

Activity Sheet 1: A Tale of Two Chocolate Companies

Mars, Inc.



Image Source: <http://www.mars.com/global/brands/chocolate.aspx>

It all began in 1911 in the kitchen of Frank and Ethel Mars in Tacoma, Washington, where they made and sold a variety of butter-cream candies. In 1920, after visiting a local drugstore with his son Forrest, Frank was inspired to produce a version of chocolate and malted milk that could be enjoyed anywhere. The result was the Milky Way bar. It was an immediate success.

Together the Mars family created their own company that later produced many other world famous confections, including Snickers and M&M's. These candies were the foundation of what became a global snack food business. Their business was further strengthened when, while working in Europe during the '30s, Forrest Mars created a protective candy coat to stop chocolate from melting. M&M'S were born; their success was ensured when they were adopted as a staple ration for US forces. Today, M&M'S are famous the world over.

By the 1970s, the Mars Company was known for a variety of businesses classified into four distinct areas: snack food, food, pet care, and drinks vending and electronics. Over the years Mars has grown from a small kitchen production line to a multi-billion dollar business. Mars' products bear a variety of well-recognized names including TWIX, Snickers and M&Ms in snack foods, Pedigree, Whiskas, Cesar and Sheba in pet care and Uncle Ben's in foods. Mars remains a privately held, family company.



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The Hershey Company

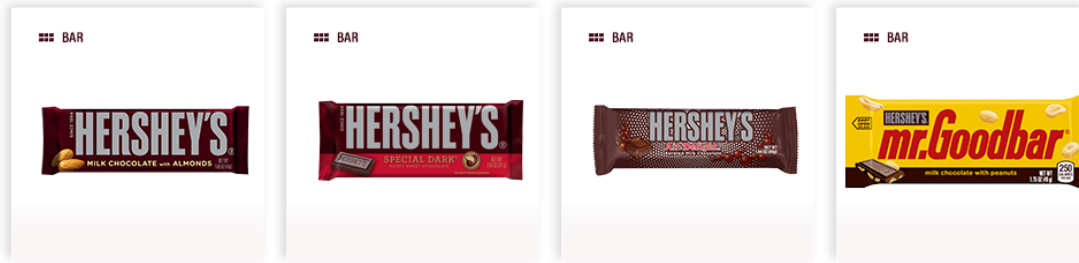


Image Source: <http://www.hersheys.com/pure-products.aspx#bars>

Raised in rural Pennsylvania, Milton S. Hershey had little formal education and was nearly bankrupt by the time he was thirty. Nonetheless, Milton created the multi-billion dollar company known today as Hershey Foods.

The company began as a small subsidiary of Milton's Lancaster Caramel Company. Using chocolate-making equipment purchased at the 1893 Columbian Exposition in Chicago, Milton's company produced baking chocolate, cocoa and sweet chocolate coatings for the parent company's caramels. After building his own milk-processing plant and working day and night for three years, Milton became the first American to develop a formula for manufacturing milk chocolate. It was affordable, tasted good and remained fresh for a long time. No wonder it was an immediate sensation!

Milton went on to become one of America's wealthiest individuals and a successful entrepreneur whose products are known the world over. He was a visionary builder of the town, which bears his name and, a philanthropist whose generosity continues to touch the lives of tens of thousands of people.

Through technology, modernization, and new product development, the Hershey Company has grown spectacularly. Today, the Hershey Company, like its counterpart the Mars Company, is a leading snack food company and the largest North American manufacturer of chocolate and non-chocolate confectionery products, as well as other related grocery products. Unlike the Mars Company, Hershey Foods is publicly traded. This means the public can become part owners in the company by purchasing its stock.



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Based on the reading above answer the following questions:

<p>What does it mean when investors say “Mars is a privately held company” and “Hershey’s is a publicly held company”?</p>	
<p>As a privately held company how might Mars Inc. raise money to expand their business?</p>	
<p>As a publicly held company how might Hershey’s raise money to expand their business?</p>	



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