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### **Introduction**

In this unit, I will be investigating two businesses namely, Boots and Pwc and providing information about the Business as a whole. I will provide graphs and other source based information to show the things that are involved with both businesses.

## **Task One**

### **1.1**

Boots is a public limited company which is well known for selling health and beauty products. This Company manufactures and supplies products for health care, dental care, baby care and many other major health accessories. As Boots offers many different services, there are various different departments within its stores. Take for instance, Boots Retail international; this department takes responsibility for internationalising the Boots retail brand: it consists of 28 stores in total, has employed 871 pharmacists and has an annual turnover of 15.8 whereas, Boots Opticians who are indeed one of the UK's largest chains of opticians has 298 stores, 4526 employees and has an annual turnover of 194. It is in general, very inviting and so, gets many customers to visit its stores. Boots in general, employ over 4,000 pharmacists and therefore, sells its products very fast in over 130 countries. I happened to find this information by looking into the PriceWaterhouseCoppers website: Pwc.co.uk.

Boots has been well established and one of the things this company is well known for is its services. Boots focuses on many different areas. Its main areas are listed below:

- Boots retail
- Boots Retail international
- Boots healthcare international
- Boots contact manufacturing

Boots Retail- This part of the business includes the Boots stores and this section offers products for healthcare, beauty, toiletries, baby, food, photography, opticians and dental care. As it specifies in these main areas, it can provide its customers with any essentials needed. To sum up what has just been said, I can briefly give clarity to the fact that Boots Retail is part of the larger group and because this department is able to sell many products, it can meet its customers needs quite easily.

Boots Retail International- This Company concentrates on supplying Boots' Foreign Market through implants in larger, established foreign stores. The implants sell around 800 products which is a mix of Boots' own brand products and additional exclusive products. Therefore, this section of the business has many benefits as it gives Boots the opportunity to market to an established customer base.

Boots Healthcare International- In this department many products are sold such as, medicines and tablets to help customers overcome any illnesses. In this area, staffs are able to focus their attention on both children and adults. Brief examples of the illnesses this section caters for are listed below:

- Allergies
- Sensitive skin
- Diabetes
- Pain relief
- Those who want to quit smoking
- Incontinence or bladder weaknesses
- Independence aids
- BUPA Healthcare Checks
- Information and advice
- Seasonal affective disorder
- Holiday health
- Health digestion
- 

Other than this, Products are also sold to customers who just want access to stuff for general health. This involves merchandise for:

Foot care

Eye care

Women essentials

Men essentials

Other children's essentials

Boots Contact Manufacturing-This involves Boots main products and services. In this section, staffs deal with beauty, baby, gifts and vitamin compliance. This part of the business, sells beauty products such as Boots No.7, sun care products, cosmetics, fragrances and they also offer expert advice. This department attracts many customers because Boots is the leader in cosmetics, fragrances, dental care and healthcare. This department specialises in baby products. They sell skincare essentials and products for babies' bath time. In this department, products are sold from Johnson's junior range which is a very popular baby brand. Here is an insight to some of the things that this department specialises in when it comes to catering for babies:

- Sensitive skin cream
- Bubble baths
- Sponges and flannels
- Baby sun care protection
- Baths and bowls
- Bath time essentials
- Wipes and cotton wool

- Boots toiletries
- Johnson & Johnson
- Grooming
- Bath time safety
- Simple toiletries
- Little Me Toiletries
- Baby cream

Boots contact manufacturing also supplies gifts for occasions like, anniversaries, birthdays, christenings, wedding days, Valentines Day and many more. Lastly, they also offer a wide range of vitamins

Boots is growing excessively in healthcare products through the activities of healthcare international. Apart from healthcare, Boots offer many other products and services such as, beauty, toiletries, baby food, and photography. Not forgetting that it has joined up with Opticians and, that they provide dental care and other exclusive wellbeing services. Overall, boots has two main core businesses which are Boots Healthcare International and Boots The Chemists Ltd. Boots sells its products to customers who are, people from the general public, wanting to buy anything to do with hair and beauty.



**Figure 1**

Other than this, Boots have been very committed to using all alternatives to create the best products for their customers. They have also resulted in doing market research in order to see whether there is a place in the market for their ideas for a new range. Also, Boots employees offer advice which is known as the expert service. And Boots are also accessible on the internet as they have their own web address, Boots.com. This website which is commonly visited, allows customers to browse through products in their home at a greater convenience. To add, it is found that because Boots sells their products in over 130 countries they are very well known. This company focuses on core business areas and Boots No.7 (as illustrated in figure 1) is the largest rental brand in the UK cosmetics market. This company also has a wide range of fragrances and these aren't just ordinary and cheap fragrances; where talking from Chanel to Prada.

Boots is also huge in stocking games and toys for young children. Some of the brand names include Fisher-price, Tommy, Vetch, Lego and ELC (such as the one illustrated in Figure No 2). And, it is clarified that customers will be saving up to 50% on both girls and boys toys and games. Plus, there are toy clearances and the services in which Boots offer, allow a free delivery when orders are over £40. With this it seems relevant to say that, Boots is a “Childs best friend” and the way in which they provide stock to catch the eye of children as well as adults, is very intriguing.

