well-related to the outstanding institutions in styrenic polymer and material sciene (Pfeifer, 2014). Consumers from whole over the world lean on styrenics proficiency in their relative industries giving an opportunity for the company to move ahead collactive innovation and prosper in application enhancement. The all above-mentioned approaches and strategies help the company to be strengthen and leading innovative company in styrenic and the world.

In other words and being more precise the most effective customer strategies combined with high-innovative and exceptional performance characteristics and the best services (Moses and Mukhamad, 2008).

Also, INEOS Group with its all businesses follow to the rules ad strategies in the same effective way. For example, all the products are customized and bespoke by each consumer's requirements. Accordingly, the best quality services and technical assistance are highly considered. Moreover, customers are always supported with new developed products, applications as well as innovative customer business models, which bring value not only for customers, but for company as well developing productivity and reducing final prices. All the mentioned qualities are accompanied with long-term guarantee services as well as international and local grades.

Five Forces Analysis

Five forces analysis assists companies to have insights about the factors that have impact on profitability in particular industry and could assist to have idea about specific industry, whether to enhance capacity in a particular industry and increase the competitive strategies. Porter's five forces is a strong tool to have insight about the competitiveness of the business environment and find out the company's strategies for increasing potential prospective profitability (Friedman, 2003). Moreover, this is beneficial from the point of understanding the environmental forces and industry that can have impact on profitability etc. The analysis will illustrate the amount of bargaining power the enterprise has against the five forces working against it.

Industry competitive analysis

One of the main competitors for INEOS Group is Oligomers in linear alpha olefins are Royal Dutch Shell, Chevron Phillips and Sasol Limited. For polyalphaolefins, major competitors include: Chevron Phillips and Exxon Mobil ([ineos](#), 2018). Also, as primary competitors for INEOS Oxide in the ethylene glycol, antifreeze, ethylene oxide and ethylene oxide derivatives markets are BASF, Shell as well as Dow Chemical. In the sphere of the ethylidene norbornene monomer merchant sphere is JX Nippon Oil & Energy. The primary playing rivals are Cepsa, Novapex, Borealis and Versalis in Europe and Shell and Honeywell are in North America (EY, 2017). For instance, just for ammonia the INEOS face more than 150 competitive manufacturing units located in 50 countries in the whole world and just 30

unites are located in Western Europe. INEOS Group, which a worldwide producer of petrochemicals, oil products and specialty chemicals presents around 15 enterprises each with a main chemical organizational heritage. It involves 60 manufacturing provisions in more than 10 countries widely spread in the world. INEOS Group has got competitive companies around the world as HUNTSMAN, which was set up in 1970 in Texas (EY,2017). However, it has got 7000 less employees than INEOS Group. One of the biggest competitors of INEOS Group is TOTAL, which was founded even before HUNTSMAN in 1924. This French company deals with multi-utilities industry. It is worth to mention that this company generates more than \$100 billion more revenue in comparison with INEOS Group. Next, LyondellBasell is considered as one of the biggest INEOS's top competitors. This company, which is focused on plastic generates around \$24 billion less than INEOS Group. The biggest public chemical enterprise in the whole world was also INEOS's top competitor (Ineos, 2018). However, BASF intended to sell off its straining company having wide spread positions in the world. The biggest markets of BASF were United States, India, Europe, Singapore, Mexico etc. On the other hand, INEOS Group has styrenics areas in the United States, Canada, Thailand as well as in Europe. Further, in 2005 INEOS bought the competitors' US part maintaining styrenic orientation, which allowed the company to become even bigger player in the market. The INEOS Group always finds a way to keep higher position among competitors. Also, INEOS was able to attract all the key top specialist from the competitive companies to be transferred to INEOS Group. For example, Kevin McQuade left his 13 years career with BASF company and started to work with INEOS Nova from 2005 (ineos, 2018).

Bargaining impact of customers

INEOS Group is a customer-oriented enterprise, which aims to be the biggest supplier among competitors. Also, it has a mission to provide of choice to its consumers. The leading global market place gives an opportunity for INEOS Group to become the distributor of choice for the wide range of customers in the market. INEOS Group the main care values are (ineos, 2018):

- High performance in safety and security
- Customer-orientation, customer-satisfaction
- Continuous development to ensure low cost products with high quality
- Modernization, entrepreneurship and awards for attainments
- Entitle of employees to build value for the company's purchaser and for the company itself.

