

J Sainsbury

TASK 1

J Sainsbury's plc is a leading UK food retailer with interests in financial services. It consists of Sainsbury's Supermarkets, Sainsbury's local, bells Stores, Jacksons Stores and JB Beaumont, Sainsbury's Online and Sainsbury's bank. It employs 148,000 people and has a total of 788 across the UK

Their objectives are simple; to serve customers well and thereby provide shareholders with good, sustainable financial returns. They aim to ensure all colleagues have opportunities to develop their abilities and are rewarded for their contribution to the success of the business. Their policy is to work with all of their suppliers fairly, recognising the mutual benefit of satisfying customers' needs. They also aim to fulfill their responsibilities to the communities and environments in which we operate

Aims and Objectives

Aims

At Sainsbury's we will deliver an ever improving quality shopping experience for our customers with great product at fair prices. We aim to exceed customer expectations for healthy, safe, fresh and tasty food making their lives easier everyday.

Objectives

Getting better every day
Great service drives sales
Individual responsibility team delivery
Keep it simple
Respect for the individual
Treat every £ as your own
Business Priorities

GOAL AND VALUES

Making Sainsbury's great again

Our goal

At Sainsbury's we will deliver an ever improving quality shopping experience for our customers with great product at fair prices. We aim to exceed customer expectations for healthy, safe, fresh and tasty food making their lives easier everyday.

Our values

- Getting better every day

- Great service drives sales
- Individual responsibility team delivery
- Keep it simple
- Respect for the individual
- Treat every £ as your own
- Our business priorities

Getting better Every Day

We have started on the journey towards making Sainsbury's great again. We began by listening to customers and colleagues, then looking into our stores to understand what is in the way of our delivery to customers. Our journey started with fixing the basics and will accelerate through getting better every day as we strive to achieve our goal. We will recreate universal customer appeal through giving our customers an ever improving shopping experience. This means we will look for ways to do things better every day. Improving availability is urgent and vital. Our stores must be clean and welcoming. We will be friendly and helpful to our customers. Queues must be minimal and our service counters second to none. We know that great service drives sales, which is our number one priority.

Our customers increasingly demand healthy, fresh, safe and tasty food and by being better than anyone in providing these we will create a key reason for our customers to shop with us. Our premium and healthy ranges will be the best available.

We will become a part of our customers' everyday lives, providing for their daily and weekly food and grocery shopping needs, as well as providing the ability for them to buy clothing and other products. Depending upon the size of a store and its location we will tailor our offer to meet all the needs of our customers.

Sainsbury's Objectives.

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Our objective is simple; to serve customers well and thereby provide shareholders with good, sustainable financial returns. We aim to ensure all colleagues have opportunities to develop their abilities and are rewarded for their contribution to the success of the business. Our policy is to work with all of our suppliers fairly, recognising the mutual benefit of satisfying customers' needs. We also aim to fulfil our responsibilities to the communities and environments in which we operate.

Our goal

At Sainsbury's we will deliver an ever improving quality shopping experience for our customers with great product at fair prices. We aim to exceed customer expectations for healthy, safe, fresh and tasty food making their lives easier everyday.

This aim of Sainsbury's suggests that if their customer are satisfied they will want to shop at Sainsbury's more often and regularly, therefore, this will increase Sainsbury's profit.

Sainsbury is a business which sells products, clothes and vegetables. J Sainsbury plc is the parent company of Sainsbury's Supermarkets Ltd, commonly known as Sainsbury's, a chain of supermarkets in the United Kingdom. The group also has interests in property and banking. The group has an estate worth about £8.6 billion

The Main Aims and Objectives are as follows:

- Getting better every day
- Great services drives sales
- Individual responsibility- team delivery
- Keep it simple
- Respect for the individual
- Treat every £ as your own

Sainsbury's Manager (The Speech)

On Thursday 8th of November 2007 the store manager of the Muswell hill branch Martin Gregory came tell us something about Sainsbury. He gave us key information in how his store is run. Also how it was usually run before he came.

Here are some Key acts for the store managers in Sainsbury's Muswell hill.

