

Richer Sounds

Activity

What is an Activity?

A business activity is the operations carried out by a specific organisation; the goods it produces, the service it offers. It could be one or the other or both. Many businesses have just one activity (the core of the business) but it is not unusual for a business to carry out more than one. The activity of a business is what the business runs on.

What is the activity of Richer Sounds?

Richer Sounds is in the retail business. The stores have many products on offer such as: hi-fi separates, home cinema equipment, DVD players, amplifiers, speakers and DJ equipment amongst many other similar commodities. Richer Sounds sell their goods in three ways:

- In-store
- Via mail order
- Over the Internet.

Although Richer Sounds has many competitors most of them are large chain stores (e.g. Dixons) and sell slightly different items. Richer Sounds specialise in specific type of equipment, not just ordinary televisions or computers. The people they employ must be keen on hi-fi equipment and must share their knowledge amongst colleagues so that they can provide a high level of specialist service. Because of their success, Richer Sounds are in what we call a "niche retail market" which means they are doing well in the retail area of business. Richer Sounds has explored the different types of goods that they could also sell but were only to find it was not successful hence they stick to what they are good at.

Were there any changes in the Activity?

Richer Sounds is constantly looking at how they can change and make improvements. Some are forced from outside the company (external) whilst others come from then inside (internal).

External changes that affect Richer Sounds and the actions that are taken

- There are developments and/or changes in technology that affect the type of product sold. New products such as: mini-disk players and DVD players (for example) come on to the market or a product already available is improved. Richer Sounds manages to keep up to date with these changes and offer them as soon as possible.
- As the time changes, so does the customer demand. It is very important to keep them in mind as buying goods which are not in demand is not a good thing. To prevent this problem, Richer Sounds has a group of 12 people who are known as the "buying group". These employees specialise in what should be sold and what should not.
- Any situations that may be classified as a problem are thoroughly checked through and all sale figures are analysed in each and every store. Any little hitch in the

figures is concentrated upon straight away before it can grow. By analysing out figures thoroughly Richer Sounds the root of the problem is extracted.

- The methods of selling. The ways in which their products are sold are always up to date with any technological changes or customer wants. Richer Sounds originally sold only in-store, moving on to mail order and now the latest Internet also.

Internal changes and the actions that are taken

- A healthy income of suggestions from colleagues are taken in, at least 90%. All these ideas may be small but they are as equally important as big ideas. They all help the staff do their jobs better which, in turn, give a better customer service. Every suggestion is rewarded.
- There are suggestions evenings which are set up so that employees can meet in small groups and are paid to go out and have their suggestion evenings.
- Consulting colleagues. Colleagues are always asked about changes that are in the consideration. Changes such as working hours and working on Sundays were discussed with the employees for their satisfaction.

Richer Sounds always aims at reviewing situations and improving them and also selling excellent value merchandise along side a wonderful service.

Ownership

What is the Business Ownership in Richer Sounds?

Richer Sounds became a limited company on 29th November 1978 and since 1990 has been an unlisted public company. The company was set-up by a headstrong Julian Richer, who was determined to own a business at just the age of 19.

Were there any changes in the Ownership...?

There were some alterations or decisions made for Richer Sounds purposes. Here are the Q&A (questions and answers) to a few of them.

Why did Richer Sounds become a limited company?

Richer Sounds became a limited company to gain all the advantages of having a business based on limited liability. There are many beneficial points and drawbacks as to having a limited company.

Why did Richer Sounds become an unlisted company?

The liabilities for a private limited company are stricter compared to those of a public limited company. Richer Sounds has to do the following for the sake of being a private limited company:

- File full accounts at Companies House every year
- Have all their accounts audited (checked through) by qualified auditors
- Hold an annual (yearly) general meeting
- Have at least two directors and one secretary, Richer Sounds has four directors on its Main Board.

- Have a minimum shared capital amount of at least £50,000.
- Abide all the legal requirements under the "Companies Act" and the "Finance Act".
This means that the directors of the company take legal duties such as making sure proper accounting records are kept, yearly accounts are prepared and that all taxes and debts are paid. Along side these lines of duties, they must also make sure that act in aid of the company's interests and not that of their own.

Richer Sounds chose to be an unlisted public company to obtain a higher status in the eyes of their suppliers. The suppliers of audio separates provide up to thousands upon thousands of pounds of goods on credit and need be certainly ensured that they will be paid at the appointed time. Richer Sounds want to buy from the widest range of suppliers to offer customers variety.

Why did Richer Sounds decide not to have a listing on the Stock Exchange?

The main reason why companies obtain a Stock Exchange listing is to get more capital. Even though they get an increase in capital, they lose some control over the (new) shareholders. Richer Sounds believe that they do not need to obtain more capital hence explaining the fact why they believe they do not need to sell their shares to the public. This is beneficial to the company as they have complete control of the situation and no peer pressure is added to the company.

What are the advantages and disadvantages of the Ownership in Richer Sounds?

As to any situation, there are advantages and disadvantages to. Here are a list of angles that state the advantages and disadvantages of the ownership in Richer Sounds.

Advantages:

- The business's owner (Julian Richer) benefits from Limited liability. Limited liability means that the financial accountability of the owner is restricted to only the money that is invested.
- Richer Sounds could sell their shares on the Stock Exchange so that more capital could be raised.
- Richer Sounds can also benefit from continuity which means (for example) if the owner dies, the business can be passed on or sold to someone else.