**Figure 2:**



After all, this company offers many different services. In fact, they are involved in so much that they even provide their customers with entertainment and, therefore, have many customers on their day to day operations.

This major company also attracts customers because, over the years it reaches a time where it has a clearance sale so, goods are either cheaper in price or they cost nothing at all; just given freely with other products. So far, this company has given customers major bargains as it does things that keep their customers generally happy. To explain, it has deals on many products saying thing like, buy one, and get one free or the price of two products is really the price for one. Despite this, the generosity of this major business carries on with expansion. To elaborate, Boots has the most generous health and beauty card in the UK. The card works by helping customers to cover their expenses without spending too much money. Basically when you spend a pound at Boots you are automatically awarded with 4 points and when you earn a certain amount of points you can spend over 55,000 on products in its stores.

Also, Boots provide their customers with many other great offers in the other shops they own. These stores include the following: Entertainment, Boots kitchen appliance, mobile phones, Boots travel shop Boots DVD rental, Bupa Weliness Health checks, Boots Digital Photo centre(powered by Thompson’s), Boots Tens Maternity Rental and Boots Insurance Services.

Furthermore, Boots PLC has merged together with Alliance Unichem and has therefore, created a pharmacy-led health and beauty group. This will help Boots to build on their previous strategies; combining the complementary skills and businesses.

It’s also been understood that Boots is the market leader for vitamins and the Boots brand is the biggest in minerals and supplements. Plus, this world leading company is also helpful when it comes to photography as it processes over 550 million photographs a year. It can now be seen that Boots has been a major success in making sure that all of its customers are satisfied in all areas.

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To summarise what has been said about the different areas in Boots, here are the following facts about each department.

### **Healthcare**

Doles out 85 million items each year which equals to 9 items every second of every working day!

Employs over 4000 pharmacists

Supply medicines for a quarter of all nursing and residential homes

### **Medicine**

Boots is the market leader for vitamins (For which the Boots brand is the biggest) minerals and supplements.

Boots accounts for a quarter of the OTC medicines market.

### **Beauty**

Boots is the front runner when it comes to cosmetics, fragrances, dental and hair care

Boots no7 is the largest retail brand in the UK cosmetics market

Boots is the UK's leading sun care retailer

### **Baby**

Boots is the market leader in baby food, toiletries and nappies.

Loads of stores have dedicated mother and baby rooms.

Professionally trained baby advisors are available to provide expert advice.

### **Gifts**

Boots supply a wide variety of gifts including cards and gift stationery

Boots stocks an award winning range of learning through play toys for the under 5's.

### **Photographic**

The Boots brand film is one of the two largest brands in the UK

Boots processes over 550 million photographs each year.

### **Food**

Boots is one of the UK's largest sandwich retailers and chilled food is available in over 600 stores.

### **Opticians**

Many services available including services which offer eye protection

Lenses and accessories are available

### **Dental care**

Over 175,000 registered patients.

54 practices nationwide

### **Foot care**

Over 80,000 registered patients

44 locations nationwide

### **Boots.com**

Almost 600,000 visitors to the site

The UK's 10<sup>th</sup> busiest retail website



Price Waterhouse Coopers (PWC) is one of the world's largest accounting firms, and is a firm which is also famous for having one of the longest one word names, PriceWaterhouseCoopers. It is a private partnership with limited liability. This business is a service which provides industry focused services for the public and for private clients to gain public trust and enhance value through the application of what we call connected thinking. Their skillful work includes involvement from the government, from banks and private individuals. The work that this company is involved with specifies in these main areas:

- Audit and insurance
- Crisis management
- Human resources
- Performance improvement
- Tax
- Transactions

Within these different areas many different things occur. Listed below are the types of activities that take place in each area:

- Audit and Assurance- In this area, employees service for health and non-life assurance and advisory services to the insurance industry.
- Crisis Management- This is where the business effectively manages critical events that have the potential to cause any sort of business interruption
- Human Resources- This is where PWC advise on all aspects of people management
- Performance Improvement- This is where help is offered to help people attain increasing performance.
- Tax- This is where PWC assist businesses individuals and organisations with tax strategy, planning and compliance.
- Transactions- This is where the company access the capital markets and valuing. Provide independent expert valuation. Their specialists help to complete and extract the maximum value for people's transactions.

After looking at the Price Waterhouse Coopers website ([pwc.co.uk](http://pwc.co.uk)) the information found out was that in 2006 the firm had employed 142,162 people and the firm's main competitors are Deloitte who, have 135,000 employees, Ernst Young who, have 114,000 employees and KPMG who currently have 103,621 employees. Hoover's businesses intelligence plays a huge part in how Price Waterhouse Coopers is assessed as this business allows subscribers to assess how PWC' competitors, prospects and partners

stack up financially. PWC has an average partner and start turnover rate. The type of service that Price Waterhouse Coopers offers is constructed in a different sort of way. Its approach to business i.e., balancing economic interests against social and environmental concerns is often referred to as sustainability.

PWC is an expert company for interpreting major issues and guiding others into success. It is a company that gives a lot of advice to its customers and involves itself in diverse communities and societies, making up today's world. Pwc's clients range from the worlds largest and most complex organizations in both the public and the private sectors. To add this company has 771 offices in total in 149 countries.

