

Coursework

Introduction

In this coursework I am going to compare the two companies Tesco's and McDonalds and their aims and objectives. Both companies are two well known companies. The main difference between the two is that Tesco's is a huge supermarket which sells a variety of products, such as food, clothes, electrical goods, cosmetics, and etc and McDonalds is a fast food venue.

The reason for why I chose two contrasting companies is because it would be interesting to see how each company's aims and objectives helps them to be so successful. Obviously the aims and objectives will vary from one another but there also may be some similarities, even though the companies are two separate stores.

Definitions of aims, objectives and business activities

Aim – An aim is a purpose which is an anticipated outcome that is intended or that guides your planned actions. An aim is a set target which leads on to success in your goal.

Objectives – The smaller targets or steps which have to be taken in order to achieve your aim or goal.

Business activities – is an activity undertaken as part of a commercial enterprise

The company I am first going to research will be Tesco

Business activities for Tesco:

Tesco's aims and objectives

Aims:

. Tesco aims to be as supportive as possible by providing as much as possible for their disabled customers. They will achieve this by holding themed customer question time ¼ over the coming year, in partnership with disability organisations, to listen and respond to what customers with physical, hearing and visual disabilities tell them.

. Tesco's design side aim is to develop a web service that works with many different makes and models of web browser.

. Tesco aims to be associated by customers with high quality of animal welfare and the best industry practice in its supply.

Tesco were set out to improve the workplace by strengthening delivery of their people premises in the early days of 2004. They achieved about 3 aims:

. To develop store structures to better meet the needs of both customers and staff.

. To get more people to work most of the time.

. Also to reduce their management vacancies down to a minimum.

Objectives:

Tesco claim that they try their best to help its customers to manage their bills and to avoid disconnection. So they use the objectives of:

. Promoting responsible behaviour by their selves and their customers

Cutting down dept and disconnection

. Cutting down dept and disconnection

. Exploring their procedures and building our awareness of them

Tesco's business activities

Primary sector, known as the collection of raw materials: quarrying, fishing, forestry, agriculture and mining.

Secondary sector, known as manufacture or processing of goods: building, supplying water, gas and electricity

Tertiary sector, known as sales of goods/services: transport, communication, distribution, banks, shops and catering.

How these objectives are SMART

SMART stands for Specific, measurable, achievable, realistic and time related

Specific – to keep opening as many restaurants as they can. This is to enlarge the company's profit

Measurable – to sell as many psp's as they can buy Christmas

Achievable – to try and be the best supermarket in the world

Realistic – to reach break even with the selling psp

Time achieving- to make sure that deliveries are on time, and adverts are made in the time given.



I will now be finding out the aims, objectives and business activities of McDonalds

About McDonalds

McDonalds began with one restaurant in the US in 1955 and today there are more than 26,500 restaurants in over 119 countries.

McDonalds first opened in the UK in 1974. More than 2.5 million people in this country trust McDonalds to give them food of a high standard, quick service and value for money. In my opinion McDonalds create a high standard of customer satisfaction. My reason for thinking is this because customer convenience and research is driving force behind new restaurant locations – which had led to new McDonalds in sites as varied as cross- channel ferries, a bowling alley and London’s former county hall.

Currently there are more than 1000 McDonald’s restaurants throughout the UK.

Main Aim & Objectives of McDonalds

McDonalds’ aim is to be the ‘world’s best quick service restaurant experience. This means running and opening great restaurants and providing exceptional quality, service, cleanliness and value, so that they make every customer in every restaurant smile.

McDonalds targets primarily children (Happy Meal, toys, and adverts) in the hope to build a life long customer relationship and future brand loyalty.

McDonalds focuses on maintaining a powerful brand to differentiate its core products (Big Mac, French Fries) and create barriers to enter the market.

McDonalds have four major aims and objectives as far as the environment is concerned:

- ‘Conserving and protecting natural resources’**
- ‘Encouraging environmental values and practices’**
- ‘Effectively managing solid waste’**
- ‘Ensuring accountability procedures’**

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McDonald’s business activity

External Influences and the Stakeholder Model: McDonald's - Activity

Image: Business has not been going as well for McDonald's in recent years because it is struggling to keep up with the demands being made to it.

There are a number of Activities that cover certain external influences on business.

- **Legal and political**
- **Business ethics and moral behaviour**
- **Technology and changing social attitudes**
- **Pressure groups**
- **Global factors**



This Activity needs to draw together these different areas to look at the ways in which businesses try to balance the competing stakeholder demands.

Short term objectives

. Keep making new advertisements for children etc. so that more customers are more familiar with the company

. Keep introducing new collectable toys, this is to attract even more customers, especially children

Long term objectives

. Running and opening great restaurants and providing exceptional quality service, cleanliness and value, that the company makes every customer in every restaurant smile.

. Keep the food process reasonable for the customers so that the company grows in profit and customers.

Break even analysis

A break even analysis is a comparison of companies revenue and its fixed and variable costs. The reason this is done is to identify the minimum sales level needed to break even; this can be shown on a break even chart.

The advantages of using break even analysis is the following:

- . It's visual and easier to understand
 - . It shows the amount of profit and loss for the company
- Also to see the effectiveness on the break even point.

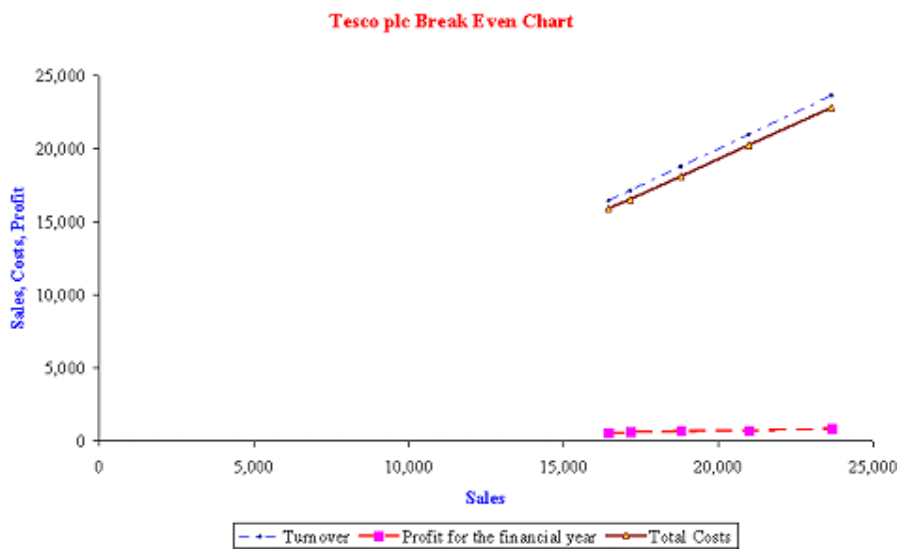
Output is measured on the **horizontal axis**. Which means **Revenue costs** and **profits** is measured on the **vertical axis**.

A fixed cost is the amount of money that stays the same

To find out the total cost we need to use the formulae we have to use is **fixed costs +variable costs**.

The break even analysis helps the companies to achieve their aims and objectives. However it helps the company to keep a estimate of the actual amount of the money taken in etc. it helps the companies aims as they can figure out what the actual profit and loss has been, taken by the break even chart.

Tesco's break even chart



The use of graphs is helpful in break-even analysis/ it is possible to identify the break-even point by plotting the total costs (TC) and total revenue (TR) equation on a graph

The reason why break even analysis is vital is because the break-even chart is an easy visual means of analysing the firms financial position at different levels of output. The chart can also be used to show the effect on the break-even point.