Disadvantages:

- Richer Sounds have to publish Annual Reports and other financial documents.
- It is possible and likely to attract a lot of attention from the public media that could be the result to bad publicity.
- Richer Sounds do not sell their shares to the Stock Exchange so if they wanted to raise extra capital it could occur as a difficult situation. Extra capital would be raised because it is known that setting up a large business can be expensive.

Location

What is the importance of a Location?

The location of a business is in some ways important to employers, employees and customers. It is vital to have a business placed in an area where it is in demand or need. Without considering these point would put a great disadvantage to the business and could lead to serious loss.

Where are the locations of Richer Sounds stores and warehouses?

Where was the first Richer Sounds store?

The first ever Richer Sounds store was opened in 1978 at London Bridge Walk. This location was chosen simply because Julian Richer had heard about a small shop unit was to up for sale, near to the place he was working.

The next store was opened up north of England because there were many people from the Manchester area coming it all they way down to London to buy the products. It seemed like the sensible option and open up in the north-west. Stockport was chosen as the area that could easily be accessed. A freehold property was found near a train station and was cheap to buy. After the success the store upheld stores were then bought in Birmingham followed by Bristol.

Today's stores and locations are:

- 44 stores in England
- 2 in Scotland (Glasgow and Edinburgh)
- 1 in Wales (Cardiff)
- 1 Northern Ireland (Belfast)
- 2 in the Republic of Ireland (Dublin and Cork)

How the locations are chosen are simply by two reasons:

1. There must be a bulk amount of potential customers for the store to profitable.
2. The store must not be too near another Richer Sounds stores because there would not be any new customers, just the usual ones shared out.

Richer Sounds make sure they do expand too rapidly just so that the finance level is kept at ease. Richer sounds aim to expand one year and calm down the next to ensure that they improve and reach their highest potential before moving on. Also, the new locations are thoroughly researched. Many calculations (such as population size) are listed to way out the pros and - if any - cons of the project. If the cons are seriously and way out the pros than the project will not go ahead and a store will not be opened at the aimed area.

In turn to the location the properties have many common attributes. Richer Sounds highlights the fact that nearly all their stores are:

- Small,
- Not found in expensive shopping centres

They are also situated where:

- There is parking nearby (useful for the type of product sold because a majority of them are large and heavy)
- The stores are easily noticed - normally on a corner.

The guild lines used to find a site are to be bought:

- In an inexpensive area
- On an arterial route
- Sometimes a student zone
- As a freehold piece of property

If a store is unsuccessful due to its location, the shop is relocated.

The staff contributes to locations simply by suggesting a place where a store could be opened. If the suggestion is seen as worthy, the member of staff receives £250.

Where is the Location of Richer Sounds Warehouse?

Apart from having stores through out the country, there is also a warehouse in Lancashire which is the Richer Sounds distribution centre. The warehouse alone holds 74,000 square feet of storage space. The stock there is sent out to the stores or directly to customers who have purchased via mail order or over the Internet. The location of the warehouse was chosen because:

- Of the cost. As it is such a large piece of space, buying or renting this space is expensive therefore the cost of the site has to be taken in mind.
- There is an easy access to motorways as deliveries need to be made to parts all over the country.



Aims and Objectives

What are Aims and Objectives?

An aim is a goal a business wants to reach or achieve. A business can have only the one aim or more than one aim. An objective is the main aim(s) of the company. Without objectives there would be back-bone in an organisation.

What are the aims and objectives for Richer Sounds?

Richer Sounds has a "mission statement" to convey their aims in a simple form. Richer Sounds believe that by having mission statements encourages the business to keep moving forward. The mission statement is for all employees to ensure they stay at the same level of aiming.

Richer Sounds "Mission Statement"

1. They aim to provide a "second to none" service with face value products.
2. Provide all employees with secure and well paid jobs working in an environment which has equal opportunities.
3. To make profit and aim for long term survival and growth.

Aims

- Providing a fantastic service along side good, value for money merchandise. By ensuring this, the result is, customers do not go else where and new, potential customers are reeled in.
- Richer Sounds aims at paying salaries which are fulfilling in respect of what job is being done. This is also to the organisation's advantage as good staff is retained. The staff are rewarded by benefits and bonuses. Richer Sounds believe that people should enjoy working and are determined about equal opportunities.
- Making a profit is essential. Without making a profit, no business - let alone Richer Sounds - could survive. Richer Sounds say that they profit they make is a benefit to everyone as the taxes paid on the profit made goes towards schooling, hospital funds and other services. Hence, creating the idea that the more profit made, the more tax is paid and is an overall benefit for the general society.

Objectives

The objectives that are set for Richer Sounds are set so that can be reached to over a time of 12 months. If these objectives are not met, they are fully investigated as to why and how they did not reach their potential. The goals are set at the beginning of each new calendar year and could be slightly adjusted (due to time or any other reason) throughout the year.

Objectives for this year (2003)

1. To open between four and six stores within this year.
2. To introduce/create an audiovisual home cinema range and higher the sales of plasma television sets by two to three sets a week per store.
3. To keep the business alive and kicking. Keeping the business fun is essential and is measured by the success of their annual Colleague Attitude Survey.
4. To maintain a high level of customer service that is measured by customer till receipts and questionnaires.
5. To control costs by having a budget.

Gondhia Construction Ltd.

