

Business Studies Coursework

Theory:

Stakeholders

A stakeholder is any individual or group that is affected in some way by a company's activities. Stakeholders range from small shareholders with a few shares in a company, to communities in which a company has business premises that may employ a few, or thousands of people.

Getting stakeholders involves establishing good lines of communication between a company and its various stakeholders and then maintaining a constructive relationship with them. Through this relationship, stakeholders can have their say and the company can listen and respond.

To establish relationships with your stakeholders by consulting regularly with your employees, responding positively to their needs and aspirations and generally treating them well. This will bring several important benefits to the company:

- employees will work hard and are seldom absent
- high morale and good health raised productivity and improved efficiency
- the company will gain a reputation as a good employer, which will make it easier to recruit and retain employees
- the company will become known for the quality of its goods, customers will want to supply them and consumers will want to buy from them
- the company's products will become popular with customers who will choose to buy their products over and above competitors
- It will become easier for the company to expand its activities – communities will welcome its presence among them, suppliers will enjoy working with them and investors will be happy to lend money to the company or to purchase its shares.

Internal stakeholders:

The owner of a business is a stakeholder. If the business is successful then the owner will make a profit. The owner of the business will also decide what happens to the business in a limited company, it is a shareholder. Employees want to make sure that their job is secured and that they have promotion prospects, they also want to earn a decent wage and have pleasant working conditions. If a company doesn't do well then the employee becomes unemployed.

External stakeholders:

All customers obviously want high quality products at low prices. Where the firm buys raw materials from is called the suppliers, the firm will provide suppliers with their income. However they will have cash flow problems if the firm does not paid them quickly, and if the firm was to close then they would loose work. The local community will suffer if the firm causes noise or pollution. However the community will gain if the firm provides jobs for the local community. The firm may also provide facilities that the local community can make use of. The government will receive taxes when the firm makes a profit.

However the most important thing is the shareholders, no business can ignore its customers, if the business can't sell its products then it will go bankrupt. If it doesn't keep its workers happy then it will become unproductive. The company may not mind not selling its products to the local community as long as it is selling its products somewhere else. However if the shareholders are unhappy then they can sack the directors or sell the business to someone else.

For My Business:

For my business I intend to make the most of all my stakeholders and listen to their suggestions which will be beneficial to the business.

In this way Aemono will maintain a close relationship with its consumers to ensure it is making products that will meet their needs. Listening to consumers in this way helps the company to maximize its investment in product research and development, and increase its share in the market.

Engaging with stakeholders helps ensure potential problems are addressed, or changes communicated and understood.

For these reasons it is important for Aemono to find ways of engaging with all their stakeholders, including shareowners whose willingness to hold shares supports the company's financial position.

Aims and objectives of the stakeholders:

Shareowners – I will try and reach each of the shareowners requests as they have a large amount of control over the business. These include private individuals as well as large institutional investors, such as pension funds and banks. All shareowners are entitled to attend the Annual General Meeting, at which they have the opportunity to ask questions, discuss the company's performance and vote on certain issues.

Consumers - Consumers can contact the company by various means Aemono will deal with consumer's enquiries on a daily basis. It will perform market research to track changing consumer trends. We will also use surveys and market research panels to find out what consumers think of products.

Customers - Aemono will have ongoing discussions with its customers.

Suppliers - Aemono will have regular talks with its suppliers and will respond to their suggestions. For example, if a supplier has views on ways of improving quality or efficiency then Aemono will listen and possibly act on ideas if they made good business sense.

Employees – Aemono's managers will hold regular individual and team meetings to inform colleagues about the business and hear their views. The company will also have surveys to check how its employees feel about working at Aemono. There will be a weekly newsletter, to help employees keep up to date with what is going on, this will ensure that there are very few problems with the restaurant and the employees being unhappy.

The most important aims and objectives

Each of these aims and objectives will be treated with the highest priority, as each of these stakeholders will increase the turnover of the business and ensure that Aemono is successful. However the stakeholders that I will concentrate on most will be the shareowners, because if the shareowners are unhappy they could see the business to someone else or make other changes, so in order to avoid this I am going to concentrate on making sure that the shareowners are happy. I will also make sure to have constant communication with the employees to see to their needs and any suggestions that they might have for the business or any problems that need to be resolved, this way I will be able to keep my employees happy. I am also going to concentrate on the customers because if they are unhappy with my business then I will go bankrupt, so it is my priority to keep them happy. All of my aims and objectives are very important and I will concentrate on all of them, but the 3 that I think are most important for my business I will pay more attention to.