Customers of the INEOS Group are from very different industries starting as automotive, electronics, packaging, construction, healthcare etc. For example, packaging provides a large diversity of innovative uses, INEOS Styrolution styrenic packaging industry customer profiling includes 2 primary categories: rigid and flexible film packaging and cosmetics. Customers buy INEOS Styrolution styrenic product because of the technological innovative solutions in the sphere of packaging. INEOS Styrolution offers also interesting solutions for designs as well as for mechanical and chemical properties keeping regulatory merits. The products are attractive for the customers from the point of gloss, color stability, chemical resistance, glasslike transparency etc. Thus, high fashion brand cosmetics are the main customers for INEOS Styrolution

(Pfeifer, 2014). Here is presenting Luran® SAN, which has got excellent transparency and strength. It presents high innovative approach from the point of chemical resistance, brilliant surface quality as well as color texture. These are all the main characters that are attractive for the customers.

		Europe, Middle East and Africa	Americas	Asia-Pacific
Luran 338L Excellent transparency Light natural color	>	✓	✓	✓
Luran 358N Excellent transparency Good surface appearance	>	✓	✓	✓
Luran 378P Very good chemical resistance Good heat resistance	>	✓	✓	✓

Bargaining impact of suppliers

Du Pont is a science enterprise, which focused to solve critical valuable worldwide issues. Du Pont aims to build purposeful for its shareholders, staff members as well as customers including INEOS Group (Ineos, 2018). The company is concentrated and developed around a range of main values, which are security, human's wellbeing, environmental safety, highest moral behavior. Du Pont keeps partnership with INEOS Group to assist Earth's inhabitants with better, low risk food, sustainable energy and preservation for what signify most of all. Du Pont helps people to have food, because there is a problem not to producing enough food, but preserving it (Ineos, 2018). So, Du Pont deliver a large variety of innovative products and services for worldwide business

market that helps to live sustainable on earth. One of the INEOS Group's main suppliers is Neutrex Inc., which started producing **Purgex** in 1992, which purging compounds increased in color modifications, decrease rejects and effectively clean the displacement, bluster the shape. This company has been developed dramatically during last 3 years. The total increase has been around 40%.

Potential enhancement of substitute products

Since INEOS Group stated the resignation of Barex PAN, there was necessity to look for the replacement in very short time of period. From the point of the healthcare safety and security as well as nicotine packaging, TOPAS Advanced Polymers was matching all the necessary requirements and was ready to replace Barex. TOPAS COC was extensively applied in medical and food applications. Its has got the same qualities as Barex having the chemical resistant repository, heat securing films, which bring advantage for the rare belongings of TOPAS COC.

Potential new entrants

INEOS Group's vision covers for new opportunities worldwide. As this company's mission is to become the supplier of choice to its consumers, thus this business created clear vision and values that assist it to move ahead, further and open new entrants. One of the new entrants for the company was North

Sea Oil and Gas industry. Just less than 2 years the company has got a primary player in North Sea, as INEOS has purchased a Danish enterprise's whole oil and gas capital, in the North Sea for around 1 Billion pound. As a potential new market entrance, this business is very significant for INEOS at this level of company's development plans. Also, this deal opens a lot of new opportunities with this inspiring portfolio. The acquisition of the whole DONG oil and gas enterprise put INEOS among top ten enterprises in the North Sea and the largest privately owned manufacturing company dealing in the energy sphere (Ineos, 2018). As INEOS Branch CEO Geir Tuft said that INEOS is a fresh entrant to the North Sea and in this very first stage into oil and gas financial market illustrates high encouragements for the both strategic vision as well as for the aspiring projects for the future. On the other hand, INEOS is to build its massive cumene plant in Germany with the very latest technology. As it was mentioned before INEOS's mission is to be the supplier of choice to its customer, so this projects was made by request from its consumers and to guarantee a safe supply of cumene, a primary raw material for INEOS' plants in Germany and Belgium. This new plant is supposed to be up and operating by 2020.

