

# Evaluate the effectiveness of the business activities

Business



For this task, I am required to evaluate the effectiveness of the business activities in both Sainsbury's and GE Lighting. I will then make a link stating how these activities are connected with the aims and objectives of the companies along with their relative significance. Firstly it is important to note that business activities are the services that companies provide whether it is to consumers or to other companies. These activities that Sainsbury's and GE Lighting provide will steer them one step closer in achieving their aims and objectives. Aims and objectives serve as signposts from which strategic plans are established.

These objectives provide direction for all phases of the company and serve as major standards in evaluating performance. Objectives are targets that need to be need achieved in order for a company to progress onto fulfilling their aims. Companies cannot achieve these unless they are providing good services. I will now evaluate how Sainsbury's activities are connected with their aims and objectives and analyse whether the activities are raising the performance of the company.

The business activities that Sainsbury's provide will help them fulfil their desired aims and objectives because they are offering their consumers with a wide range of services and products. Sainsbury's core service may be to offer groceries but the key element to remember is that Sainsbury's are always looking to improve and diversify their existing product portfolio. The way in which they ensure that their business activities help them accomplish their aims is through a number of performance associated techniques. For example Sainsbury utilise benchmarking, total quality management and quality control as tools in which to help them achieve their aims.

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How Performance Tools used by Sainsbury's helps them achieve their aims ; objectives Benchmarking at Sainsbury's Benchmarking is simply a management utensil that assists companies to improve their performance through comparing features of business performance with those of other companies. The principle behind benchmarking is to pinpoint the best attainments for example in terms of delivery reliability. The business once having identified these achievements, will then make an attempt to modify some or all of their customs in order to match their competitors.

Benchmarking can help improve Sainsbury's quality in a number of ways. For example as emphasised before it is about highlighting the area in which they are not performing as well as they could be and to improve performance they will often monitor and observe the way in which the market leader within the Groceries market is conducting their business. For example, Tesco who are currently the market leaders believe that to improve customer quality they will need to attend to their customers very needs immediately i. e. if a customer is standing in a queue which has an additional two customers in front of them; they will open up a new checkout point.

This in turn will help to increase customer quality as they are providing a more efficient way of doing business in the manner that the queues will have become shorter and so customers will have a quick and easy route to pay for their goods/services they have bought. Once having identified the most suitable company in the same field for Sainsbury's which may well be Tesco, Sainsbury's will try to match Tesco as to what is making them better.

Sainsbury's will then make relative comparisons between themselves and

Tesco possibly via inter-firm comparisons which is looking at statistical data and by weighing themselves against Tesco, Sainsbury's will have discovered what modifications could be made to improve their quality and can then start to apply what is needed in order for them to develop quality.

Successful benchmarking will involve commitment from management and elements such as best practice information available to make feature comparisons. Benchmarking can help to strengthen overall quality of a firm as it can stimulate new conceptions about other ways of doing things. This process may help improve quality in other areas too and so if Sainsbury's identify their weakness and rectify it then the objectives outlined earlier will be achieved. Total Quality Management at Sainsbury's By the same level of importance, Sainsbury's employ a total quality management system and quality control.

Where the customer has choice, quality is vital. Sainsbury's have a system of quality checks in the production department which is beneficial to them because if product faults are identified and corrected before being sold as being a quality end product to customers then it can increase brandloyalty, generate repeat purchases and allow a price minimum because quality adds value and can for that reason help to boost more profit and sales for the firm which are two of their aims.

If faults are detected, corrected and products and processes are continually improved on a regular basis then customers will repeat purchases as Sainsbury's product's will be at their height in terms of quality and appearance, thus helping to improve business performance as more sales

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and profit will be generated, for this reason they will achieve brand recognition and their reputation will become more renowned. The keystone of company-wide quality management is the concept of customer and supplier working together to their mutual advantage. For Sainsbury's this becomes 'total' quality management if the supplier/customer interfaces extend beyond the immediate customers, and beyond the immediate suppliers.

In order to achieve this, Sainsbury's must organise itself in such a way that the human, administrative and technical factors affecting quality will be under control and produce consistency. This leads to the requirement for the development and implementation of a quality system which enables the objectives such as improve and provide a highly quality assured service set out in the quality policy to be accomplished.

The quality system in use must be appropriate to the type of activity and product or service being offered. Quality food is seen as a main concern for Sainsbury's customers. Sainsbury's have in place quality control at numerous stages of the food retailing business; in the enlargement of new food products, the company's Food Centre operates a three step process of quality assurance: Quality Control; Sensory Appraisal; and Development.

In Quality Control, new and re-developed products are sampled by product managers and buyers; in Sensory Appraisal, focus groups are used to discover what consumers think about existing and new products; and in Development, the Food Centre is concerned in identifying trends in food to make new recipe ideas. I will now assess Sainsbury's financial performance

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and use key sections of their five year summaries as a means of a financial indicator to prove whether or not they are achieving the corporate and strategic objectives that they set out to achieve as mentioned in task 2. In addition, bar charts, information from each Sainsbury's directors, annual reports will be utilised upon too.