

Boots

1A Level 1

Business Activities

Boots is one of the best known retail names in the UK. In addition to retailing, the group includes product development and manufacturing, international marketing, and property management businesses. It was first opened as an herbalist shop by John Boot in Goose Gate, Nottingham. Inside of The Boots Company, there are many products and services they provide like toiletries, medicine, baby products, opticians, healthcare, contract manufacturing and many more.

Boots The Chemists are probably the most well-known part of The Boots Company. With over 63,000 staff and over 1400 stores, Boots The Chemists is the UK's leading retailer health and beauty products. One in three people shop at Boots The Chemists every week. Boots make their own products and they also buy stock to resale, similar to Asdas. Boots business stores are located on High Streets, Retail parks and also shopping centres throughout the country. Some are also located in Airports.

Ownership

Boots is a public limited company (PLC). This means that they offer their shares to the public. The sector is owned by individuals or other businesses, called shareholders. Before Boots was allowed to start trading they had to fill out some extremely important paper work. The Memorandum of association, this contained the, purpose of trading, amount of capital it will raise and the name and address and also the article of association, which says things about inside the business from the rules of company meetings, the director's power and the shareholders rights. These documents are sent to a place that records all companies in Britain. After that Boots is issued a certificate that allows you to start trading. Shareholders are what own the companies, a shareholder or stockholder is an individual or company (including a corporation) that legally owns one or more shares of stock in Boots. A company's shareholders collectively own that company. Thus, such companies strive to enhance shareholder value. When a Boots earns a profit, that money can be put to two uses: it can either be re-invested in Boots (called retained earnings), or it can be paid to the shareholders of Boots as a dividend. Paying dividends is not an expense; rather, it is the division of an asset among shareholders. Many companies retain a portion of their earnings and pay the remainder as a dividend. Publicly-traded companies usually pay dividends on a fixed schedule, but may declare a dividend at any time, sometimes called a special dividend to distinguish it from a regular one.

Dividends are usually settled on a cash basis, as a payment from the company to the customer. They can also take the form of shares in the company (either newly-created shares or existing shares bought in the market), and many companies offer dividend reinvestment plans, which automatically use the cash dividend to purchase additional shares for the shareholder. Boots being a public limited has its advantages, for example they have limited liability, they have easy access to finance, more funds available for investment, and they can use the publicity to give them status. As well as these advantages, being a public limited has its disadvantages. For example all results must be published which is bad for the company because if the results are bad they still must be published, which gives them bad publicity. Also the owners of the company might lose control.

Aims and Objectives

Each company has specific aims and objectives in which they all want to succeed in and I have chosen four aims and objectives in which I believe are Boots main aims and objectives.

Aim 1 - Boots have a goal to maximise their sales in every aspect and this can be achieved by decreasing their prices and having special offers to attract customers. This will sure to be a good investment because many customers would think of buying as much of the product that is on a sale because they believe it would save them precious money and the bonus of it being cheap. They could put the items which are not bringing in that much money to the company on a special offer and it could make them valuable money, and once all of the items on special offer are out the company could never bring it back to purchase because of its poor sales before on a special offer.

Aim 2 - Boots have another aim to grow and expand. If Boots open more branches, even branches around the world, Boots will become a well known beauty and toiletry retailer around the world. To finance such a big project like this they could either take a loan from the bank or they could wait till they have enough money before they buy the land for the new stores.

Aim 3 - Boots also have another, to be highly competitive. By becoming competitive they can steal customers from other rival businesses e.g. super drug. They can do this by doing the thing that makes companies so individual and more. They could beat there rivals by offering better prices for items, more variety in stock, and providing more services with better customer care.

Aim 4 - They can also provide range of goods and services. This involves the company expanding upon there idea on what they are going to sell, and what services they are going to provide. By developing upon those ideas they

might be able to find an idea that everyone will like. These ideas could involve having an in store health consultant for all health questions that need answering.

With all of these aims they all result in more profit.

1A Level 2

It is very important for business to set aims and objectives, because without them, the business wouldn't know what they are aiming to do or how to achieve these aims.

Aim 1 – Boots set an aim to maximise their sales. It is important for Boots to set this aim because they need to sell items to make a profit. For a business to be successful they need to make a significant amount of profit, this can be done by maximising their sales which is why this was set as an aim.

Aim 2 – Boots also set an aim to grow and expand, this basically means that they open more Boots stores may it be in a new shopping mall or a entirely different country. By opening new stores the Boots name would become well known world wide meaning that people are buying things from Boots meaning that they again make more money.

Aim 3 – Boots also set aims to become more competitive, this means out selling other businesses like Superdrug. It becomes a success you would need to separate yourselves from the other businesses like yours. By offering something that another business doesn't offer gives you a competitive edge on the opposition. Meaning you make a bigger profit by selling something other businesses don't.

Aim 4 – Boots again set another aim to provide a range of goods and services. This then again talks about the uniqueness of the actual business, providing something other businesses don't. By providing something other businesses don't, you attract the people that want to buy these items, thus resulting in more profit.

In the end that's what all businesses want to make a large sum of money in the end.

Before businesses can set these aims and objectives, they need to think if it is a SMART objective. This basic acronym basically means:

Specific – Objectives should specify what they want to achieve.

Measurable – You should be able to measure whether you are meeting the objectives or not.

Achievable - Are the objectives you set, achievable and attainable?

Realistic – Can you realistically achieve the objectives with the resources you have?

Time – When do you want to achieve the set objectives?

They need to see if their objective follows these criteria's, because if it isn't suitable to be used. Most important out of the five criteria's is that it is achievable and realistic.