As well as this, Price Waterhouse Coopers consists of a responsibility handbook which the workers of this business hope will illuminate some of the issues that many businesses operating in a variety of regions are facing. PWC participates in many events for example, they hold an annual medical regulations reimbursement and compliance congress and as PWC is a gold sponsor for this formal event they are expected to be extremely focused on it. In this event they bring together important people like, current and former regulations, lawyers, consultants and other people who play a crucial part in this event.

As a result it's shown that Price Waterhouse Coopers services are well operated and are very useful to the members of the public and to those who are hoping to become involved in the public sector. After all, everyday there are more than 122,000 people in 144 countries who go to work to help their customers succeed. There is another important fact which is that. 77% of their people believe they have the opportunity for personal growth and development at PWC.

It has now been gathered that PWC plays a huge role in trying to sustain world piece because all the advice it offers and all the different services it provides for us blossoms on to a safer and a more sociable community.

### **Aims and objectives of Boots**

Boots consists of various different aims and objectives. Their main aims are:

- To be the place for health and beauty customers
- To secure market leadership in the UK
- To build on their brands (growing success internationally)
- To demonstrate unparalleled expertise in formulating, marketing, selling and distributing brands for themselves.
- To supply a foreign market for Boots
- Boots Healthcare International would like to become a top 10 global player in over the counter healthcare.
  
- to provide unique insights into how their customers shop with their disadvantage card



- Enable targeted marketing and one-to-one communication
- Drive sales through rewarding loyalty.

In doing so, they have come up with a simple strategy which will help them to meet their goals. Boots have focused on twofold goals and structures. They also have their own leader management team to help them be more proactive and much more organised.

Their objectives are mainly to:

- Grow profitable sales in both core businesses.
- Become the worlds leading pharmacy-led health and beauty group.
- Develop their core businesses of retail pharmacy and wholesale across the world
- Become a significant player in major international markets.
- Create a strong shared culture and send of identity and belongings for their own team throughout the group.

So as written above, it is noted down that Boots has many aims and objectives and as you continue to read thoroughly through, the information presented, it will become much clearer as to how Boots works to meet its aims and objectives.

Boots consists of smart objectives.

These objectives are more than just general achievements made by a business; instead they are much more specific. Smart objectives stand for:

**Specific**: this involves making the objectives definite.

**Measurable**: Decide whether the objectives can be reached

**Attainable**: Deciding if these objectives are valid.

**Relevant**: seeing how they relate to the business

**Time- related**: seeing if the objectives can be reached in time.

### **Commercial aims**

Boots would also have written aims because this would form part of its overall policy or strategy. These aims might be included in the businesses mission statement which would have the following saying:

"Boots aims to be the place for health and beauty customers. We want to secure market leadership in the UK and build on our brands' growing success internationally."

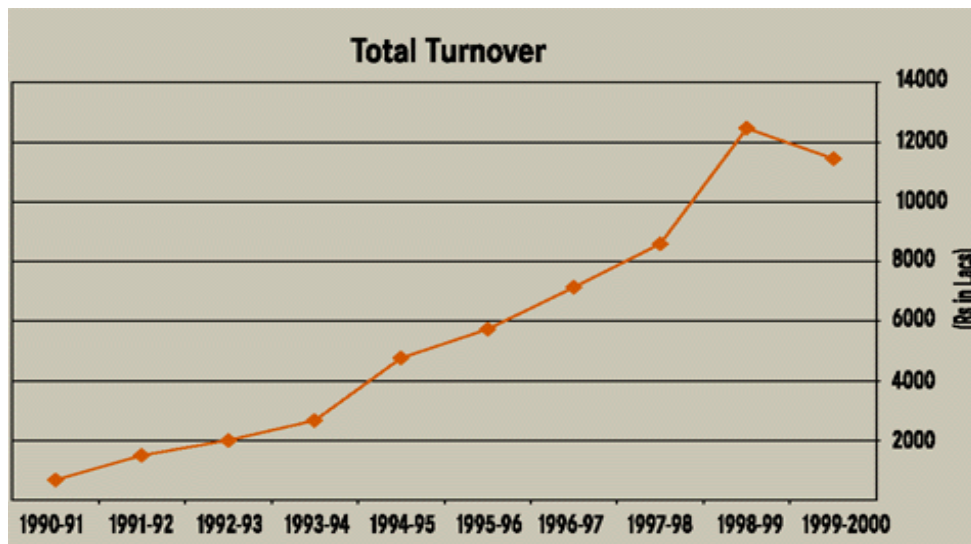
As for Boots having written aims, it is likely to have commercial aims. Commercial aims are those that have a direct bearing on the commercial efficiency or profitability of the business. The more widespread and influential of these is profit.

### Stating aims

Boots is also likely to have stating aims which would have official aims placed into a statement confiding the businesses policy.

### Profit as an aim

These aims are overtly about trying to increase profit. And it's noted that all businesses are actually profit-related because without achieving a profit a business would be unable to improve its service, compete or expand.



