

ABSTRACT

Rationalisation and strategic planning at Caribbean Packaging Industries Limited.

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Initially an analysis of the current status of CPI was carried out in order to ascertain the status of the firm. From the financial analysis, it was found that the firm was reasonably liquid and efficient, used a low level of financial leverage and had a modest profit margin. Other analyses showed that CPI was technically proficient both in plant and equipment, and skills and resources were readily available. A market research was carried out and the major results were:

- i. CPI's price was too high
- ii. CPI's service and company image were poor
- iii. Some needs in the Market were not satisfied

Analyses of CPI's objective were carried out and it was decided that profit growth rate of 12% per annum was satisfactory. A forecast was carried out for the next five years. The results did not match those of the profit target set. A gap therefore existed which was closed by the rationalisation of certain areas

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within the plant as well as in the market. From this, a strategic plan evolved utilising new capital expenditure, exploiting opportunities both in the plant and the market and utilising profit improvement schemes. The strategic plan, if implemented, would help CPI to achieve its profit target whilst at the same time addressing the problem of high price, poor service and image and inadequacy of supply to customers.

understanding of strategic and corporate planning, its applications and its practical problems.

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