

An International Endeavor

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This problem situation was written by Alan Hazael Coello Trejo (alan.coello@tec.mx), with the purpose of serving as discussion material in the classroom; it does not intend to illustrate good or bad administrative practices. The story on this document is based on different people's experiences; some data has been modified at the request of the people and institutions involved.

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The Company

Crunchy is a multinational company with a presence in over 40 countries. Executives in the company consider that it has continued growing in recent decades due to its marketing techniques, adaptation to markets, and a reasonably competitive price-quality relationship. During its expansion, the company opened its first production branch in Mexico; this branch has now completed its first year of operations in the country; the first annual Sales and Significant Statistics (SSS) report is being prepared.

Crunchy's main product is potato chips, offered in 40 different variations, depending on each country's trends and preferences. The company is new to the Mexican market, so the executives in the company implemented a cautious approach, due to the high competition: Crunchy in Mexico only offers internationally recognized products, resulting in a limited variety of flavors; another decision in this sense was that only one size is available in Mexico.

Imagen. Potato chips are the crown jewel of Crunchy's product line.



Fuente. Yan Krukau, 2021.

To enter the Mexican markets, the company decided to change the name of most of its products to make them more appealing. Therefore, even though the chips follow the same recipe, their logo pursue a different marketing position; also, the colors of the plastic bag are different from those used in Europe or the United States. As part of the adapting process in the Mexican market, the company offers specific packaging in México.

As part of the Mexican branch of Crunchy, an Analytical Team (AT) was created to provide the company's executives with useful information for the decision-making process.

The AT team considers that the first SSS report in the Mexican branch would help them to assess the extent of product penetration in the country and to compare salaries in México versus other companies' salaries worldwide.

Also, the AT team's perspective is that the aforementioned report could be helpful to compare sales with similar markets and to understand whether a significant presence has been achieved in the Mexican market. Based on the information provided by the AT team's evaluation, executives in the company could reach decisions such as increasing the number of products, modifying salaries, establishing a second branch in another state of the country, and determining whether to continue with growth or to adapt or adjust a product to boost sales.

An Analysis for the Decision-Making Process

To start a useful comparative analysis, the AT team considers that they need both worldwide historical sales data and historical sales data from the Mexican market. From the SSS first annual report of the branch in México, the AT team found the worldwide information that is available in the following, SEE [HERE](#).

Also, the AT team found the historical sales data from the Mexican market in the SSS first annual report; this information is available in the following, SEE [HERE](#).

After reviewing both files, the AT team found some inconsistencies and differences with both databases. For instance, in the worldwide database, the potato chips names appear as "Crunchy", but in Mexico this product is sold under the name "CrujiCos". Similarly, the spicy chips labeled as "SpicyCo" in the worldwide database are presented as "PicanCos" in Mexico. Other examples: The "SaltCo" is presented as "SaladoCos", the "BBQCo" is called "BBQCos", and finally, "SalsaCo" is known as "SalsaCos" in Mexico.

The AT team considers that another challenge in this comparison is the currencies difference, where the worldwide database is in USD, and the Mexican database is in Mexican pesos. The AT team concluded that, to ensure consistency and facilitate sharing information with the foreign headquarters, all the results need to be presented in USD, using the average of the previous month as the exchange rate.


Another finding of the AT team is that both databases are divided into three regions in each country, with each region representing around 33% of the population, thus, there is a need to find a meaningful comparison. In addition, they found that both databases include monthly sales readings, necessitating thorough analysis to determine the correct method of comparing regions across different countries is evidently required.

The AT team considers that the process of the analysis needs a count of employee salaries, which should be treated separately from the analysis of the potato chip sales; their opinion is that salary data adds extra context, about the workforce.

The Expected AT Team's Report

The AT team will prepare a report that considers the information they found, and which is mentioned above. In a first meeting, they will present this report to the executives in the Mexican branch; then, they will present this report to the corporate executives in Crunchy.

The AT team's final report is expected to handle missing data, errors in titles, currency exchange, and other issues. The analysis must include relevant statistical data, charts, and a clear and precise presentation of the information. This report must also include comparisons between regions, products, and months.



This final report must include linear graphs to look for trends in sales, present the information with the USA names, compare the wages, an analysis about the number of workers and the relevant information that results of the analysis of the data. The AT team plans to prepare a summary of the findings and a set of recommendations.

Local and corporate executives in Crunchy expect that the conclusions provided by the AT team will allow them to understand the penetration of the company in the Mexican market. They trust that the information provided by the AT team will enable a clear visualization of the direction for the company's next steps in the country.