

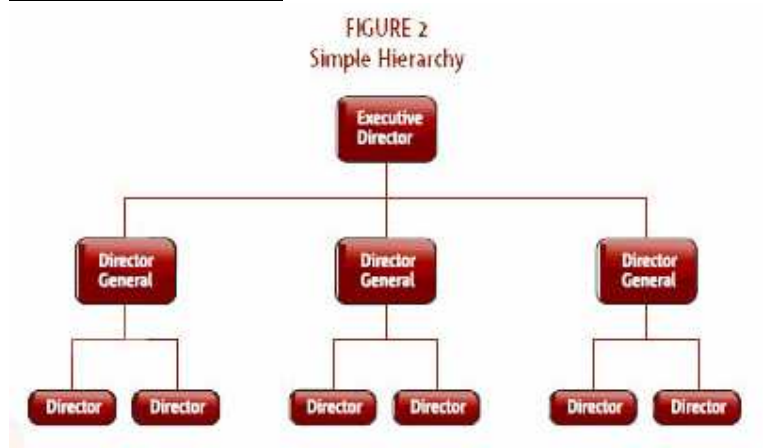
MEMORANDUM

TO: GILL SLATER

FROM: Mr Akhtar Esmail Adam

DATE: 9TH JANUARY 2008

RE: Comparing the factors which influence the development of the internal structure and the functional activities in each of the organisation.

Internal Structure

Almost many huge companies build their foundation on the development of the internal structure such as having separate departments or functions such as Human Resource, Finance, and Marketing etc. This can be represented through many ways such as the hierarchical structure in which the head of each department who has the overall control is known as the director.

The chain of command- formal distribution of organizational authority is in a hierarchical fashion. The higher one is in an organization, the more authority one has.

Tesco Plc is influenced by 3 key developments of the internal structure and the functional activities. These are:

- Size
- Business Environment
- Strategic Plans

Size- The larger Tesco becomes the more power and status it will have. This gives it a strong and firm position to discuss its status if it wants to expand even further. Tesco may still want to diversify even further and take control of small companies. This is known as a takeover.

Business Environment- The business environment is very vital for Tesco as it determines the external factors which could have a great impact on the organisation. Tesco faces competition from ASDA and other several retailers. So if there are several retailers, Tesco may have to lower the price in an attempt to win over the customers. Competition also helps to maintain and improve customer services such as retailers who provide better and enhanced facilities to their customers will win their loyalty and competition also determines the product range such as developing better resources to satisfy its customers.

In terms of Network Rail it could face competition in a different way such as people might decide to travel with other means of transport so Network Rail might need to persuade these people by providing more services frequently.

Strategic Plans

Most businesses will frequently consider and justify their position. Strategic Analysis includes different methods of assessing the current position of the business in the market place. Strategy represents the path way that has been chosen over a period of time to help the organisation achieve its, business vision, mission and organisational goals.

The three great questions which have a lot of impact on each organisation and help to drive the company forward are:

- Where is the Business Now?
- Where does the Business Want to be?
- How the Business is going to get there?

Where is the Business Now?

This stage involves is assessing the company by using SWOT Analysis. Tesco/Network Rail must consider its strengths and weaknesses and also review present and past performances of the customers, employees and key stakeholders as well as comparing them with other competitors.

Where does the Business want to be?

This stage involves looking forward into what opportunities are available as well as meeting the customer needs and look into what they can anticipate in the future? Tesco and Network Rail need to analyse what employees and key stakeholders want so they can have a clear idea of where they need to be in the future as well as setting goals so the business can be associated with it.

How the Business is going to get there?

This period features planning the objectives and taking any risk decisions in order to move the organisation forward so that they can concentrate moving forward. This is very useful for both Tesco and the Network Rail and very crucial stage as very strong evidences are needed to back up the business such as financially.