Activity

The activity of Gondhia Construction Limited (GCL) is along the lines of manufacturing. Just like paper manufacturers make paper from wood; this company makes building, from scratch, of all kinds. When the company is on a project (job) they must ensure that all the foundation for the whole building is laid. This includes: the buildings' electricity supply and plumbing must be running efficiently.

The business runs through the secondary section because it takes part in construction. The business has only one main activity, to make buildings. The company only concentrates on large projects such as: creating housing estates or hospitals which can take up a lot of time hence there are an average of 4 major projects per year.

Gondhia Constructions has many national competitors who all run along the same or very similar activity to this business. They are all comparatively small (to international businesses) but that does not stop the force of competition. Business rivalries are fought off because of the high standard of service Gondhia Construction Ltd provide and because their activity offers more than to "just buildings".

Changes in Activities

There have been one or two changes in the activity over the 20 efficient running years of the business. Firstly, the business was solely owned by Manish Gondhia. In 1996, Priya Gondhia was a legal sleeping partner in the business. The business also originally just made buildings - the plumbing, glazing (fitting in windows) and electricity was not part of any contract. As the years increased and business was becoming a success, the contracts available were altered so that plumbing, glazing and electricity could be fitted in by Gondhia Constructions and buildings made were on a larger scale, such as housing estates. The activity was changed due to: customer demand and personal situations. Customers wanted buildings to be made to its full extent so that all that was needed was decoration and furniture and by Mr. Gondhia marrying his wife introduced the option of having her involved in the business as a sleeping partner.

Ownership

Gondhia Constructions started up on 19th April 1983 by 28 year old (at the time) Minesh Gopal Gondhia. The business is private limited company and a partnership with one "sleeping" partner, Priya Gondhia. The term "sleeping partner" means that although Mrs. Gondhia has a share of then organisation itself and its profits, she is not an active partner and does not take any interest in the running of the business itself. Mr Gondhia has 9 employees with a back of 3-4 further "casual" employees which are hired is the extra help is needed.

Changes in Ownership

The ownership of the business was at first "sole trader", that being Mr Gondhia but since 1996 he has had a sleeping partner drawn into the business but this change has had no overall affect in the running of the business.

Advantages and disadvantages of being a private limited company

Advantages:

- The business is within the family and can remain small.

- The partnership allows the business to run aside the legal requirements for limited liability.
- The active partner works on every project as Mr. Gondhia is a builder himself, he provides all the ideas, equipment and goes through all the requirements needed for every project.
- Banks would willingly lend money to its limited companies.
- The accounts which are produced as a result of Gondhia Constructions are kept private between Mr. and Mrs. Gondhia, their accountant(s) and the Inland Revenue.
- The owners have direct control over the business and do as they seem fit.

Disadvantages:

- By being a limited company, they must act upon other rules and regulations rather than just those of a partnership. GCL have registered with the Registrar of Companies.
- Gondhia Constructions holds an annual meeting as it is stated under a Company Act.

Advantages and disadvantages of being a partnership

- All problems and worries are shared. (Problems such as having another partner).
- More capital can be easily raised.
- Business is kept within family boundaries.
- Ravi Gondhia is a sleeping partner so all decisions such as employment is up to Minesh Gondhia.
- Mr and Mrs Gondhia (the partners) may not agree on a certain situation.
- The profits have to be shared but as they are married, everything can stay within the family.

A Deed of Partnership is drawn up so that it clearly states what each partner can do what limitations they have. As Priya and Manish are married, a prenuptial agreement could also have been made.

Location

All the business's financial documents are sent to Gartmore Road in Seven Kings, Ilford, Essex; hence this is the location of the business. There are many advantages of this situation, they are as follows:

- The property of the location is owned by a family member therefore there are many family allowances.
- There is enough space at the location for parking at putting sum equipment.
- There is also enough space for parking vans.
- The area surrounding does not have a builder's business so there would not be much competition.

- The jobs that are taken out by GCL are at equidistance of the location so the location is a kind of centre point.
- As the premises is privately owned, no rent needs to be paid.

The location of the business has been changed due to surroundings. The area where the business was before was thought "rough" and dangerous so by moving to Ilford, Essex, the business is at less danger of being robbed or threatened.

Aims and Objectives

There are only a few aims and objectives for Gondhia Constructions Limited but this ensures that they are all met with a wonderful service.

Aims

- To make a profit.
- Finish given project within time.
- Pay employees generously.
- Make sure there is no error in any of their construction.
- Reduce the workload Mr. Gondhia takes on.

Objectives

- Stay within all environment constraints and follow all regulations that need to be followed.
- Gondhia constructions are always determined to produce excellent valued buildings.

Comparison of Richer Sounds and Gondhia Const ruction Limited

Difference in Aims and Objectives

Richer Sounds' objective is to expand their business whilst Gondhia Constructions Mr M.G.Gondhia wishes to decrease his work load and shrink the business size as he feels it is too much to take on as the only active partner.

Difference in Location

Richer Sounds has more than one place whilst GCL only have one location. Richer Sounds has stores all over the country and receive many customers at each store whereas GCL have one location and drive out to where seems necessary (the location of the ongoing project).

Difference in Ownership

Both Gondhia Constructions Limited and Richer Sounds are private limited companies but the scale of Richer Sounds is much larger than to that of GCL. Julian Richer is an entrepreneur and Minesh Gopal Gondhia is the active partner of a partnership.

