

Introduction

Orkla – a short history

Orkla is one of Norway's oldest business conglomerates. The company's history dates back over 350 years. Orkla started out in 1654 as a purely mining company, extracting copper at Løkken Verk in Sør-Trøndelag County (Orkla).

The company got a major advantage of finding new large ore reserves in 1913. During first world war, Orkla became a major exporter of pyrite and also the world's largest pyrite

Orkla Annual Report 2016

<http://annualreport2016.orkla.com/assets/orkla/pdfs/en/Orkla%20Annual%20Report%202016.pdf>

Rolf Bryhn -Store Norske Leksikon https://snl.no/Orkla_ASA

The market situation

Orkla's Branded Consumer Goods (BCG) currently comprises of four business units: Orkla Foods (40%), Orkla Food Ingredients (23%), Orkla Confectionery and Snacks (17%), and Orkla Care (17%) [% of sale]

In the Nordic countries Orkla is dominant with 42% of its sales coming from categories which it has

Orkla generates an ~~EB~~ margin below average for an international Brand Consumer

Creating a more efficient supply chain

T

Conclusion

Orkla needs to improve its margins to secure long-term value creation while fending off potential activist investors buying shares and demanding structural changes. To meet this challenge Mikael Harder has hired you to come up with a plan for improving Orkla's supply chain.

When compared to its industry peers, Orkla is lagging behind in terms of supply chain performance. They have a large footprint of factories (103) and warehouses (101) covering a relatively small geographical area. The factories are less efficient than their competitors, as is their distribution system.

However, the fact that Orkla has a unique proximity to the market through its many factories, allows Orkla to tailor its product for the Nordic and Central European markets. This strength,

Some of Orkla's brands:

bi.edu/biicc