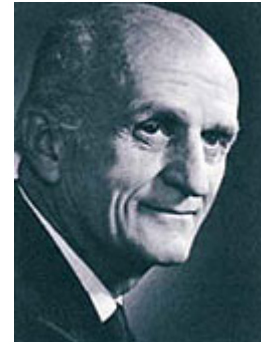


Mars

Mars Inc. is the seventh largest private company in the USA with income of over \$15 billion a year from global food brands such as Mars, Milky Way, Snickers, Twix, M&Ms as well as Whiskas, Pedigree and Uncle Ben's. It is a second (arguably third) generation family firm – a family that is one of the richest in the world. Founded by Forrest Mars Snr, who died in 1999, it is now run by his sons Forrest Jr and John. Forrest Mars Snr was born into a confectionery making family in 1904. His father, Frank, ran a modestly successful business in Minnesota where he made butter-cream candies overnight and his wife, Ethel, sold them from a trolley the next day. They had two main products, the Mar-O-Bar and Victoria Butter Creams, which became successful in 1923 when Woolworths started distributing it.

Forrest Mars Snr claimed that the idea for the family's first really successful product, the Milky Way, came to him whilst sitting drinking a chocolate malt drink in a cafe and he suggested to his father that he should put it into a chocolate bar. Some time later, his father did just that, putting caramel on top of and chocolate around it. Milky Way was a huge success with sales of \$800 000 in its first year. The family moved to Chicago and Frank built a mansion in Wisconsin. However, relations between father and son deteriorated as Forrest wanted further growth and expansion but Frank wanted to settle for an easy life.



In 1932 Forrest left to set up a one-room chocolate business in Slough, England. He quickly produced a similar product to Milky Way, calling it a Mars Bar, using creamier milk chocolate and a sweeter toffee filling. The Mars Bar is a very British product, unknown in the USA. The company returned to the USA in the late 1930s with the hugely successful M&Ms, the candy-coated chocolate 'that melts in your mouth, not in your hand'. Also in this period the company made the first moves into the European pet food industry by combining modern manufacturing techniques with nutritional science. In 1946 it applied modern manufacturing techniques to parboil rice and launched Uncle Ben's rice.

Mars Inc. is committed to remaining under private ownership. It is also a very secretive company. The founder, Forrest Mars Snr, was a recluse and his sons shun public life. They also live and work with a frugality that is in stark contrast to many modern firms. There are no company perks such as cars, reserved parking or executive toilets. Indeed, no one even has a private office. Memos are against company policy. Meetings take place 'as needed'. Elaborate presentations are seen as a waste of time. All employees must do their own photocopying, make their own telephone calls and travel economy class on planes. John and Forrest Jr even share a secretary with their sister, Jacqueline. All employees are known as 'Associates' and are on first name terms. Everyone from the top to the bottom have to punch their time-cards daily and receive a 10 per cent bonus for punctuality.



A visit to the company web site (www.mars.com) gives an impression of the strong culture within the organisation. Words like 'ethical', 'honest', 'trust', 'pride', 'passion', and 'support' abound as do phrases like 'we like being the best at what we do', 'we are passionate about how we do things and about quality' and 'I know that as a Mars associate I am ethical and have high standards'. The company is run

according to a 24-page booklet which codifies Forrest Snr's management philosophy. These are called 'The five principles of Mars':

- Quality – 'The consumer is our boss, quality is our work and value for money is our goal'.
- Responsibility – 'As individuals, we demand total responsibility from ourselves; as associates we support the responsibility of others'.
- Mutuality – 'A mutual benefit is a shared benefit; a shared benefit will endure'.
- Efficiency – 'We use resources to the full, waste nothing and do only what we do best'.
- Freedom. – 'We need freedom to shape our future; we need profit to remain free'.

Case questions:

1. What are the benefits of the Mars philosophy to both the company and to its employees?
2. In your opinion, does the Mars philosophy replicate itself in its retail brand? How does this compare to the Timberland brand?
3. Mars is a US company but its products are sold in over 100 countries. Does the Mars philosophy resonate in your country? Explain why or why not?
4. How important are the Mars family in generating this philosophy? If Mars were to move out of family control, would its philosophy have to change?