This source of information is relevant to Boots as a company due to the fact that it shows how much boots is worth at a particular period of time. Shown above is Boots' annual turnover. The name given to this can be defined in two words:

Annual-covering or lasting for the period of a year

Turnover-the amount of money taken by a business in a particular period/the amount of business transacted in a particular period

With this it is much easier to identify when Boots was most successful and how much it progresses as the years go by. As shown, it can be seen that, between the times of 1990-91, less money was transacted by Boots which is understandable because this was when the business was just starting up and therefore, would've needed the basics to help their business start-up. Up until the times of 1998-1999, there is the general trend of Boots transacting more money, however between 1999-2000 the transactions of money falls to 1150 which could have been the cause of less in-going customers or the company failing to sell some of its products and as a result having these left-over products save them from spending as much money to buy more. This information was gathered from the boots website (Boots.co.uk)

Boots does much to try and make sure it meets its aims and objectives. For example, because Boots wants to be increasingly profitable in both of its core businesses, it hopes to enforce new strategic methods that will bring together a leaner management team.

This management team will work once Boots goes through increased, carefully targeted investments in stores, products and brand developments. Boots would also need to be extremely competitive when it reaches a time of operational efficiency.

According to Boots Retail International, another thing that Boots is focusing on is supplying Boots foreign market. This aim will be met hopefully after, Boots implants on larger established foreign stores. As mentioned earlier, it was shown that Boots healthcare has an aim of its own which is to, become a top 10 global player in over the counter healthcare. This specific department in Boots hopes to achieve this aim by supplementing their organic growth through marketing and new product development with acquisition of other major brands.

It is also known that Boots wants to be the place for health and beauty customers and therefore, seeks to find many ways in which it can accomplish this aim. To elaborate, Boots has done the following:

- Joined up with opticians and as a result has become one of the UK's largest chains of opticians.
- Grown excessively in selling healthcare products from its activities with Healthcare International and Boots the chemist Ltd.
- Invented its rental brand, Boots No.7 which is the largest in the UK's cosmetic market.
- .Stocked up on a wide range of fragrances

By doing this, the aim of wanting to be the place for health and beauty customers can hopefully be achievable. As Boots also wants to secure market leadership in the UK, it has been involved in many activities. These activities involve it to focus mainly on the twofold goal and have two Core businesses- Boots the chemist Ltd and Boots Healthcare International. Boots now develops, manufactures and markets products both in the UK and to larger worldwide customer base.

Plus, because Boots aims to build on its brands, it has done market research so it can acknowledge whether or not there is enough space for building and gathering their thoughts on new ranges.

These are just some of the aims that Boots hopes to achieve. With the rest of them listed above I can now clearly outline the main thing Boots does in order to accomplish its aim. Boots has worked on a simple structure that involves using the twofold goal and having to core businesses. And, Boots has also worked on a simple strategy which means

bringing forward a leaner management team under leadership. All the things listed above have participated in making Boots able to achieve all of its aims and objectives.

### **Aims and objectives of PWC**

Price Waterhouse Coopers have also set themselves many aims and objectives. Some of this businesses aims and objectives are shown directly below:

- They Strive to build and maintain public through the work they do for their clients This aim is linked to the fact that PWC wants society to grow with each other and accept one another. They also meant that they want to make sure the way in which this society acts is appropriate and if so make sure this can be maintained.

- Try to demonstrate the breadth and depth of their community. This aim is there to measure what is happening to the community that they rely on so much.

The also aim to do the following:

- To continue to, achieve their objectives from a position of stereotyping a leader in their profession.
- To provide reliable and affordable energy needed to grow the global economy

And some objectives are to:

- To provide their clients a useful reference guide to the language of energy risk management and training.
- To stabilise value for stakeholders

Boots does much to try and make sure it meets its aims and objectives.

For example, because Boots wants to be increasingly profitable in both of its core businesses, it hopes to enforce new strategic methods that will bring together a leaner management team. This management team will work once Boots goes through increased, carefully targeted investments in stores, products and brand developments. Boots would also need to be extremely competitive when it reaches a time of operational efficiency.

Price Waterhouse Coopers also does many things in hope to achieve its aims and objectives. I will now give a brief understatement of how PWC hope to achieve its aims and objectives. On a basic note, PWC has held grouped discussions and has used connected thinking in order to achieve its aims and objectives.

To discuss in greater detail, PWC' aims and objective are very alike. A summary of Price Waterhouse Coopers aims is to say that each and every one of them involve this company wanting to build a safer, better and stronger company. To meet this aim they are relating to others and holding personal meetings to help everyone be civilised and build public trust.

## **Task 2**

Boots is a well established business and one of the things this company is well known for is its great services. Boots focuses on many different functional areas which are listed below:

### **Finance**

This is where Boots deals with the businesses funds. This part of the business would often be devised in a separate area from the other functional areas. To add, the person who deals with finance may well hire an accountant to carry out most of the financial accounting. About this area, the flows of money into and out of the business i.e. Cash flow is managed. Displayed below are some of the major parts involved in finance:

- Responsibility for recording accounting information
- Substantial planning in the organisation
- Responsibilities for paying wages and salaries
- Advice and trading

### **Marketing**

The marketing and sales area is in charge of finding out what the customer needs and wants through market research, analysing and interpreting that information and also, making sure that the products the business produces are equally sold through advertising and other promotional techniques.