Hard Measures

1. The sales target is £410 000 per week.
2. The profit target is £3.4 million per year.
3. The site control cost is on average £130 000 per year (This includes products that Sainsbury's have but don't sell for example plastic bags, pots or anything to do with maintenance. It can also include money that is stolen form the till. There is also the factor of know lost wastage, if its damaged ect. This also effects landfill and Sainsbury's will have to consider this when disposing waste).
4. Wastage costs 1.4% of takings.
5. Shrinkage costs the company 0.92% of takings(theft ,suppliers over charging for with less stock).
6. Labour costs the store 8.8% of takings.
7. Bank sales target is 6 sales per week.

Soft Measures

8. Mystery customer reviews/audits.
9. Mystery availability audits-97% availability.
10. Talk back (workers opinions).
11. Training commitment index.
12. License to trade (health & safety, fire safety, cash management, food safety and price control audits) complying with legal regulations.

Business priorities

In order to complete these goals or aims Sainsbury's began by listening to customers and colleagues, then looking into their stores to understand what is in the way of them delivering or succeeding these aims and objectives.

Sainsbury's states that their stores must be clean and welcoming and that they will be friendly and helpful to their customers. Queues must be minimal and their service counters second to none. They know that service drives sales, which is every business's number one priority.

Customers increasing demand healthy, fresh, safe and tasty food and by being better than anyone in providing these Sainsbury's will create a key reason for their customers to shop with us. Sainsbury's have a lot of companies to compete with for example Tesco's Asda, Morrison's, Waitrose and Mark and Spencer.

Sainsbury's wish to become apart of their customers everyday lives, providing for their daily and weekly food and grocery shopping needs, as well as providing the ability for tem to buy clothing other products.

History

Sainsbury's was established as a partnership in 1869 when John James Sainsbury and his wife Mary Ann opened a store at 173 Drury Lane in Holborn, London. In 1922 J Sainsbury was incorporated as a private company. The first self-service branch opened in Croydon in 1950. In 1973 the company was floated as J Sainsbury plc in what was at the time the largest ever flotation on the London Stock Exchange; the company rewarded the smaller bids for shares in order to create as many shareholders as possible. Today the family retain at least 14% of the shares.