Difference in Activity

The activity of Gondhia Constructions is specialising in large building projects and ensuring that all buildings made have everything needed as a base (e.g. plumbing). Richer Sounds, however, want to sell unique hi-fi equipment. Both are offering something (as does any business). Richer Sounds offer products with an excellent service and SPL provide a service with excellent buildings (produces) as an outcome. Richer Sounds is active in the tertiary sector that is conveyed in businesses and Gondhia Constructions is in the secondary sector because it is constructive work: taking material and making something for beneficial reasons out them.

Suggestions in how any part of both businesses could be improved

There may be one or two aspects of each business which could either be improved or added on.

Richer Sounds could concentrate on other areas of the country, as most stores are concentrated in London. If the spread was wider, there would be an even higher status of the business because there are there would be more new, different customers rather than the same customers visiting different stores in the same place. This could only be a good change if the business wanted to expand, which Richer Sounds wish to do so by taking this point into thorough consideration might be good.

Mr Gondhia's aim was to decrease his work load. Perhaps by taking on more regular employees and maybe even an active partner onto the business would be of great benefit to him. If this was to happen his work load is reduced and other projects or issues could be more concentrated and focused on.

Richer Sounds

Finance

The finance department take the responsibility to check the moneyinput and out put of a business. Any problems that occur have to be taken seriously. The use of computers and information technology enable financial transactions to be recorded and analyses immediately.

Finance Department in Richer Sounds

The finance department of Richer Sounds is headed by John Currier who is the Finance Director.

Responsibility of the Finance Department

- Preparing financial documents in connection of the sale of goods to business customers such as invoices, credit notes and statements.
- Making credit checks on their customers before commodities are supplied on credit.
- Paying and checking payments that are received for good sold and chasing up after large debts.
- Checking up on the value of items held in stock and the value of orders not in stock to make sure that the payments that are due will affect the cashflow of the business.
- Paying all the suppliers such as electricity and heat suppliers.
- Arranging payrolls, making sure the staff get paid their salaries preparing the documents needed for the end of each "tax" year.
- Answering queries from independent colleagues about their pay/payslip and making record of any changes such as the employee's address or telephone number.
- Preparing monthly management accounts such as the annual master budgets and weekly/monthly budget reports, the weekly, three-monthly and yearly updates of the cash-flow situation. Also, drawing up VAT returns (every 3 months) and annual accounts, profit and loss account and the balance sheet all need to be drawn up the finance department.
- The cost of new projects. Getting the money needed to make these projects up and running.

How IT and the Finance Department work together

Finance uses the advantages of information technology by:

- Recording all the financial transaction on the computer system.
- Paying suppliers electronically or via EDI.
- Producing all the documents needed for Richer Sounds e.g.: invoices, credit notes and statements.
- Checking that all the deliveries have been made and are logged into the system before any payments are made to the suppliers.

- Recording and checking up on the suppliers' terms for discounts and payments of the supplier database.
- Checking up on all the sales in all the stores. This is easily done because all the tills are computerised and can produce sale reports. All the sales made are recorded by the EPOS system.
- Drawing up payrolls and sending it for processing to the bank. The staff at Richer Sounds are paid via credit transfer on a monthly basis.
- Communicating with other departments and seeing how well each store is doing.

There are many financial documents used at Richer Sounds. There are some documents used in the process of a business purchase. The type of documents used on the behalf on Richer Sounds are:

- An official purchase order is used and is the main document used when goods are bought.
- Each delivery that is made comes with a dedicated delivery note. This note gives details such as the models and amount within the delivery. Anything wrong with the goods, in any way, are noted and signed by both colleague and the delivery driver.
- After this a goods receipt note (GRN) is then filled out. This note give details such as: the name of the supplier, the carrier/transport company, the date and time the goods were delivered, an informed description of each item and its stock code, a number of stock asked for, the amount received and if there is any shortage or more than asked for, the locality of the item in the warehouse and the name and signature of the person who checked the delivery.
- Copies of the GNR and the delivery note are made and then filed in the stock control structure.
- The suppliers also send a statement which is a summary of all the dealings made within the month.

These are the complex documents that are drawn for or from the Finance Department.

Marketing and Sales

Marketing and sales takes on the responsibility for making sure customers are fully informed about the business. This includes taking out operations such as: market research, advertising and sales promotions and checking up on the design and development of a website/web store. The sales department sells the service or good to the customer and certifies sales records.

Marketing and Sales in Richer Sounds

The Marketing Director of Richer Sounds is Claudia Vernon. The group of colleagues she works along side take on a range of criteria that are grouped into four main areas.

Criteria of Richer Sounds Marketing Department

1. **"Marketing."** This is analysing feedback from customers and up-to-date information on competition which strengthens their market approach. This helps Richer Sounds how to decide the methods of advertisement and promotion that should be used.
2. **"Designing."** The contemporaries in this department produce all eleven instore catalogues per year. They also produce the advertisements that are placed in the national press and specialist magazines. All the things, such as signs: price tickets and leaflets are, all imaged up by the designers.
3. **"Point-of-sale (POS)."** This is keeping all the stores as interesting as they can get. This all is including the fixtures, fittings, lighting, flooring and even the posters that get put up. The design side is responsible for the creation of POS and further to that POS is liable to keep up-to-date of the designs and sharing them amongst all the stores as weekly "Point-of-Sale packs".
4. **"The Richer Sounds website."** This is also the responsibility of Marketing and covers every aspect of the website such as: the design of the website, making sure it is user friendly, making any change is updated on the website, distributing e-mail newsletters to customers and scrutinizing the use of the site - what the viewers are concentrating on when on the website.