Marketing and sales are responsible for various jobs which can be sectioned as the following:

- Jobs that involve analysing the market
- Jobs that are involved in the creation of advertising, from the creators and designers of advertisements to the people involved in making them.
- Jobs which involve buying stuff such as: buying advertising space or slots in publications and in broadcast media.
- Jobs involving sales which range from shop sales assistant to people who seek new sales outlets or clients for large businesses

### **Human Resources**

This part of the business refers to the people who work there. The human resources area looks after all aspects of an employee's welfare hoping to win over the best part of the employee. Its responsibilities include:

- Recruiting staff
- Training & appraising staff
- Motivating staff to succeed

As of this, the roles of the human resources department are:

- Recruiting

- Interviewing
- Training
  
- Negotiating
- Appraising

### **Operation**

This area of the business is vital in that it makes sure there are enough of the inputs, and that they are of sufficient quality. The operations department organises and uses a variety of resources including people, premises and equipment. Other than this, this area will also be able to organise and oversee the actual production process.

Operations manufacture products, goods and services by distributing the best use of the various inputs that are needed. These are:

- Land
- Equipment
- People
- Materials

### **Customer Service**

This is where members of staff provide special assistance for customers who are experiencing severe problems with a particular product or service. For instance, a customer may have purchased a product which doesn't fulfil the qualities they had hoped for and so, this customer may want to return the product. Because of this, the staffs are expected to satisfy the customer with a refund or exchange if necessary.

The main services which a customer would expect are:

- The provision of information
- The ability to give advice
- Financial services such as the provision of credit facilities
- Delivery or easy availability of products
- The provision of after-sales service.

### **Administration**

This area deals with essential tasks which are there to help the business run smoothly. An example of this work would be, writing letters, answering telephone calls and dealing with other paperwork such as filling and record-keeping. The administration organisation can be referred to as the 'scaffolding' or 'skeleton' that hold the organisation together. This organisation can also be considered as the place to make the best use of information technology. The things that are covered in the administration department are the following:

- The size of administration

- Traditional areas
- Typing
- Record-keeping
- Mail
- Meetings
- Function rooms
- Video-conferencing
- Responding to enquiries
- Health and safety
- IT support
- Cleaning, security and premises maintenance
- Engine oil

Many Businesses like Boots will have internal customers and so many people may have to deal with customers within their own companies. These internal customers are classified as internal because they exist within a business.

Internal customers are those people and employees who might use your services and products, who reside within the same company. For example, the computer department, and human resources department serve internal needs.

Shown below is a table of the internal customers, the functional areas they deal with, and their job roles:

<b><u>Functional areas</u></b>	<b><u>Internal Customers</u></b>	<b><u>Job Roles</u></b>
Finance	Smart, Jim	Chief financial officer, director
Marketing	Brent, Andrew	Marketing director
Human Resources	Cutt, Mike	Human resources director
Operation	Bateman, pal	Group operations director
Customer Services	Filby, Ian	Beauty and lifestyle other
Administration	Baker, Richard	Chief Executive officer, director

As well as internal customers, like every business, Boots also consists of external customers. These are people who are seeking for good quality customer service and hoping to receive useful and professional advice. Having said this, their needs would be considered different to those internal customers in that they do not exist within the business but are members from the general public.

There are many different ways in which each functional area at Boots communicates with both its internal and external customers.

Listed below are the ways that each of these functional areas communicates with its internal and external customers.

### **Finance**

In this area, the internal customers relate to finance by using mathematical methods to work out calculations such as, gross profit and sales revenue. There is communication between the internal customers and their approach to finance. This is based on the fact that the main communications these internal customers get are from IT and calculators. The external customers relate to finance by working out the likeliness of profit and loss. They report information and seek ways to find the best ways to get the company good income.

### **-in relation to Boots**

Boots has several finance departments. In this department Boots has a chief financial named, Jim Smart Who looks to restructure the businesses and, the predecessor Howard Dodd instigates the process. In this department, staff can also be rationalised like it was in March 2005 when its finance employees had decreased from 600 employees to 200 finance staff.

### **Marketing**

The internal customers communicate with the subject of marketing. They do this by attempting to keep up a good performance and to market internationally. Also by, keeping track of their accounting details and involving major and well established countries. The external customers communicate with the subject of marketing. This is done by investing in well known countries.

### **in relation to boots**

In this department Boots deals with the competition from other stores like itself and this is the department in which Boots tries to promote new products over Christmas seasons etc...In this department, Boots makes up slogans like “price you love” to attract customers. As well as this, Boots issues other services like their advantage card to increase their sales market. Boots manufactures a range of own brand and third party cosmetics products like Boots No.7, Kangol, Toni & Guy, FCUK, Soltan and Botanic ranges of cosmetics.

### **Human resources**



The internal customers communicate resourcefully with the subject titled, "Human Resources" This communication involves the internal customers interacting with people and investigating on what they see. This type of communication is helpful as it enables staffs who are working in this department to find out more about their subject.

The external customers also communicate in this way provided they get are rewarded with a huge investment.

#### **-in relation to Boots**

In this department Boots insures they meet all candidates face to face in order to provide the best possible services and the highest standards of corporate responsibility and incomparable employee training

#### **Operations**

The internal and external customers communicate effectively with operations by using there skills to obtain information and make things work.

#### **-in relation to Boots**

This department forms the backbone of Alliance Boots retail operations. In this area Boots shows it operates differently from other pharmacies. This is where Boots also tries to compete with out of town supermarkets and electrical outlets.