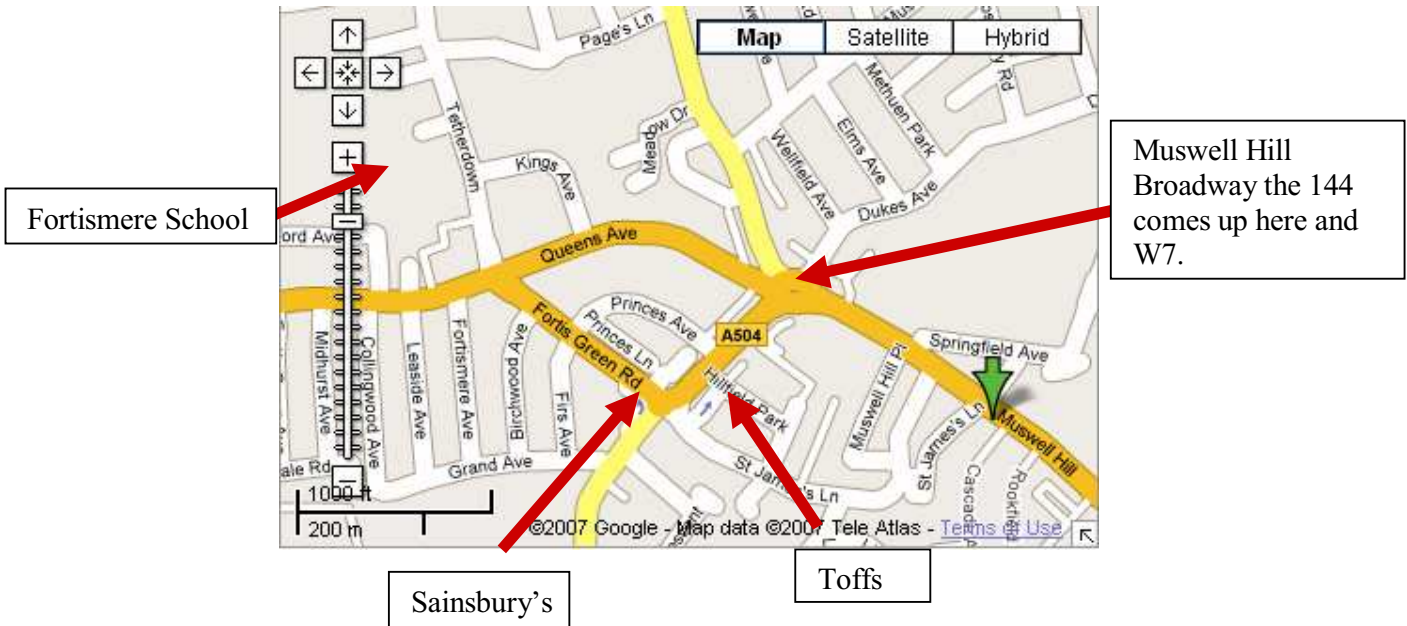
Map1

This map shows a map of Muswell hill. Muswell Hill is a suburb of north London, mostly in the London Borough of Haringey It is situated 6.2 miles (10 km) north of Charing Cross.

Muswell Hill is in postal district N10 and the area is mostly in the Hornsey and Wood Green constituency.



MAP 2



Nearest Transport link

Tube: east Finchley (1.54km)

Railway: Alexandra place (1.77km)

Airport: London City Airport (16.62km)

Neighbourhood profiles are based on ACORN classifications, which describe the type of neighbourhood a postcode has been matched to, not the specific postcode. Since most postcodes include a mix of people, the description will never be exact.

Neighbourhood profile

This is a profile for the central postcode in N10 which is N10 1Pneighbourhood profiles vary significantly from postcode to postcode.

Often, many of the people who live in this sort of postcode will be well-off professionals living in larger houses and converted flats. These are known as type 13 in the ACORN classification and 0.87% of the UK's population live in this type.

Neighbourhoods fitting this profile are found in many urban areas of the UK, but particularly in London (Kensington and Chelsea, Wandsworth, Ealing, Richmond-upon-Thames and Fulham). Edinburgh and university towns such as Durham, Oxford and Cambridge.

Here is an overview of the likely preferences and features of your neighbourhood:

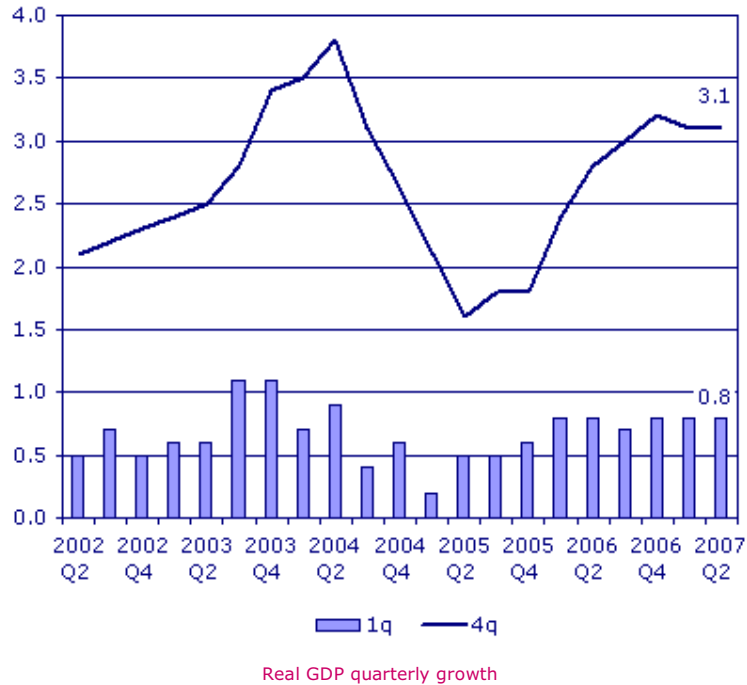
Family income	Very high	This means muswell hill is a wealthy place. There is quite a lot of rich people that live up here. However this also tells us that they care about the health so they tend to buy organic food.
Interest in current affairs	Very high	
Housing - with mortgage	Medium	
Educated - to degree	Very high	
Couples with children	High	
Have satellite TV	Low	

Muswell hill Sainsbury's would make a lot of profit due to high number of couples with children. This would be beneficial to Sainsbury because usually families would spend quite a lot when shopping as they get high family income.