The marketing department undergoes many extents to meet every customers needs. However, there is something called "key customers" in the language of Richer Sounds which is an area that is equally respected as any other customer but is more outstanding. When Richer Sounds were first growing, the key customers were branded as male and between the ages of 16 and 30. After many years, and many technological developments the key customers are of a wider range.

How IT and the Marketing Department work together

The use of information technology is jig-sawed in the marketing system by:

- Analysing customer data by storing it on the computer system.
- Designing the catalogues and advertisements through specialised software (e.g. - Illustrator).
- Producing a wide range of documents using Microsoft Word or word processing software.
- Making contact with fellow colleagues, effectively, by electronic mail.
- Internally and externally, sending text and graphic documents.

Operations Department

The operations department supports business movement, with help from aims and objectives. In this case the aim is to keep the technology up to standard, and this also applies to the news. It is the people working in the department's responsibility to make the Monday morning calls, and to get the information which is needed. One of Richer Sounds aims are 'Review what we do to make it better'. This aim is supported, because when the information is given to all the managers at Richer Sounds, they will know what to improve on, and will know what exactly went wrong.

The operations department supports Richer Sounds aims and objectives, the operations department, keep a record of performance and progress of each richer sounds branch, they are able to compare and analyse the financial state of the branch and also how well trained the staff are, they can examine the customer service department etc. and compare them with other branches. This will result in the branch improving and will meet the standards of say a much bigger branch in the city as the people of richer sounds would like all the branches of equal quality. The operations department is responsible for producing goods and services by making the best use of the resources e.g. people and equipment. in a business the operations manager is responsible for making sure that all activities run smoothly.

How the Finance, Marketing & Sales and operations department work together to support the overall business activity

One situation that is processed through all three departments is to support the overall business activity. In this case, the situation is the price of the product. All the departments have certain queries they have to meet to prevent going into debt or any other awkward situation.

Here is an example that can be forged from the situation:

If a company is making a jacket, the operations department will need to get all the resources so they will need thread zips and fastenings. They will then confront the finance department on how much money it is all going to cost and if the money that they are looking to spend is within reason. After the jacket is manufactured the operations department will have to contact the marketing & sales department to discuss the product and its price and also where it would be best to advertise and finally how the product should be displayed in the shop itself.

How do the areas work together to obtain the aims and objectives of Richer Sounds?

A summary of Richer Sounds aims and objectives are:

- Providing a fantastic service.
- Paying good salaries.
- Making a profit.

These are obtained by the three departments inventively. A fantastic service is provided by the operations department to obtain all resources and use them to produce goods and to use them in the most affective ways. The Finance department evens out all their money so that the salaries which are paid are fulfilling for all employees. The Marketing & Sales department formulate products and services so that they do not make a loss but still manage to uphold high standards of productivity and make a profit at the same time. These are how the three departments achieve the aims and objectives of Richer Sounds.

Richer Sounds

Different types of oral and written communication

What is oral communication?

Oral communication is basically a method of communication via speaking or talking. There are many types of oral communication which are used constantly throughout the day in any situation, not just in businesses.

Ways of oral communication

- Having a telephone conversation (between two people).
- Having a telephone conference (where a numerous amount of people are having a conversation on the phone all at once).
- Holding meetings (within the business).

What is written communication?

Written communication is the "pen-to-paper" type of communication. A formula of wording is written down for specific reasons. As oral communication, written communication is also used constantly throughout the day.

Ways in which communication can be written

- Memos (or memorandums) which are short messages that can be sent around a department to inform the colleagues of any thing new happening or old changing. For example: informing all the employees they must stay for a meeting at a particular time.
- Letters can be written formally or informally. It is common for formal letters to be sent out to employees (e.g. - P45) and customers (e.g. - catching up with any debts that are made by the customer).
- Reports are drawn up every so often so that they can be published. Most of them are yearly but other three-monthly reports can be drawn up for specific reasons.
- Advertisements in newspapers and magazines promoting any business in any circumstance.
- E-mails (electronic-mail) can contain attachments of files and folders rather than just a letter. The length of an e-mail is long and this method is used through the veins of the World Wide Web, the Internet.

How does Richer Sounds use ICT to communicate and operate?

This small section out of the whole coursework will explain how information communication technology (ICT) is used to communicate along side and with the business and how ICT is used to operate the business on a whole.