1B Level 1

Functional Areas

Boots has a number of departments which have specific jobs to carry out within the business. These functional areas consist of:

1. Human Resources
2. Finance
3. Administration
4. Operations/Production
5. Marketing and Sales
6. Customers Services
7. Research and development

1. Human Resources

The reason Boots has a human resource department is because it is their job to recruit the best employees and make sure that they keep and maintain the high standard so they can effectively achieve the aims and objectives that they set. Also it is their job to make sure all the work is done in a safe manner. Within the department various jobs or activities need to be carried out for example:

- Recruiting, keeping and dismissing employees

- Providing good working conditions
- Training, developing and promoting employees
- Health and safety

This department has a major task they must choose the right employees for the future success. They can recruit new employees, may it be from a hiring firm or just promoting from inside the business. People like to hire from outside the firm because they may bring fresh ideas and enthusiasm. Also businesses would rather keep older more experienced and highly trained employees, then get a new employee and re-train them. But also they are going to need to dismiss employees that can't carry out their jobs properly. But it is more often that people are made redundant because their services aren't needed anymore.

All employees are entitled to a fair condition to work in. That is why it is important to provide good working conditions for the workers. The working area affects how well the workers work. The working conditions include the warmth and cleanliness of the area, the provision of rest areas and leisure facilities, and hours of work and holiday entitlement. The working conditions are normally negotiable between the trade unions and human resource departments.

It is also that department that is in control of the training, developing and promoting of employees. They can use different techniques to provide the workers with the necessary skills. They train employees at the workplace or through courses at local colleges or training centres. They may just plan jobs for the employees so it's more of a practical way of them gaining skills needed.

It is also the job of this department to make sure that they abide by the health and safety acts requirements. This means that it is their job to look after the area in which the people work in and this means giving the workers a sense of security and comfort.

2. Finance department

Boots has a finance department, their job is basically to manage all the business's money. There is constantly money being exchanged to and from businesses like Boots. This is why it is essential that they had a finance department to keep track of the money they have. The things that this type of department has to do include:

- Recording all the financial matters of a business
- Preparing accounts

- Paying wages and salaries
- Obtaining capital and other resources

It is very important for businesses to record all the financial matters because without that information they would be able to find out if the business is making a profit or find out how much tax you're going to pay.

It is also important they prepare accounts because Boots is a public limited company they are legally obliged to publish accounts of the business like their balance sheets which states how much they own and owe, and also the profit and loss account which states exactly how much money they have made in the period of one year. The records aren't just needed for legal reasons but for different people for different reasons for example the suppliers, they would need to know if Boots can pay them back.

It is also up to the finance department to give the employees their wages. It isn't that easy because they need to work the wages and they need to deduct income tax and national insurance from their pay. They may need to operate a pension scheme for their employees. But they need to keep an accurate record of wages and salaries because they would need that for the profit and loss account.

It is also their job to make sure that they have ways of obtaining capital so they can spend it on developing the business or starting it. They can get capital from borrowing from other businesses or banks or they could retain profit, which is keeping money on the side from profit you have got from previous years.

The finance department has a crucial role in the business. The finance department is the people who place orders and pay bills on behalf of the other departments. They advise other areas of the business as to the amount of money available to them. Also because of all this knowledge they have on the business in terms of finance, they help senior managers to make major decisions.

3. Administration

The administration department within Boots's purpose is to provide support to other departments within the business. But all administration departments are the same; in small businesses the department may only be responsible for individual departments like human resources and finance. The administration departments may be different but they all rely heavily on computers or IT. The activities of this department are:

- Clerical services

- Cleaning and maintenance
- Health and safety
- Security

The clerical services is a little bit like a secretary what they do is help out the other departments. They are providing a service. But in Boots's case they help the customers as well. By greeting them and answering any enquires they may have. But for the other departments there services include:

- Word processing letters
- Making phone calls
- Sorting and delivering incoming mail and posting outgoing mail.
- Organising meetings and keeping records of what is said and agreed at these meetings for example, annual general meeting for a company's shareholders.
- Taking responsibility for the company's reception area, dealing with general inquiries and welcoming visitors.
- Creating and keeping records about the company.

The cleaning and maintaining part of the department is the people who organise the cleaning and maintaining of the business. This would be vital for businesses where hygiene is important like a restaurant. But also their job is to organise the maintaining of the building, may it be decorating or maintaining a piece of machinery. Because they are in control of the environment: in which the workers work in it's their responsibility to make sure that the workers are working to the best of their abilities within their area.

The administration department in Boots is all so the people who overlook everything making sure everything is safe. It's the job of the human resource department to set the policies but it's the job of the administration to make sure that they are implemented. The safety issues include:

- Providing, safety clothing for workers for example on building sites.
- Ensure there are no dangers in the workplace, for instance by providing toughened glass in doors.
- Providing regular medical checks for those working in risky environments, such as in a chemical firm.

Security is an increasingly important issue for businesses, like Boots. Security duties include:

- Signing visitors in and out of the premises, and issuing them with identification badges.
- Ensuring that unauthorised people are kept out, perhaps by use of patrols or guard dogs.

But for Boots the ID cards would do fine.

Information technology is used in businesses to provide lots of things like:

- Spreadsheets to record financial data, such as sales figures.
- Databases for customers, employee and supplier records.
- Payroll systems to calculate employees' wages and salaries and to produce pay slips.
- Emails for communicating with groups such as suppliers.
- Web based systems for selling goods and services on the internet and taking payment from credit cards securely.

It is part of the administrations job description to help train new employees to new software being used in the department.

It is also part of there job description to consult with department managers to help them find the best software they should use for what they are doing.