A Muswell hill person seems to have high income so they buy organic foods which are quite expensive. The type of products Sainsbury sells is organic food, ethical products and special food.

GDP Growth

Economy rose by 0.8% in Q2 2007



The current market jitters are centred on disturbances in the world's credit markets. Worries about the increased mortgage lending have spread around the financial system, and the central banks have been forced to pump in billions of dollars to oil the wheels of lending.

The impact of the local, national and economic activity on Sainsbury's is the amount of sales revenue. If the economy is doing well locally that branch would do well in its local area. But if the economy is doing bad nationally this would therefore decrease sales, and obviously this would affect your local area.

Format	Number	Area (ft ²)	Area (m ²)	Percentage of space
Supermarkets	455	15,916,000	1,467,000	95.1%
Convenience stores	297	821,000	76,000	4.9%
Total	752	16,737,000	1,543,000	100.0%

All Business has aims and objectives. These are the targets which the business is

An example of an aim is:

Profit maximisation

It is often argued that the main aim of private sectors business is to maximise their profit. This is achieved where the differences between the total revenue earned by the business form selling its products and the total costs of those products is the greatest.

It is very difficult for businesses to achieve profit maximisation thus is because a business must have the lowest possible running costs. They might pay staff low wages, buy in bulk have zero waste, turn off all lights.

Ryan air is an example of a business aiming for profit maximisation. It charge customers for excess luggage, drinks etc and pays staff low wages. In some cases they are so extreme that they refuse to let staff charge their mobile phones form the mains in which they work. Most businesses aim to get reasonable profits. This is called satisfying

Growth

Many businesses pursue growth as their main objectives. Business people argue that firms must grow in order to survive. Failure to growth might result in a loss of competitiveness, a decline in demand and eventual closure. If a firm is able to grow and dominate the market, in the future it may be able to enjoy some monopoly power and raise its price. By growing, a firm can diversity and reduce the risk of business enterprise. It can sell to alternative markets and introduce new products. If one market or product fails it will have a range of other to fall back on. Firms can exploit economies of scale if they grow large enough for example Tesco. This will enable them to be more efficient and enjoy lower costs. Sainsbury cannot dominate its market because it has competitions form Tesco's, Asda and Somerfield.

Sainsbury's has reported what it describes as "strong" half- year result with profits up 20%. Pre-tax profit hit £232m in the 28 weeks to 6th October, compared with £194m in the same period a year ago. This amount of increase is a fairly huge chunk to achieve in one year. Like – for- like sales, which strip out the impact of new stores, were up 4% excluding fuel, while total they are gaining a huge amount of profit. Although they are 3rd in terms of market share between their competition, this still shows that Sainsbury's are gaining strength, this is shown by the fact that their sales has risen. These results prove that Sainsbury's is fulfilling their main objectives which are to make profit, this also come under aims such as "treat your own" and "great service drives sales".

- A number of people might benefit from growth
- Employees may find their jobs will be more secure (although, this might not always be the case if growth involves purchasing more machinery).

Sale revenue maximisation

This is different from profit maximisation because sales is the money made before you pay off all your costs. A company pursuing this objective give up same profit to get the highest sales

Sale manager and sales reps benefit from.....

A stakeholder is a party who affects, or can be affected by, the company's actions. The stakeholder concept was developed and championed by R. Edward Freeman in the 1980s. It has gained wide acceptance in business practice and in theorizing relating to strategic management, corporate governance, and business purpose.

Meet stakeholder needs

Stake holders are people who are affected by the activities of a business, Example of stakeholder are employees, suppliers, directors, customers, the local community and shareholders. Customers are stakeholders because they are affected by the product range, prices, customer services, returns policy ect.

Survival

Survival, this is an aim if the business is just starting up. When a business is starting up it would be important for it to run at least two years. 60% of new businesses fall within their first two year. Reasons for business failure include lack of finance, lack of experience or poor location.

Survival can be an aim for a large existing business. This can be the case if it is affected by strong competition. Mark and Spencer has lost sales in their clothes section of products due to competition from Next and other stores alike 5 years ago its share price halved in value from £5 a share to £2.50. this meant that it was under threat from being taken over- they almost did by BHS- Philippe Green. Even multi-nationals can have basic survival as there objective, not just small companies.