Here are a few forms of which ICT is portrayed:

- PC's (personal computers) and computer networks
- The intranet and internet
- Faxes

- Scanners that scan barcodes
- Mobile phones

Richer Sounds uses ICT to their advantage when it comes to communicating and operating by:

- Setting up an intranet. This is a system on connecting up computers within a business so that all information can be shared and exchanged. They can be used for sending orders from department to department. Intranets can also be used to keep vital records (such as customer records) so that anyone who needs the information can have the authority to access it much quicker. The information on stock can also be shared within the intranet set-up so that stock control can be over looked. This is a format of communication within a business and is also part of the operation of Richer Sounds.
- Creating questionnaires. This can be done so that they can be either printed out and sent to stores to be then given out to the customers or simply it can be done by setting up the questionnaire on the Richer Sounds website which is viewable to every one who enters the site so that they can fill it out. This is a method of communication as the surveys are designed for customers. Here a link of customer communication is shown. The results of the survey will have an effect on the operation of Richer Sounds. May the effect be big or small, these results will show a trend which will be taken into account and some alterations to as how Richer Sounds is operated could occur.
- Passing sales through the counter. By this it is meant that when sales are made they are passed through the counter where the system set up is as such that products that are sold can be keyed in, added up and a receipt can be printed. By this, the customer has proof of purchase, the employee on the counter can easily add up the total of the products and also deduct from the system the product(s) sold so that the system can inform other employees if any particular product is in stock.
- Selling on the Internet. Products in-store can be viewed and sold on the Richer Sounds web site.
- Storing sales records and processing orders. This system on computers can also print out invoices and check up on who-owes-what.
- Upholding a security system. ICT is used because of the security cameras within stores and the television they are all connected up-to.

Richer Sounds uses all of the above forms of communication within the business (one way or another).

What methods of communication does Richer Sounds use within the business? (Inside and between functional areas)

Communication within Richer Sounds can be either of the following:

- From directors/managers to “colleagues” (Richer Sounds prefers to use this word in stead of “employee”)
- From one department to another.
- From colleagues to directors/managers.

All these opportunities are dealt with differently.

Communication from directors/managers to colleagues within Richer Sounds is as such:

- Preparing financial documents. These documents include informationsuch as profit accounts and budget limitation. All stores receive feedback of their progress of every department (for example: customer service results).
- “The monthly video”. This Richer Sounds unique quality which is prepared by Julian Richer for all stores and is viewed weekly. In this video, all progression and if any developments will be occurring.
- A weekly report is faxed to every store and department of Richer Sounds. If the weekly succession is not faxed, it is stored in the businesses Intranet system.

Communication from department to department:

- Budget statements are sent to each department from the finance department who handle the “money side” of things. The information is sent via email. Monthly financial meetings are held to over look situations with all the directors.
- A constant communication is kept with the warehouse, purchasing and stock control. All three work alongside bye email, faxes and telephone. Here is an example of how they work together: goods have been ordered by the Purchasing department who then inform the warehouse to make deliveries. The stock control then changes due to products sold and changes again due to buying more stock.
- The stores communicate with “central office”.
- All stores have to send a weekly-completed competitor checklist to the Purchasing sector.
- New stock lines and any special offers are discussed with the Purchasing department, the Store Operations department and the workers within stores themselves.
- There are many requests made from stores to the Marketing department about the POS (point of sales) materials which are needed.
- Operations, Colleague Support and the Training department work closely together when it comes to hiring, promoting and proving cover for staff.
- Customer Services and the operations department work together on the customer service feedback.
- The IT department is in regular contact to the Store Operations to sustain the computerised EPOS and stock control system.
- Marketing and Purchasing communicate to discuss special offers and the alteation of prices.

Communication within Richer Sounds from colleagues to manager/director:

- There is a healthy income of suggestions with the Richer Sounds' suggestion scheme. All the suggestions made are over looked by the managers and are taken into deep consideration.
- There are two training programs that are held twice a year. This is a form of communication as colleagues gather up and prepare questions so that they are asked to their seniors.
- Each group of colleagues has group leader who takes action by putting forward their fellow colleagues thought to Julian Richer. They are known as Colleagues Representative.
- There is also a career counselling system which is available to all colleagues. In this program the colleagues can talk to any manager or director about their possible future career.
- Issues and concerns are also written up by a small group of colleagues every three months in the Richer Way magazine.
- A Colleague Attitude Survey is printed annually and should be completed by all colleagues.
- The telephone numbers of all directors, managers and even Julian Richer are given out to all the colleagues. Whenever there may be a problem with a colleague he or she can phone up and have a talk about it.

What methods of communication does Richer Sounds use with organisations and people outside the business?

There are two forms of communicating with businesses and people outside the business. One is communicating with the suppliers and the other form is communicating with the customers.

Communication with the suppliers is made by either: phone conversations, e-mail or the fax system. The Purchasing department of Richer Sounds makes contact with the suppliers of Richer Sounds to place orders and make a possible bargain by asking for special offers. Although ordering is the main reason to contact suppliers, another possible reason is to complain about problem with the delivery itself. A time to discuss the delivery date and time also has to be made when making communication with the suppliers.

Communication with customers is slightly more complex than that of communicating with suppliers. There are many forms of customer communication and they each have their own advantages, maybe even some disadvantages. Here are a few ways in which Richer Sounds obtain their communication with their customers:

- Communication one-to-one of face-to-face is on the top of the list when it comes to communicating with customers. This style of communication takes place within all Richer Sounds stores when the customer makes a purchase or wants to know about a product.
- Pages of FAQs (frequently asked questions), prices and special offers are leafed in the Richer Sounds catalogue which can be easily obtain within store.

- Purchases made by customers are given a till receipt customer questionnaire. This form of communication gives customers the freedom to express their opinions and to try put forward the customers' good suggestions to action. This form of communication is also encouraged as there is an open door for any complaints in relation to Richer Sounds. Another option for customer instead of writing in is to fill out the "we are listening" card that Richer Sounds have printed for every store.
- A customer helpline (free phone) has been set up, again for the sake of the customers. This communication allows customers to phone and: complain, ask questions or even demand the latest Richer Sounds catalogue.
- A website has been set up (www.richersounds.com) that allows anyone to search the site for any information. Contact can be made through the website along side purchases.
- There is also a Service and Repairs department which offer full after-sales customer support which can be easily accessed.