#### **Customer Services**

The internal customers at Boots communicate in the "customer services" area. This is done by helping customers who need special assistance for something like an exchange in their items. Therefore, their main communications shown in this area will involve international custom. The communication that occurs in the "Customer Services" area also involves the external customers. This is because; the external customer will find ways to prevent any misunderstandings.

#### **-in relation to Boots**

In This area, Boots provides special attendance to any of its customers who are in need of special guidance or attention. For instance, a customer who has brought a fragrance for a friend who has the same one may well want to return it and exchange for new one, with which procedures will be carried out.

#### **Administration**

The internal and external customers in this area communicate by solving issues in order to sell things to the public.

#### **-in relation to boots**

In this area Boots work is carried out on a computer base and information is distributed. In this area staff arte usually expected to deal with the writing aspects of the business and answering the phone, replying back to faxes

#### **Production**

This is where the internal and external customers at PWC communicate by establishing what there company is going to produce successfully.

This is where the internal and external customers communicate by offering assistance to those who require specific help.

Price Waterhouse Coopers has many different functional areas as it is a large and well established accounting firm. The main functional areas of PWC are placed in a table with their internal customers and the job roles they fulfil.

PWC' internal customers are, as mentioned previously the staff members of this company.

Shown below are the internal customers of PWC.

<b><u>Functional areas</u></b>	<b><u>Internal Customers</u></b>	<b><u>Job Roles</u></b>
Finance	Smart, Jim	Chief financial officer, director
Marketing	Brent, Andrew	Marketing director
Human Resources	Cutt, Mike	Human resources director
Operation	Bateman, pal	Group operations director
Customer Services	Filby, Ian	Beauty and lifestyle other
Administration	Baker, Richard	Chief Executive officer, director

### **Finance** **- in relation to PWC**

In this area PWC strive to achieve an increase in profit. They aim to build stronger and more enduring customer relationships and they are challenged to make sure they are managed by the government; they also need to expand their business in order to grow. Also, this area means that PWC needs to often do market reporting and regulate their business.

### **Marketing** **- In relation to PWC**

In this area PWC spend significant amounts on media advertising, trade promotions and other marketing expenses to raise consumer awareness, increase market share and revenues, and build a brand franchise with consumers. PWC offer a wide range of solutions for helping people match their marketing proposition with their customers' expectations. They analyse their customers marketing proposition from a board, corporate an operations management perspective, as well as asses' customer perception and requirements.

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### **Human Resources**

#### **- in relation to PWC**

The PriceWaterhouseCoopers' network is actually one of the world's largest human resources (HR) advisory organisations and so, their approach to this department allows

Them to manage people and to help their clients, create value for their businesses through people.

### **Operation**

#### **- In relation to PWC**

In this section PWC are entitled to, grow and improve credibility, reduce costs, improve operations and make the best use of assets. In this area PWC does focus a lot on efficiency; they help clients identify where their major cost and value drivers are, and work with them to assess how they can be managed better. In spite of this PWC identifying the opportunities for improvement, they help clients carry out their improvement programmes to realize the benefits and help them develop effective operations.

### **Customer Service**

#### **- In relation to PWC**

In this area of PWC' clients are given special attention in order to sort out any financial issues. This area involves the business reaching out to clients who are in need of help and don't really know the right way of going about this. In spite of this, PWC' employees are able to help and offer any means to guidance in order to ensure their clients are satisfied.

### **Administration**

#### **- In relation to PWC**

In this area PWC pride themselves on their motivated team of CAS specialists dedicated to providing high quality administration services to organisations varying from top-tier multinationals to medium and smaller sized enterprises. Their clients can delegate all administrative tasks associated with accounting, payroll and legislative compliance to PWC thereby allowing them to focus their energies on strategic issues and their most profitable core activities.

Each of the functional areas listed above will communicate differently with both its internal and external customers. Shown below is the way in which these functional areas communicate with both Boots and Pwc' internal and external customers.

#### **How each of the functional area will communicate effectively with both its internal and external customers.**

Boots and Pwc would communicate financially with its internal and external customers by faxing. This is because when dealing with finance issues it would usually be more confidential and direct and using a fax machine would amount to both these things

In terms, of marketing, Boots and Pwc would communicate with its internal and external customers by using computer database i.e. the internet because most of the

marketing work would be done o computer programmes such as databases to manipulate and present market research data.

Boots and Pwc' internal and external customers would communicate with the human resources department on the internet because the work involved within this department is recorded on computer databases so therefore, this department can get it's work done and communicate with its employees on one piece of technology; mean that it would be less time consuming.

In the operations department Boots and Pwc could communicate effectively with its internal and external customers by using information technology such as telephones. The reason for choosing this method as a means to communicate is because it means that when thing need to happen in the business, employees can telephone one another as a way of getting through to each other quickly.

In the Customers Services area Boots and Pwc' internal and external customers could also communicate effectively with each other by telephone because this is definitely a fast way of contacting people and customer services is their to help people who need special attention so a fast way of communication is better. As well as this with a telephone co-workers could easily page one another as an even faster way of contact.