For Sainsbury's this means that at some point survival would have been one of there main objectives, however this would have been very early on. As Sainsbury's has been opened for over one hundred and thirty years it's unlikely that Sainsbury's would even consider having survival as one of their main objectives now. However if Sainsbury's was to take a bad marketing step or financial step and their share prices dropped then survival would come back into action and they would need concentrate on this, as I have explained already its not just small companies that have survival as one of there basic objectives or aims.

Survival is also important when trading becomes difficult. During recession a business could face falling demand, bad debt and low confidence. In the UK recession of 1990-92 many well known companies ceased trading. In 1992 around 73,000 businesses collapsed. Improved trading conditions in the 1990's

Individual businesses or industries may face difficulties due to competition from rivals, falling demand for their products or the effects of poor decisions.

The Treat of takeover

Treats of takeover firms sometimes becomes targets for other firms to take over. When this happens the survival of the firm in its existing form may be the main objective. One way to achieve this is to persuade the owners (shareholders) not to sell share to the person or company budding for them.

In the long term it is unlikely that survival would remain the only objectives, expect perhaps for the small businesses. Business owners tend to be ambitious and so pursue other objectives.

Over the years Sainsbury's has constantly been in the media concerning takeovers. In early November this year the royal family of Qatar contemplated a full takeover offer for the supermarket, the family's investment vehicle, Delta Two, announced that it had upped its stake in the supermarket chain from 17.6 % to 25%. They also announced that they had bought 123million Sainsbury's shares at 595 pence per share, making £732m in all. This possibility of a takeover sent in the supermarket to record highs.

The Qatari royal family first unveiled its interest in Sainsbury's when in April Delta two announced it had bought 17.6% of the group. This takes the Delta two stake to just over 25% which is well ahead of that held collectively by the Sainsbury's family. Delta is run by Paul Taylor, who was once chief of an investment vehicle of property magnate Robert Tchenguiz. Tchenguiz also own roughly 5% of Sainsbury's shares.

Most people assumed this takeover would go ahead but were surprised to find that the company decided to withdraw the bid because of "turmoil in global credit markets" it also said concerns about funding Sainsbury's, which employee pension schemes had led to the move. Shares in Sainsbury's, which had yet to back the offer, fell nearly 21% in response to the news and this would have hit Sainsbury's quite badly. Although the word takeover often sounds like a bad thing it may also be a good thing for some companies for example if this company had taken over Sainsbury's

What are Sainsbury's and net profit figures for the past 4/5 years?.....

What does this tell you about Sainsbury's performance?.....

TASK 2

- Local economy

Local Economy

The Business structure of Haringey is characterised by small medium enterprises.

Haringey has a total of 5,645 VAT registered businesses 4,615 of these businesses only employ between 0 and 19 people only 180 of these businesses employ 20 or more people.

Muswell Hill has a total of 475 VAT registered businesses 425 of these businesses only employ between 0 and 19 people only 5 of these businesses employ between 20 and 49 people.

The impact of external influences on Sainsbury's

The fact that there are many different businesses and outlets around Sainsbury's mean that there is a lot of competition with other stores such as Mark and Spencer's

As there are many middle class people around the Muswell hill area, it means that there is good chance that a huge amount of money is spent in Sainsbury's. The transport around Muswell hill includes a very good bus services that go to a range of places such as Wood Green, Edmonton, Tottenham, Finchley etc. This means that more people will be able to go to Sainsbury's to buy their goods. There are many schools around the Muswell hill area which means that a lot of students may go there to buy lunch which would also benefit Sainsbury's. There are no tube stations around the Muswell hill area which is a downfall, as it means less people are likely to use Sainsbury's.

- National economy

Employment figures

In June 2005, 8,410 (7.9%) of Haringey residents were registered unemployed during the period November 2005 and June 2005 unemployment across the borough stayed the same at 7.9%.

In June 2006, 160 (2.9%) of Muswell Hill residents were registered unemployed. During the period November 2005 and June 2006 unemployment across Muswell Hill stayed the same 2.9% out of the 625 London wards, Muswell Hill has the 416th highest unemployment rate.