How else can Richer Sounds communicate?

In this section, I will have to suggest and validate changes or improved methods of communication Richer Sounds could use in the three ways mentioned earlier. They are: inside functional areas (in a department), between functional areas (between departments) and with organisations and people outside the business.

Inside the functional areas of Richer Sounds the communication seems to be very good. The only other method I could suggest which has not be highlighted is having short staff meetings. For example: everyone working for the day could gather up in the morning before opening and set any tasks out. This way, the work is shared evenly and any member of staff absent can be easily covered by either the staff already working that day or another employee could be called in especially if needed. Another advantage of having these meetings is that the work done can be done effectively because employees are already told what to do and how to do it. It saves a lot of time when it comes to running about because no-one knows what they are doing.

The communication between the functional areas of Richer Sounds also maintains a high level of integrity. All the aspects seem to be covered but under this branch, the communication between employees is not mentioned. I believe it is important for members of any staff to get along, this could mean that staff can create friendship between themselves so that as a result, work can be done effectively. Employees can talk to one another whilst working, ensuring the work is done and a friendly atmosphere is upheld and because employees work in different sectors, the advantage of getting along well will be useful. For example, an employee in the Marketing department has misplaced some vital information which was handed down by the Finance department. If these two departments (employees) did not get along, there would be an argument and the information that was once given could possibly be not given again. On the other hand, Marketing department have misplaced something and ask their fellow employees in the Finance department, with whom they are friendly with, for another copy there will be less danger of interrogation and information can be easily given again.

Communication with organisations and people outside Richer Sounds is kept standard. Phone calls are made to suppliers and advertisement is spread to customers. The basic methods of communication that can be used are put into action. However, if a more complex method was to be used, it could be via mobile phones instead of landlines. SMS text messaging could be sent from area to area for either the suppliers' knowledge or for customers who have signed up to be updated with anything happening at Richer Sounds.

Richer Sounds

What are the External influences when it comes to Richer Sounds?

Business Competitors:

Due to the success Richer Sounds has upheld, they also create a network of strong competition. Competition can go ahead of Richer Sounds by introducing cheaper goods or goods that have never been on the market. There are three types of business competitors: local competitors, national competitors and international competitors. Richer Sounds is challenged by all three types of competitors simply because of their growth and size.

Local competition would be known as small businesses, those who are not as widespread as Richer Sounds and are only retailing in the same area to only one or two Richer Sounds stores. National competitors would be a company such as Dixons, because of their similar retailing offers. Richer Sounds could also have international competition. A similar business offering a similar activity could be even more spread out than Richer Sounds and work in different countries, as well as England. An example of this would be Sony. Then again, Sony also manufactures their own goods hence it is not much of a treat as the other national competitors.

Business competition is measured by the success of a business on the market share. The affect of any competition is the same although the bigger the competition, the bigger the problem. Any competition has its give and take. Changing prices and bringing in deals, a better quality of goods and services are changes that occur often due to competition.

Economic Conditions

The economic conditions of a country are those conditions that relates to the wealth and health of a country or even a specific area. There are a few types of obvious terms and conditions that affect an/the economy. They are:

- **Prices** An amount of money that is demanded in order to obtain a product or service.
- **Exchange rate** a rate at which one currency is priced at for the terms of another. An example could be the pound sterling to the Canadian dollar is £1 = \$2.40. Some days it could be lower (£1 = \$2.20) or even higher (£1 = 2.60)
- **Interest rate** Money borrowed priced at a fraction of the total amount of the money borrowed is the interest rate.

What's affecting Richer Sounds?

All three economic conditions affect Richer Sounds. Any change made in any part of the business is a big deal.

Changes in prices... If prices on the whole are changing is called **inflation***. This tends to be a problem for both individual shoppers and business dealers. Those who are comfortable with a fixed income or salary will have to alter because of the new price range and can disturb any pattern made. If the wholesalers Richer Sounds buy from increase their prices, then they must too increase their prices to keep with the economy and maintain a healthy profit.

(*Inflation is constant rise in the level of prices and a fall in the value of money.)

- Changes in exchange rates... Richer Sounds believe their products have more of a variety because they import different types of electronic and other goods from abroad. The currency here in England is different to those in other countries, many countries in Europe encourage the euro (€). The pound (£) sterling is stronger than the euro therefore the bulk of products bought from abroad are relatively cheaper. If the pound was to drop in its worth, the goods will be more expensive and an increase in the products that are sold through out Richer Sounds stores will increase.
- Changes in interest rates... When interest rates are both low and high any business let alone Richer Sounds will get affected. When interest rates are low the bank's rates are lower on the overdraft that is taken out Richer Sounds. Also, customers have more spending money because of how little they have to pay on loans and mortgages, money saved can be the money spent on Richer Sounds' products. When interest rates are high, the cost of everything else goes high and Richer Sounds could lose customers due to this increase.

Environmental Constraints

Richer Sounds deals with one main type of pollution - noise pollution. There have been many exercises taken out for the benefit of noise pollution. If there were changes in the laws set for environmental issues, Richer Sounds may have to reconsider their packaging layouts and covering used on hi-fi and other systems. Many packages can go into the wrong hands and many hands can go into the wrong places when it comes to technological systems.