Recommendation

A systematic customer analysis helps to examine and better understand customer profiling, market segmentation, current customer profiling etc. Customer analysis is a significant part for the enterprises because of the company's position in the global business market. It became evident that customer orientation for the INEOS Group is a key success and the company to

use all the strategies to satisfy its customer. It became clear that in order to success INEOS should have in-depth understanding about of end consumer's requirements and to find new ways to satisfy those requirements. The next recommendation refers to value chain (Armistead and Clark, 1993). Despite INEOS has very experienced role in it, but it would be better that the company build ecosystem of partners that will work for particularly to deliver results to end consumers, as INEOS is mostly focused on directly to its own customers. The analysis illustrated how prosperous company is INEOS Group and how well the company follows all the necessary strategies to keep its top position, however, there was found some recommendation for this company related to the more digital manufacturing. It will help to enhance products and interaction between their customers and for the rest of the industry. It will also help for the company to modify the approach and to be focused on more and more market requirements (while INEOS is more or less concentrated on digitalization for product manufacturing).

INTERNAL AUDIT of INEOS Group

It has become obvious that the company's internal capabilities and capitals are more significant to gain sustainable competitive advantage than external factors, because internal factors create the strengths that help to overcome any unprotected challenges and obstacles (Chenhall, 2005). INEOS Group's management team takes integrated perspective to present a strong viable

performance that deliver a value for the consumers as well as for the environment.

Input Stage: SWOT Analysis

Internal analysis is an observation of the company's competency, cost-strategy, and competitive success in the market. SWOT analysis will be implemented in order to measure the organizations' strengths, weaknesses, opportunities and threats. This information is more than important to generate strategic planning goals to encourage and grow the company. Even though, SWOT analysis can be subjective as they are mostly depends on the information or knowledge that conductor posses (Sofyan and Primiana. 2015). To observe and to examine the company's strengths will facilitate understanding the actual condition of the business strength related to the financial situation, employees, competitiveness etc.

Strengths

The company strongly believes that real sustainable business operations are necessary to achieve both growth and eternal prosperity for the consumers and for the company. INEOS Styrolustion takes sustainability as an original motion for increasing growth and delivering value. In order to get sustainability, the company is focused to deliver the market success of the consumers by claiming it as a competitive boundary. So, it required for the company to observe the consumer's requirements, to keep **being involved in collective modernization** and **position sustainability** as the core of the **company's management operations**. The INEOS Group with all the separate business in it optimizes its

own economic, social and environmental performance to bring safety, high quality as well as deliver highly competitive products that impact both the customers business and purchaser's choices more continuously.

The INEOS Group is strong by the undertaken strategic design initiatives and the way it acts. For example, few years ago the company implemented strategies to lower operating costs and to increase the profitability as well as to develop market position. These involve fixed resource investments to enlarge the capacity in more value products to develop productivity at the current facilities and to decrease the fixed cost form through headcount decrease manufacturing line shutdown and system upgrades.

In order to persistently pursuing the company's mission of being sustainable and strong, the company aims to enlarge track record of depleted business achievement providing sustainable growth and keeping the company's loyal partners. INEOS Group also formulates long-term strategies, as it will ensure sustainable growth. The company always set for itself ambitious objectives. For example, by 2020 INEOS Styrolution aim to success as a resilient and more profitable enterprise. The company is focused on main 3 spheres:

- Focus on higher –increase consumer industries,
- Focus on portfolio through high value
- Focus on high growth regions

Taking into account all the above stated, it become more obvious that the company's objectives are more measurable and well connected to each other.

INEOS Group has very strong position in marketplace and among competitors. However, it is important not only to conduct external analysis but internal as well as in order to plan strategic management. So, the SWOT will assist to

analyze company's strengths and weaknesses (internal) as well as opportunities and threats (external).

Both internal and external analysis is interconnected. For example, internal analysis help to discover what's company means itself and what's the impact of it? While the external analysis are to find out what factors can have impact on company out of it, which is not controlled by the company at the same time. This flexible method to conduct analysis can be used for operational evaluation as well as for long term strategic planning. All the relative articles and all the relative resources illustrated that INEOS Group has got an infinite list of strengths. INEOS is a company that has got advanced and safe approach to low cost suppliers, which assist manufacturing products for a choice of customer (quality vs price). INEOS is associated also with following strengths: highest quality and low priced production equipments, well-funded plants, massive plants that bring advantage for economies of sale, the most advantageous locations, high qualified and professional expertise in management, superior market positions, management diversification among products, consumers, geographical locations applications and ultimate markets. For example, the dominant position allow INEOS to distribute and supply the biggest part of the market. INEOS's position in modern and very comparative marketplace has transferred into a loyal and loyal contention with the consumers.