- International economy

- Social and ethical factors

Fair Trade

Fair trade is an organized social movement and market-based model of international trade which promotes the payment of a fair price as well as social and environmental standards in areas related to the production of a wide variety of goods. Value isn't just about price; it's about the well being of the poorer countries.

Every banana we sell in Sainsbury's is a Fair-trade banana and they have a long-term relationship with the farmers that grow them. Their commitment to continue sourcing Fair-trade bananas has helped give them the confidence they need to replant their banana farms and rebuild their communities. This will gradually lead to economic growth.

Here are some of the fair trade products

- Cooking ingredients
- Baby food
- Clothing
- Flowers Household
- Biscuits

- Ice cream
- Hot beverages
- Beer, Wine & spirits
- Confectionary Rice and Sugar
- Fresh fruit and fruit juice

- Legal factors

Sainsbury's labelling

There are many laws and regulations when labelling products.

Food products need to carry the name and address of the manufacturer, packer or retailer. However, these details might be misunderstood because if the main ingredients are imported from another country, a manufacturer doesn't have to say where these have been bought from. They can get around this by saying the product was 'produced in the UK'.

A stout's pie, steak or a chicken tika might have been made in the UK, but the meat might be sourced from Brazil or India. Around half of the chicken eaten in the UK is imported but it is usually covered in spices or used in a ready meal so the consumer doesn't know it has come from another country.

According to laws, the labels or packaging used on ready meals only need to state the origin of the ingredients. Sainsbury's and the co-op have a policy that they have to state the country of origin of the meat used in their ready meals on the label, but there are other supermarkets that reveal this in formation.

These laws mean that Sainsbury's need to be careful, as customers are becoming more anxious of what they purchase and eat, and therefore they might shop in other supermarkets like Morrison's, Tesco or Marks and Spencer.

(Source from wikipedia.com)

Employee Regulations

There are many different regulations and laws that can affect Sainsbury's; one of them includes the working time regulation, which states that a worker is entitled to at least a rest period of 11 uninterrupted hours between each working day. An employee is also entitled to one whole day off a week. Buts days off can be taken over a two week period, meaning workers can take two days off a fortnight

Managers need to make sure that their workers can take their rest, but aren't required to make sure they do take their rest.

These rules mean Sainsbury's have to employ enough people so that when some workers are taking time off, others can take their place. This also means more money will be spent on wages, and Sainsbury's could lose out on profits and money.

This usually motivates the workers because they don't want to be blamed on for losing profits.

Recent Legal Changes

The new Employment Acts Law from October 2007

There is a minimum right to paid holiday, but your employer may offer more than this. The main things you should know about holiday rights are:
from 1 October this year you are entitled to a minimum of 4.8 weeks
the entitlement will increase again to 5.6 weeks from 1 April 2009
those working part-time are entitled to the same level of holiday pro rata (so 4.8 then 5.6 times your usual working week)
you start building up holiday as soon as you start work
your employer can control when you take your holiday
you get paid your normal pay for your holiday
when you finish a job, you get paid for any holiday you've not taken
bank and public holidays in Britain can be included in your minimum entitlement

- Competition factors

TASK 3

- Market research

Market research is the process of systematically gathering, recording and analyzing data and information about customers, competitors and the market. Its uses include to help create a business plan, launch a new product or service, fine tune existing products and services, and expand into new markets. Market research can be used to determine which portion of the population will purchase the product/service, based on variables like age, gender, location and income level. It can be found out what market characteristics a target market has. With market research, companies can learn more about current and potential customers.

Example of Sainsbury's marketing

- Leaflets
- Magazines
- TV adverts
- News papers

And the effects are that everyone would know about it so more people would shop at Sainsbury.

- **The marketing Mix**

The **marketing mix** is generally accepted as the use and specification of the 4 Ps describing the strategic position of a product in the marketplace. One version of the origins of the marketing mix starts in 1948 when James Culliton said that a marketing decision should be a result of something similar to a recipe. This version continues in 1953 when Neil Borden, in his American Marketing Association presidential address, took the recipe idea one step further and coined the term 'Marketing-Mix'. A prominent person to take centre stage was E. Jerome McCarthy in 1960; he proposed a four-P classification which was popularised. Philip Kotler describes the concept well in his Marketing Management book

(www.Wikipedia.com)

Market mix is a selection of products by a company from which a customer can choose. The 4ps are otherwise known as the marketing mix, these are the basic tools of marketing: product, place, price and promotion.