Gondhia Construction Ltd.

Business Competitors:

Gondhia Constructions Limited does not just make buildings. Over the year they can now fit in plumbing, electricity and windows therefore they make fully structured buildings. Their business competition will be great. Gondhia Constructions main concern for competition would be local competition. This is because GCL has only one location. Small time plumbers, elections and those who provide and fit in windows will have their work cut out for them because owners of properties made by GCL will already have the essentials fitted in for them. Then again, the owner could also request for just a building and get their plumbing, electricity and glazing done elsewhere. There is also a chance of national competition because of the success Gondhia Constructions and its activity is similar to other spread-out businesses.

Gondhia Constructions has good competitive features because of their price, quality and availability of services. They try to offer everything but if a client wants to have a fully furnished house with tables, chairs, carpets etc GLC might loose business because their potential customers would have gone elsewhere where this type of contract is available. Some businesses advertise on radios about details and offers. Gondhia Constructions does no such thing so again, Gondhia Constructions could loose business.

Economic Conditions

Any changes in interest rates and prices will affect Gondhia Constructions because of the kind of work they do. If interest rates are high, then any loan borrowed will need a high payment in order to pay it off because of the bank's chargers. Money could be borrowed for an update or extra usage of machinery. If Gondhia Constructions need's to pay more on their equipment to offer a good service, then they must get back that money to cover all costs therefore prices of their buildings will go higher. Sometimes, a loan needs to be borrowed to buy products one cannot afford. One of the reasons they might not be able to afford the products is because of an increase in their prices. This is called inflation and if something is costing Gondhia Constructions then that cost has to be covered in order to maintain a good standard of business the value of their property which they make will increase.

Environmental Constraints

Many regulations and precautions have to be passed before, during and after a building is made. As Gondhia Constructions is in the building side of business, they come across many types of pollution that need to be acknowledged. One of these types is air pollution. This is let off by all the lorries and other heavy duty equipment that is used. All of the vehicles must endure a MOT test to ensure safety. There are many type of loud equipment that is used. For this type of noise pollution all workers must wear protective ear coverings. Any extra waste or material is either stored or given to a company who deals with waste. There are also a few planning permission statements that need to be agreed with before any project can begin.

Richer Sounds

Suggestions for Business Competition

Richer Sounds could lower their prices. By doing this, they could either gain more customers and any loss that is made because of this price cut can be easily covered or, then again, the competition could do one better and bring in a better offer and Richer Sounds loses more customers. This affect could go either way.

If Richer Sounds is weaker than their competition in any of their retailing areas they may need to change their supplier and train or re-train their members of staff to ensure better quality and servicing. This could affect their budget according to the amount of staff that is required training and amount of new supplies needed. It is hard to find a supplier that will work well with a specific company, this specific company being Richer Sounds. Richer Sounds have certain requirements and the possible new supplier may not provide them or charge extra to provide the needs. All the money spent on the training and suppliers and the price cuts that are made will be taken out of the capital money and the input (profit) will seem less. On the whole, the way the money is spent has to be changed and the efficient running of the business will be altered to fit their new budget range. All businesses run on money and if Richer Sounds can keep up to their competition, it will, on the whole, be costly.

Suggestions for Economic Conditions

Instead of increase prices of products for the sake of maintaining a profit and keeping up with the economy, Richer Sounds should try make money in other situations such as; taking out smaller loans so that even in the interest rate goes high, their payment will not be as high if they had taken out a larger sum of money. This way Richer Sounds get the money they need and they income of customers will remain the same because the price range will probably not be disagreed with. When there is inflation, Richer Sounds products also inflate in price. They do not have to this because they have a unique selection of goods at good prices and if everywhere else is expensive, Richer Sounds can pull in more business due to the extra customers and the money that was thought was needed is covered by the extra customers and their purchases.

Suggestions for Environmental Constraints

Richer Sounds uses plastic packaging which is not also easy to recycle and many people believe that it is not worth recycling so it is just thrown away. Richer Sounds should either use a different style of good packaging where more or less all the materials can be recycled or they should clearly label on the packaging that it is recyclable. This way, because there are many sales, all the packaging can be saved and recycled; Richer Sounds can now maintain a title of resourcefulness as well as having a good quality of services and goods.

Gondhia Construction Ltd.

Suggestions for Business Competition

Mr Gondhia mentioned that he wanted to decrease his work load. One of the problems that was stated was that many people wanted fully furnished buildings as well. It was not mentioned earlier, but Mr Gondhia has maintained a high level of respect in India where he has opened a few charity camps and started to make quality buildings. In furniture that is put in these buildings have all got a unique twist to them. Why not import furniture from abroad and start offering them into contracts. This way he can enjoy himself take on less but more profitable work. The work decreases and offer increase will probably cover costs so it's a breakeven situation. Gondhia Constructions does not offer and special deals or offers so by making a few and his business known, if he wanted, Gondhia could have a better list of cliental rather than just the local business he is situated in.

Suggestions for Economic Conditions

Gondhia Constructions should keep in mind more than one supplier. This was if prices do increase, he can easily go elsewhere and spend more money which costs' will have to be covered by an increase in the property.

Suggestions for Environmental Constraints

If there are materials that are not needed, they can be sold to those who do need it. This way they make a profit and not make up space for any reason which could to lead to hazardous results.

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