The **strength** part of INEOS Group is the ability to **ensure high quality, manufacturing for low cost facilities**, which *keeps cost to minimum* as a *core operational imperative*. On the other hand, well-located and well-funded big plants give an opportunity to benefit it from economies of scale. Moreover, **experienced management groups** of the INEOS operate the company with min. on-site management operating work-team, which is better fitted to

handling up-to date workflow than middle operations. Different products, consumers as well as geographic regions management endue the market.

Weaknesses

It is very difficult to draw on weaknesses for one of the most successful and sustainable company as INEOS Group. However, there were found some weaknesses related to the delay in creating biorefining activities. Also, limited skills have been enhanced and R&D in comparison with rival locations.

Opportunities

INEOS Group has a history of acquisitions and in coming future they will own even more companies or resources involved in related or complementary businesses if they will find out suitable acquisition segments. Meanwhile, the Senior Secured Term Loans Agreement may restrict and the Indentures may limit the capabilities to acquire or enlarge the recourses. Also, in order to manage the coming projects successfully, the company needs to enhance the operational, financial and organizational information mechanisms (Chenhall, 2005). However, all the new business opportunities may cause some number of risks, for example: problems with productive integration mechanism, the inability to keep core pre-acquired business connections, enhanced management costs, the loss of the most important employees from the new companies etc (Hill and Jones, 2007).

Threats

There are some factors in the environment that could be a reason for a trouble in the company. For example, in this case and for the company INEOS this sort of trouble can be the foreign currency exchange risks. Particularly, holder can experience the currency exchange risks by making investment in the Notes. Some portions of the company's indebtedness are paying in euro, while others in dollar. If a holder evaluate its investor returns by the interest of the currency different than the currency in which s/he indebtedness is denominated, the investor in such indebtedness requires currency exchange-related risks, which are connected to different factors, as the vital change in the cost of the dollar or the euro as it is more suitable connected to the currency holder uses to evaluate its funds caused by factors as economic, political, where the exchange rate and over have not any control at all.

Financial Analysis

The financial outcomes of the company are considerably related to the final economic situations in the US, EU and Asia. An enlarged downturn in any of the mentioned locations or public recognition that result in decreasing economic situations that could significantly declined the demand for the company's products and adversely have impact on the business. For instance, as an outcome of an economic downtown in 2008 as well as in 2009, the company experienced reduction demand for many of the company's products. Furthermore, many of the company's depend on approach to credit to adequately investment their management. The company's financial results may

be unfortunately having impact in case if environmental liability emerges for which the company logically reimburse or from a destruction of resources or businesses for which the company deliver a seller's indemnification.

Financial ratios are relationship discover a company's financial data and use it for comparison reasons (Tragnic, 2014). The ratios are the outcomes of splitting one account balance or financial evaluation with another. Also, ratio analysis will illustrate company's financial strong and weak sides. For example, it will be possible to understand if company can raise short and long-term capitals or does it have enough working capital.

DATA COLLECTION	2017 (£m)	2016 (£m)	2015 (£m)
Current Assets	4,326	4,782	4,378
Current Liabilities	2,202	1,779	1,821
Total Assets	11,048	11,359	10,282
Sales	15,210	12,610	11, 329
Long-Term Loans	4,179	4,990	4,650
Total Debt	4,913	5,914	6,678
Earnings Before Interest and Tax (EBIT)	2,207	1,900	1,889
Net Profit (after tax and interest)	2,000	1,233	911
Profit After Tax	2,300	1,574	1,148

Debtors	0	0	0
Cost of Goods Sold	12,524	10,141	11,200
Inventory	1,247	1,068	957
Fixed Assets	4,255	4,007	3,509
Net Assets	11	11,360	10,260
Gross Profit (Sales less Cost of Goods Sold)	2,686	2,469	2,411
Interest	288	380	430
Operating Expenses	590	406	380
Equity	1,697	430	564
THE FOUR KEY GROUPS OF RATIOS			
Profitability ratios	2017	2016	2015
Return on Assets (ROA)	23,00	15,83	12,34
Return on equity	117,80	286,80	161,45
Gross profit margin	17.66	19.58	21,30
Net profit margin	15,10	12,50	10,14
Liquidity ratios			
Current Ratio	1.96	2.69	2.40
Quick assets (i.e. acid test)	1.40	2.09	1.88
Capital gearing ratios			
Debt to equity	1,1	2,33	2,04
Gearing	0,60	0,70	0,75
Debt to Asset	0.44	0.52	0.65
Interest cover	7,60	4,20	2,70