Products



Price



Bollinger Special Cuvée Champagne 75cl

£32.49/unit
£32.49/75cl

Sainsbury sell a champagne bottle for £32.49



Per case: ~~£142.44~~ **£106.83**

You save **£35.61** off our original price

Case of 6 x 75cl Bottles (equivalent to £17.81 per bottle)

Tesco would sell the same bottle for £106.83
This tells us that Sainsbury is much cheaper than Tesco



Champagne in a Box
£25 each

and waitrose would sell the same bottle £25 this tells us that waitrose is the cheapest out of all in drinks.

Promotion

Promotion is a series of marketing active designed to make costumers aware products. The ultimate aim, of course is to persuade them to buy those products. Promotion is an important part of the marketing mix and businesses can use a variety of different type of promotion.

- Advertising
- Sales promotion
- Merchandising
- Public relation

Place

Place is another term for distribution. It covers the range of activities necessary to ensure that goods and services are available to customers. Deciding on the right place involves a range of decisions.

Place is the fifth element of marketing mix. This is where it covers the range of activities necessary to ensure that goods and services are available to customers.

- **What is the difference between niche and mass marketing? Give an example of each. Which one does Sainsbury's do?**

TASK 4

Enterprise and Enterprise skills

Business owners are not the only people who demonstrate enterprise skills. Successful businesses recognise the importance of employees and the benefit of recruiting and retaining staff who can demonstrate enterprising behaviour. Many organisations realise the importance of flexibility and quick decision-making within their organisations. Employing enterprising people is to respond to competitor action and to ensure the achievement of its SMART objectives.

Enterprising behaviour can be demonstrated in a wide variety of job roles and positions. For example, sales personnel certainly need self-confidence and motivation when prospecting for sales and closing deals. In addition, they will be required to take risks when identifying new clients and proposing solutions to their requirements. It may require innovation to develop new markets for products – to find new ways in which existing products could be exploited. The ability to identify and exploit marketing opportunities will probably distinguish an outstanding salesperson from an adequate one.

Do Sainsbury staff demonstrate enterprising behaviour?

Many businesses just like Sainsbury's have large sales teams rather than a single salesperson. The ability of a sales manager to coordinate the sales team, to build trust and to inspire the staff can often be the difference between a satisfactory and an outstanding one.

The impact it has on the ability of Sainsbury's to achieve its aims and objectives are short of staff and a lot of people being off sick etc.

TASK 5

Team

Teams in Muswell Hill, cash department decided to change working styles by counting money 3 times a week instead of 7 which has saved money and proved to be a good change. (Money pic ups etc.)

This summer was bad for Sainsbury's due to the weather half prices were made on products like barbeque. Charcoal, meat, strawberry etc. there is no car park in the Muswell store so if weather us bad customers don't like to go and products can get turned in fields and unable to sell, which can lead to less of sales around £20,000 a week for around 6 weeks.

The importance of teams

If you have ever been involved in running a mini-enterprise, organising a school event or been involved in team sport you will appreciate the importance of teams and effective teamwork. You might also appreciate that a team is much more than a group of people. People in a team help, complement and support each other. This doesn't happen automatically – people have to work at being a team.

A group of people can be viewed as a team when it has these features:

- A collective consciousness - people in the group think of themselves as a team
- A shared sense of purpose - the members of the group have the same tasks, goals or interests
- Interdependence - the people in the group need each other if they are to achieve their aims and objectives
- Interaction – the people in the group communicate with one another, influence one other and react to one other.
- Collective action – it is a unified collection of people.

From this list you should see that a team has a strong identity, is capable of change, has resilience and, possibly above all else, can learn from its mistakes.

What effects does a team have on Sainsbury's?

The impact it has on the ability of Sainsbury's to achieve its aims and objectives are well Sainsbury's is a business which sells products, clothes and vegetables. The effect it has on its team is that it is quicker, faster and stronger when people work together so they could serve their customers and that's one of their main aims and objectives.