In the Administration department Internal and external customers could communicate with one another by the using the internet. This is because, administration is the department where information technology is used the most and so it would be very easy to get hold of the internet and use emails or instant messaging as a way of contact.

### **Task 3**

Boots is a public limited company. This means it's permitted to sell its shares to the general public. A company with this type of ownership must carry the words 'public limited company' or initials 'PLC' and must have authorised share capital over £50,000; they must also have at least two shareholders. One advantage of setting up this sort of business is the fact that it gives a business the ability to raise share capital however, a huge disadvantage is that a PLC has to face being subject to the scrutiny of the financial media and city analysis.

#### **Boots' liabilities**

Since Boots is a publicly Limited Liability Company, the owners of the company are responsible for all the debts of the business and the directors may be asked to give personal guarantees of loans to the company. This could result in them having to sell personal possessions so they can pay out these debts. Because of this, the business could have many problems. There could be some risks prior to the fact that, the owners could end up losing money. Despite this, the owners could still be up for taking risks in hope of taking complete control over the business and being rewarded after. But, some wouldn't want to take control of the business and wouldn't want to take the risk. And therefore, businesses can limit their risk through creating a limited liability company. Also, limited companies exist in their own right. This means the company's finances are distinct from the personal finances of their owners.

#### **Location**

Boots have located their business in most of the busy areas. They have situated their stores in the market place so they attract many potential in-going customers. There are many other reasons for Boots locating their business where they have. A Plc like Boots itself will have several stores located in different areas because it's such a large business. Boots would know it would have to be located near to other pharmacies to ensure that these pharmacies aren't taking in more customers than they are.

Boots' Plc is located in many areas in London such as, Clapham junction, Brixton, Putney, Streatham, Oxford Circus and many more. These areas are all the centres of attention and so they tend to be full of activity and are usually extremely busy. Other than this, Boots is also located in most of the main train stations like: Victoria and Euston. This means that wherever a person goes they are more than likely to find a Boots near them.

#### **The reasons for Boots' locating their business in the public sector**

- Around these areas, there are many people who could become future employers.
- Plus, around the public sector there are loads of places for workers to get the right training they need. And, members of the public are quite popular customers to the Boots business.

**Other possible reasons for Boots' choice of location:**

**Market**-The nearness of the market and the cost of delivering the goods are likely to be important factors

**Transport Costs**-The two major influences are the pull of the market and the pull of the raw materials and these are determined by whether or not the industry is bulk-increasing or bulk-decreasing.

**Land**-Land costs vary considerably nationally and places such as Boots, might need a large square-footage. They might, therefore, be influenced by the cheaper rents and property prices found in some areas.

**Labour**-The availability of labour might well attract firms to an area, particularly if that labour force has the skills they require.

**Safety**-Some industries have to locate their premises well away from high density population levels and their choice of location is limited.

**Waste disposal**-Certain industries produce considerable waste and the costs associated with the disposal of this might affect their location.

**Government**-Government provides special assistance to areas of high unemployment. This takes place within the UK, and is also a feature of wider European Union regional policy.

Price Waterhouse Coopers is a limited company and so goes by the name of Pwc Ltd.

To break this down briefly, it can be said that Ltd is short for limited.

This means that as mentioned for Boots, all the owner can be asked to loose is the amount of money that they originally invested. Saying that Pwc is a company, means that, this business has a separate legal existence from its owners. It has been created as something completely different form its owners and, can be bought, sold and passed from one owner to another as if it was a product.

It can be said that some smaller private limited companies could have similarities to sole traders and partnerships. This can be things involving, survival, security and a reasonable income. As for, Pwc being a limited company, they are reducing their own financial risk. And since Pwc is a larger business, they could be looking to raise money for expansion and could be trying to make sure that its shareholders receive the best possible return for their investment.

**Set up**

When setting up a limited company such as Pwc, it involves a much more complicated process. Unlike sole traders and partnerships, there are legal formalities, and much of the information about the business is made available to the general public. Some of the things that are involved when setting up limited company are listed below:

- The owners must decide on a company name which should be registered so that no two companies share the same name.
- The owners must register the business with the Registrar of companies at companies' house in Cardiff.
- The owners must draw up two main documents which are: the Memorandum of Association and the Articles of Association.
- The companies must have at least two directors and a company secretary who may also be shareholders. And because Boots is a PLC, the company secretary must be professionally qualified.

### **Liabilities**

As mentioned for Boots, because Pwc contains limited liability this means that the owners of the business can only be asked to lose the amount of money that they have originally invested. They are again, responsible for all the debts of the business. This form of liability could affect the business because the company might have to sell their possessions. Plus, they have the disadvantage of having their affairs being made public and of being more complicated and more expensive to set up than sole traders and partnerships. And Pwc would also be liable for different types of taxation. However most would agree that the advantages of having a limited company outweigh the disadvantages.

### **Location**

Pwc has located their business in offices in many countries. Pwc has chosen to situate their business in offices because they focus on handing out advice and dealing with the accounts. They offer certain services and that is the main focus for them. Unlike Boots, Pwc does not sell millions of products to members of the public. Instead, they do office work and hold meetings which don't involve selling goods. This is partly the reason for

Pwc having their business placed in an office rather than a shop on the high street. Plus, there is the right kind of assistance where they have chosen to locate their business. By this, I mean that in the area of field work that Pwc is based at, there are many different kinds of assistance. These include: the County Councils, District councils, Learning and skills councils and the rural development commission. There are many other reasons. These are the following:

- There is the right supply of workers.
- The people who live around these areas might have all the right skills needed for this kind of job.
- The local people could well have a positive attitude towards the development of the business.

