

AO4 Stakeholders

There are lots of stakeholders for the Tin Drum; a stakeholder is the name for a group or individual who has an interest in or is affected by the business, this can include anyone, such as the staff, customers, managers, owners, government etc.

There are two main types of stakeholders, these include:

1. **Internal Stakeholders**

Internal stakeholders are normally part of the business, they include:

- **Staff** – the staff are the main part of the business as they run it and control most aspects of the business. The interest of the staff is to have a well paid, secure job.
The staff's objectives are to serve customers in the friendliest way they can, also they want to produce the best goods so they will be careful when handling goods.
Over a period of time, the staff would like to see extra holidays and generous fringe benefits such as a Christmas bonus, birthday bonus, etc.
The only way they would change their expectations would be if there was either poor management in which they would complain to someone as high up the chain of command as they can, also if there was quiet an aggressive area and the customers were to start getting violent, the staff should expect some protection, e.g. security guard.
The staff do have conflicting views with other stakeholders but normally just the management or shareholders, they can sometimes disagree with the managers because the business may be generating much profit and they don't receive anything extra but most of the time they will be kept happy as the management can rarely afford any strikes, revolts, etc.
- **Managers** – the managers are responsible for keeping the business together and functioning properly, they have the power to hire and fire people and put forward new ideas. Their interests are mainly pay and perks, power, prospects and a good corporate image will suit them fine.
The manager's objectives are to see the good running of the business and to check for misfits, such as theft, bad staff, undercooked food, bogus drinks, etc.
The manager's objectives are to ensure that the staff are doing their jobs properly and to their full capacity.
Over a period of time, the managers could expect good fringe benefits and holidays. They may also expect a chance to invest into the business so they could receive good returns on the shares.
If the managers were to ever change their expectations, this could alter the business quiet severely, e.g. if they were to become less strict on staff, they may start slacking and the business could go downhill.
The managers often conflict with other stakeholders fairly often, there is a reason to conflict with most other stakeholders normally, it could be any reason, such as : staff not working to full standard, owners/shareholders trying to draw out too much profit, suppliers

charging too much for goods and even customers complaining about poor service and organisation.

- **Directors** – at the start of the business, the directors would have wanted the business just to survive so they can be sure to not lose their investments. Now the business is up and running properly, they want to have good returns on their investments by decreasing costs and maximising profits.

The Directors objectives are to steer the business in the right direction and make sure it is profitable, they can also vote on who is the managing director and help debate on important issues with the business.

Over a period of time, the directors would like to see the business expand and use their good investments to do so, with this backing, the business will be able to rely on the directors as a first option for a loan, etc. as they will have good be receiving good dividends if the business is successful.

The Directors expectations will be the business succeeding and giving good returns on their investments, but if the business ever starts to decline or lose sales, the Directors will lose interest and be less willing to invest more.

The directors rarely conflict with other stakeholders; this is because they normally are the business and so and internal stakeholders can't really disagree, the shareholders are the only ones that could ever disagree but as in Tin Drum the shareholders are the directors.

- **Shareholders** – the shareholders are the founding financiers of the business, the business can acquire more over time if it ever needs to. The shareholders want a good return on investments, maximum short-term profits and valuable long-term growth.

Shareholders objectives are to invest as much capital as they can into the business so when it starts generating profit, they will have large claims on money.

Over a period of time, the shareholders would love to see a growth in their shares, even an increase as little as 10% is still a fair amount which will keep them very happy.

The shareholders expectations first off will be that the business does not lose their investment, if the business makes profit, they will expect good returns on their shares and they would most probably like to keep them and speed up the businesses growth so they could receive even larger returns on their investments.

The shareholders can only disagree with internal stakeholders usually managers or directors when they are not generating enough profit in which they could pull their investment out before it is worthless.

2. **External Stakeholders**

External stakeholders normally are not part of the business but have an interest in or are affected by it, they include:

- **Customers** – the customers are very important to the business because they are the lifeline of its survival, they are continually experimented on with different types of food and drink, over time customers will dictate their favourite dishes and drinks to the head chefs/bartenders so that particular unit may specialise in certain ways of cooking food or serving drinks because that particular type is asked for often. The customer's objectives are to get maximum satisfaction at the lowest possible cost.
- **Suppliers** – the suppliers are very interested in the business because, if it grows, the supplier will have more units to supply, if the business just gets more customers, the supplier will be complying larger orders, so as long as the business grows, the supplier will have a suitable demand, also, the TD will be prompt payers because the business is successful. The suppliers affect the Tin Drum because they deliver all the food and drink so Tin Drum heavily relies on them to be prompt and on time, if they are not, this could cause disruption.
- **Government** – the government is always interested in business because of employment, they will also want full taxation and they want Tin Drum to meet the legislative requirements. The government also creates laws to stop Tin Drum for being unlawful in its competitiveness. I don't believe the government will change its expectations of Tin Drum. The government constantly maintains high standards and accepts no less. The government may have come to expect more taxes off Tin drum due to the expansion.
- **Local Communities** – the local communities are interested firstly because of employment, the business also raises the price of property in the area. An example of this is when the first branch opened at Seven Dials in Brighton, the area was rather run down; six years later there are many up-market shops and an art gallery and The Dials Restaurant. The price of all the houses increased greatly as well.