The ratio analysis illustrated the evaluation of the management performance in profitability, productivity as well as risks. Also, financial analysis can help to project the future performance. The above presented ratio analysis starting from 2015-2017 illustrates the company's actual situation by figures. Based on the findings, it became clear that the value of all assets has been slightly decreased. However, sales between three years was increased by around 4,000 £m. The growth is an outcome of productive planning and financial management. On the other hand, it means that overall costs and inflation are growing, which directly effect in sales. Gross profit margin, which demonstrates how much profit is earned on the company's products excluding indirect cost present increase between 2015-2017, which can significantly affect profitability.

Whatever related to the profitability ratios and particularly to the return asset, the dramatic increase has been noticed from 2015-2017, which is demographic evidence of strong and sustainable position of the company among competitors. While, the company operates effectively, however, return of equity has been decreased, which shows the rate of return on investment by shareholders. This is one of the significant ratios for investor and this decreased figures presented that the company doesn't make enough profit to bring compensation for the risks of being in business. Although

Recommendations

Internal analysis of the INEOS Group, which was conducted based on SWOT analysis gave an opportunity to make extend generalizations related to the company's strengths and weaknesses as well as external opportunities and threats. It became clear that INEOS is strong with the professional employees, who are more than 19000, with all the owned sites, which are 171 in 24 countries, with the productions, which reach 60 million tones as well as the turnover, which reach to \$60 Billion and is one of the best evident of the strong company (Ineos, 2018). One of the ways to present the primary analysis and findings is through SWOT analysis. The INEOS's market is huge and business objectives as well as strategies should be generated upon the company's own interests and opportunities that can develop its strengths overcoming all the challenges related to the weaknesses and minimizing threats. However, the company should move through high margin products as it will enhance new technologies. Also, the increase in products will increase also the quality, which will effective for reducing control from the venture companies. Also, it would be better for INEOS to search and find opportunities for better utilizing its main assets of land and related frameworks that can assist for facilitating further investments etc. The other recommendation relates to the facilitation of knowledge transferring from one companies to secure productive management, which can also develop the culture of information sharing. Also, the competitive advantage of the company is the professional and highly trained staff member, so it is highly recommended for the INEOS to keep consistence in professional development. At the same time, it is important to enhance highly educated customer that can assist the cooperation with different application of the company.

It has become apparent that the chemical industry is currently reshaping its IT opportunities and facing the problem of choosing the right type of IT systems. It is highly recommended to choose IT systems that will expand the company's opportunities and will support customers in daily business tasks. Also, this new IT technology should decrease risks and strategic acquired functions and managerial end-to-end operations. It is very important always to keep supplier sustainability and to create effective chain transparency. The all above mentioned recommendations are actually interconnected and very important to undertake in order to build sustainable and strong company.

Conclusion

INEOS Group is a strong and prosperous company that there are some external factors as politics, economical, social and technological enhancements that have impact on the industry. However, the internal factors as competitors, consumers and others have a direct effect for the business. It is important for strategic decisions made based on specific situation. It has become clear, that customer analysis has critical factor for conducting a business report, especially for INEOS Group, as it is customer-focused company. Also, the customer analysis assists to define the market segmentation and the possible ways to reach them. The company deals closely with its consumers and always seeks to satisfy their needs and expectations. Furthermore, in regard to internal collaboration, each of the INEOS's workers is committed to guaranteeing the highest quality. Market positioning for INEOS Group is well developed for the majority of key products with strong and stable customer substructure having leading role in the market.

Five forces analysis assists companies to have insights about the factors that have impact on profitability in particular industry and could assist to have idea about specific industry, whether to enhance capacity in a particular industry and increase the competitive strategies. Correspondingly, the ratio analysis illustrated the evaluation of the management performance in profitability, productivity as well as risks. Also, financial analysis can help to project the future performance. The ratio analysis illustrated the evaluation of the management performance in profitability, productivity as well as risks. All in all, it became clear that the company operates effectively, even though the return of equity has been decreased, which shows the rate of return on investment by shareholders.

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