

Business
Business
Studies

Coursework
Coursework
On Two
On Two
Businesses
Businesses

Businesses

Questionnaire

1. Are you the owner of this newsagent?

Yes []

No []

2. Are you the only worker in this shop?

Yes []

No []

If yes go to question 4, if no go to question 3.

3. Who else works with you?

Friend's [] family [] Public you employed []

4. Is this a family business?

Yes []

No []

5. What are your main aims and objectives for this business?

My main aims and objectives are to survive and make a profit.

Introduction

I have been told as part of my coursework to investigate on two contrasting businesses of my choice. One has to be a large business and one has to be a small business. I chose Sainsbury's as my large business, which is a supermarket. Sainsbury's ownership is a plc and provides goods for the public, they provide frozen foods, snacks, meals, alcohol, junk food, equipment for kitchen etc. Sainsbury's activities are carried out by the internet, deliveries by lorry's, saver centres etc. For my small business I chose a newsagent, the ownership of this newsagent is a sole trader, it also provides goods for the public e.g. snacks, drinks, cigarettes, small meals etc. My sole trader carries out his activities by himself.

Sainsbury's aims are to be the UK customer's first choice for food shopping. They aim to do that by reaffirming their lead in quality and offering outstanding value for money. Providing quality food was something which they always excelled and customers are responding positively towards their renewed focus. The owners of Sainsbury's have limited liability. Their objectives are to meet their customer's needs effectively and thereby provide shareholders with good, sustainable financial returns. Sainsbury's chairman Sir George Bull says their business is in better shape now than it has been for some years and they are becoming more confident of growing it for the longer term. For years 2001/02 they have now reported 14 per cent underlying profit before taxation growth for the group and 10 per cent underlying operating profit growth for their supermarkets business in the UK. Whereas they have maintained their divided levels during recent years of profit decline, now that profit growth has been restored and there is increasing confidence in the future growth, the directors proposed an increase in the final dividend 5 per cent from 10.30 pence to 10.82 pence per share.

For my newsagent I did a questionnaire which you will be seeing later on. I asked the owner a couple of questions and he answered them, his main aims and objectives are to survive and make a profit at the moment, he also said that if he makes a lot of profit he might even think of expanding his business.

Characteristics

Sole Trader

My newsagent is a sole trader because he is self-employed and runs his own business, he is his own boss and does not have to follow any rules and instructions from anyone else. He has unlimited liability and the paperwork is easy unless the business is registered for value added tax (VAT) when special accounts must be kept. The financial affairs and accounts of the sole trader are private, only the Inland Revenue must be informed.

Public Limited Company

Sainsbury's is a public limited company because it is worldwide, they sell shares to the stock market and allow public to buy shares from them and therefore increases the amount of money available to Sainsbury's.

Functional Areas

Sainsbury's

The functional areas have different departments which do different types of work. The marketing and sales department is responsible for making sure customers know about the business. This may include advertising, sales promotions and market research. This department is responsible for selling the items to the customer and keeping sales records. The administration and IT department should receive information daily in many different ways. This must be dealt with as fast as they can so that customers and suppliers receive prompt answers. Sainsbury's also generates its own paperwork which must be stored safely in case it is needed again. Computers are an essential part of Sainsbury's as they are used for many administrative tasks. The finance department for Sainsbury's is responsible for checking the money going in and out of the business. If there are problems, actions must be taken. Computers and IT mean that financial transactions can be recorded immediately and analyzed for Sainsbury's. The research and development

are concerned with technological and scientific developments which can improve the product in Sainsbury's for the future.

Newsagent

The newsagent has no functional areas because he is a sole trader and sole traders do everything by themselves for their business.

Key Customers And Competitors

Sainsbury's

Sainsbury's main competitors are sole traders, large supermarkets such as Tesco, Safeway etc. They are the main competitors because they sell the something's as Sainsbury's. Their main customers are people who buy shares on the stoke market and normal customers who shop in Sainsbury's daily. They compete against sole traders and large supermarkets because they might be more advanced than them, they might sell products cheaper then them or offer better services.

Newsagent

The sole traders competitors are other sole traders and their main customers are the local people. The owner of the sole trader has to be friendly and nice to those customers so that they come more often, and has to provide the best quality in food and the products he sells. He has to compete against other sole traders because they might use various strategies to get more customers.

Environmental Law

Sainsbury's

Sainsbury's supermarket has hygienic requirements, they have their own big bin. A worker collects the rubbish and then goes and throws it in their big waste bin and then

it's disposed properly. They have to make sure that no chemicals or hazardous substances are released or leaked on the flooring of Sainsbury's so that it's clean and hygienic.

Newsagent

A sole trader has to check his shop for health and safety, e.g. check milk date every morning, check if any food is damp and not out of date. If he sells out of date food then that's unhygienic and could cause diseases to customers and then he could be sued. He has to make sure he throws out the rubbish himself out side in the bin and not in the shop, also he has to see if there any food lying around in the shop corners which will then cause rats and mice's to come.

How Changes In Consumer Spending Effects The Main Activity

Sainsbury's

The consumer spending affects the main activity in many different ways. If the consumer was spending no money at Sainsbury's then Sainsbury's would be losing money because their foods would go out of date and then nobody would buy it at all, their use of electricity would cost them and they won't have any money coming to pay it off. The employees would get fewer hours to work because they won't have enough money to pay them.

Newsagent

The consumer spending would affect the sole trader in the same ways, he would be losing money if nobody brought products from his shop, the foods would go to waste and he'll lose money. He also would need money to pay the electricity bill for the shop which he won't be able to because he won't have any money coming in.

How Functional Areas Communicate With Each Other

Sainsbury's

In the functional areas people communicate in different ways, they communicate by talking to each other, they communicate with people outside their functional area. The people outside the functional areas would come and communicate with people by helping them with any help needed. For example sales staffs need to know about production schedules so that they don't promise goods which cannot be made on time. The operations staffs need to know what delivery dates have been agreed with customers so that goods can be produced on time.

Newsagent

The sole trader does not have any functional areas so he can't communicate with other people, he could only communicate with his wife who comes some times to help him when he needs it, he also has to be friendly and communicate with the customers in order to run his business.

Effected By Changes In Economic Conditions

Sainsbury's

If the economic conditions changes then it will affect Sainsbury's because people will have less money to spend and wont go and by products which will then lead to the consumer spending changes.

Newsagent

The sole trader would be affected by the economic conditions exactly the same way as Sainsbury's, the business will suffer and then wont have enough money to run and then it would be closed down.

Functional Areas Work Together To Achieve The Aims And Objectives Of Each Business

Sainsbury's

The people in the functional areas in Sainsbury's work and focus on different tasks and then specialize those tasks so that they perform the tasks really well and meet their aims and objectives. At the same time everybody is doing different types of work so the business operates efficiently.

Newsagent

The newsagent does not have any functional areas but while he is at work his wife on the other hand at the same time is doing all the paperwork, which then makes it easier for the owner because when he goes home he doesn't have to do it.

Improvements By The Communication Methods Used By Each Business

Sainsbury's

Sainsbury's functional areas should have a representative to attend weekly meetings with other representatives from other functional areas to ensure communication between the functional areas. In every functional area someone should have a walkie talkie for assistant help in any crisis, e.g. if a customer spills something then they could call for assistant and then that assistant could come and clean it up as soon as possible so other customers wont see.

Newsagent

The newsagent owner and his wife talk about the business informally at home, e.g. over dinner or while watching TV together. To improve communications they could set aside 15 minutes each day to specifically discuss about the business. The owner should have regular business chats with his brother and nephew as they help in the business sometimes.