

## Business Objectives

### E2

A **Company Mission Statement** (CMS) is a qualitative statement of an organisation's aims. It uses language intended to motivate employees and those within the firm and convince customers and suppliers and those outside the firm of its sincerity and commitment.

Tesco PLC has a Company Mission Statement, which is also represented as an image. This statement is at the centre of all, which Tesco do.



“Creating value for customers, to earn their lifetime loyalty.”

Tesco have two values that force the way they do business, which are:

#### No one tries harder for customers:

- \* Understand customers better than anyone
- \* Be energetic, be innovative and be first for customers
- \* Use our strengths to deliver unbeatable value to our customers
- \* Look after our people so they can look after our customers

#### Treat people how we like to be treated:

- \* All retailers, there's one team...The Tesco Team
- \* Trust and respect each other
- \* Strive to do our very best
- \* Give support to each other and praise more than criticise
- \* Ask more than tell and share knowledge so that it can be used
- \* Enjoy work, celebrate success and learn from experience.

**Aims:**

Tesco have many aims within the firm to achieve its long-term plans from which company objectives are derived. It determines the way in which the organisation will develop, provides a common purpose for everyone to identify with and work towards and finally provides a collective view, builds team spirit and encourages commitment.

Their plans and objectives are to provide approximately ten million customers every week and it is their undertaking to ensure every single one of them receives unbeatable customer service, as well as exceptional value.

Their aim is also to ensure their customers enjoy shopping with them and can rely upon them to deliver consistently high standards of customer care. They also have trained customer service representatives in every one of their stores who will be happy to help deal with any queries or comments that the customers may have. Their aims are as well to attract new customers by trying new things and to increase their market share. Their aims are also to make a profit and to keep all their shareholders and stakeholders as happy and as satisfied as possible and to pay all the dividends.

Tesco's core aim is:

‘Our Core Purpose and Values define the way we do business’

**Objectives:**

An objective or goal is a target that must be achieved in order to realise the stated aim. It tends to be a medium to long term and set in order to coordinate business activity, guides the actions.

Tesco have several objectives which they are working on to achieve such as:

- \* To become a satisfying place to work by giving their staff the opportunity to be themselves, actively encouraging their health and well being and support their work/life balance needs.
- \* Tesco's target is to expand their sale of organic produce to 1 billion pounds over the next five years.
- \* Tesco now have a 5% market share in Non-food business. Their goal is to be as strong in non-food as in food.

Tesco have many objectives in the past, which included:

- \* Tesco's target is to expand their sale of organic produce to 1 billion pounds over the next five years. This could be done by supplying more organic products, which therefore will increase the number of customers for organic products, and leading to an increase in sales.
- \* Last year, Tesco set a target to build 80% of their new stores and extensions on brown field sites. Which they managed to exceed, achieving 90%! I do this because they have built many new stores over the world such as China, Hungary etc.

these new stores will attract many customers in the area which will help the firm expand.

### **Business Strategy**

Tesco has a rolling 5-year business plan. Their long-term growth strategy has four elements:

- Strong UK core business: Tesco's UK business is based on obsession of getting it right for customers. They continue to offer great value, bring new innovations and grow market share.
- Non-food: Tesco are extending their brand into non-food. They now have over 4% market share and are developing a good one-stop shop for customers.
- Retailing services: Retailing services are a great opportunity for Tesco to bring new services to the customer. Tesco have developed the best grocery home shopping system for the customer and Tesco Personal Finance offers great products at good prices.
- International: Tesco's strategy of building an international business of scale continues to gain momentum. They have made good progress in all markets and now operate 102 overseas hypermarkets. Tesco are on track to have the same overseas as in the UK in 2003.

Tesco's business strategy has operated as follows;

\* Grown sales by 91%. I know this because Tesco won in the core UK through the best all round shopping experience; growing non food market share; being innovative in retailing services; and growing their international business at a rate ahead of our major competitors.

\* Grown profits by 87%. Tesco have many customers who are satisfied with their products, therefore purchasing more of their products. In this case they are supplying and selling more and therefore making profit.

\* Grown UK sales by 66%. I know this because the total UK sales for the fourteen weeks ending 15th November were up 14.6% including 4.3% from T&S Stores. Tesco also continue to see some petrol inflation. Non-food goes from strength to strength. Their clothing offer continues to grow at more than six times the market rate, with sales up 34% in the quarter.

\* 3m new customers. Tesco have expanded their business in many countries and therefore have gained many new customers.

\* Moved from market leader in 1 country to 10. For this I found a quote from Mr. Gordon Fryett, Chief Executive saying;

‘Tesco is one of the world's leading retailers operating almost 1,000 stores in 10 countries worldwide including, Ireland, United Kingdom, Hungary, Poland, Czech Republic, Slovak Republic, Thailand, South Korea, Taiwan and Malaysia.