#### **Task 4**

Generally speaking, businesses operate in an external environment and so are all expected to be subjected to many different external influences, from which evolve around many different factors. These factors are possible influences to both Boots and Pwc, they include the following:

#### **Social factors**

Relate to change in society and social structures. Adjustments in the structure of the population and in consumer lifestyles and behavior affect buying patterns.

#### **Legal factors**

Recount to changes in laws and regulations. Businesses must be wary of keeping within the law and foreseeing ways in which changes in laws will affect the way they must behave

#### **Economic Factors**

Correspond to a change in the wider economy. A growing economy provides greater opportunities for businesses to make profits, so businesses welcome rising living standards.

#### **Political factors**

Relate to the ways that a change in government and government policy might influence a business.

#### **Technological factors**

Allowing opportunities for businesses to adopt new breakthroughs, innovations, and inventions to cut costs and develop new products.

Not only do these factors fit into the external influences of Boots but a major external influence would be competition.

Boots has many competitors, these include the following:

*Marks and Spencer*

*Tesco*

*Debenhams*

*Kingfisher*

*Sainsbury*

*Smith & nephew*

*Alliance Unichem*

*Reckitt & Benckiser*

*Gus*

These competitors would be considered competitors because they sell the same or similar things and provide similar services. Because of this, they attract the same type of customers. This means that these businesses would be fighting to get the better of the public and have members of the public choose their business in comparison to a one similar to theirs.



They also might sell their products at different prices. These businesses would also be located in the same types of areas. For instance Boots would face a huge amount of competition with Tesco because they as a company are understood to be preparing a price-cutting campaign across a range of products. This campaign will focus on more than 600 products including health, beauty and baby items including medicines, dental care and baby wipes. Each of these could be seen as occupying traditional Boots' territory. Tesco are believed to be prepared to spend 70 million on the cuts. In the market for prescription medicines, where Boots is the leading player, the main competition comes from UniChem (who own most pharmacies) and Superdrug.

Some of the things affecting Boots would be its economical factors. These involve things such as: inflation and wages.

To elaborate on this, if prices change on certain products or services then this might have a huge effect on the amount of customers that pay for any of their products or services. For example, if I was to purchase a facial cream that cost £0.99 and I then went back later to buy the same cream as I thought it was very effective and it turned out its price had increased by 1.00 and therefore had risen from £0.99 to £1.99, I might decide not to buy it anymore as in my eyes it may not seem worth the bother.

Boots may also have a lot of environmental factors affecting the way it performs as a business. This may include pollution which could prevent a company from attracting incoming customers as a result of their shop being situated in a polluted area. If this is the case, many customers would feel less obligated to shop at its stores. To add, we could bring up the subject of recycling and see how this may also affect the business. To be more descriptive, Boots may recycle a lot of their used packaging etc. and for some customers this may seem a good thing as it saves money however this wouldn't be the case for all customers. The reasons for this is that others may not like the idea that other people's used products could be re-made and sold them. This could be because they might feel that their receiving the left-over of some customers etc.

Another environmental factor that could have an effect on Boots is the Carbon footprint. This can be defined as: a measure of the impact the company has on the environment through its carbon dioxide emissions and other greenhouse gas emissions to the atmosphere.

The level of Unemployment and satiability could also affect Boots as a business. This is because the level of unemployment may rise and so it means more and more people are living off other people's money. This means that tax pay is rising and so Boots' have to increase the amounts of money they give away and therefore, lower their income. Also it could be said that the level of job satisfaction is decreasing.

Job satisfaction describes how content an individual is with his or her job and if this is decreasing then this could lead to an even bigger increase of unemployment because people could become so fed up with their job which could amount to them quitting.

Not only could these but scientific factors also influence a business like Boots. For example green issues like the green house affect are causing the environment to waste energy and so this means that more money would be needed to pay for central heating and other gas related supplies in big companies like boots. Also these green issues are affecting wildlife and definitely causing pollution. This may result in the area where Boots or Pwc has related their business being corrupted. With the carbon footprint, Carbon emissions are increasingly resulting in financial costs for companies.

Pwc would also have many competitors that would be considered as external influences. These competitors include: the other "big three" firms;  
Ernst Young  
Deloitte  
KPMG

For instance, Ernst Young would be a huge competitor of Pwc because they both uphold services that deal with capitalism and other major financial issues. As evidence to this, Pwc was attacked since chairman of the big four firm attacked Pwc's mathematical model that predicted the firms audit fees rose from 12% from one year to the next following the merger of Price Waterhouse and Coopers & Lybrand in 1998, due to market concentration. This is an example of how the rivals between Pwc and its competitors can result in serious consequences for the businesses reputation.

As mentioned before there are several factors that could affect a business including the affect of; green issues. Pwc could also be affected because of levels of unemployment since they are a business that is their to help society financially they as a business could be taken advantage of when it comes to paying taxes and their willingness to give money to those on benefits.

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## Appendix

