

Mission and goals of marks and spencer commerce essay



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M&S has been acknowledged as a legendary UK retailing organization and therefore they are exemplars of best practice in society. M&S in a western world is a managerial giant (Drucker, 1974). It has been identified as one of the best managed companies in Europe (Tse, 1985). M&S corporate objectives are laid down in its Mission statement which is " Making aspirational quality accessible to all" and this is the base which tells us what the business and what it should be in the future. In its mission statement the M&S outlined clothing and food business as its core business but financial objectives such as shareholder wealth maximisation is also taken into account as this helps in occupying more market share and so increased its sales. M&S have a strong tradition of corporate social responsibility as they want it to be integrated into all their operations at every level. There are three main generic strategies that can be adopted by any company including M&S where the customers are ready to pay a premium and this can be achieved by differentiating its product and services in such manner that it is valued by the customers. Therefore M&S has adopted focussed differentiation strategy in food and clothing industry but its market share is relative low with low industry growth whereas Financial services industry growth output is very high but M&S market share in it is very low and which demands substantial capital investment in the market to turn them into ' Stars' according to BCG Matrix. M&S targets mostly the age of 30 plus with high disposable income to spend like executive class and they value them and therefore many of its products are highly priced though high quality is maintained. Although M&S, Clarks, Faith and Office are in a high quality segment where others like Top shop and River Island ends as a medium priced segment but these can be outweighed in fashion market of shoes and <https://assignbuster.com/mission-and-goals-of-marks-and-spencer-commerce-essay/>

clothes and because of all these variations in Individual styles and spending habits, M&S must plan for an idea which counteracts the risks around its strategic choices because there are various risks in terms of focus strategies in that imitation and changes in the target market and due to this it makes an easy entry of foreign player which is broad market cost leader that can easily adopt M&S products in order to compete directly and gaining the market share hence therefore to tackle and survive in the cut throat competition of super markets where Giants as Asda, Tesco and Sainsbury, they need to have a contingency plan and bend their strategies in terms of focussed differentiation and adopt cost leadership.

In recent years M&S has started corporate social responsibility as an effective tool to increase awareness among different generations to differentiate them from their competitors and this is possible with proper drive for innovation across all its Strategic business units(SBU) where they have to generate strategies' at SBU level. This has been done continuously by M&S now such as Sustainable fishing, organic colouring of clothes, salt reduction, animal welfare and fair-trade.

The strategy process which has started in 2006 when labelling has been done as a part of an integrated communication drive to state their position on corporate social responsibility (CSR) and this was the first time since its origin that M&S have involved its stakeholders on such a scale and this CSR issue has been promoted through national advertising, in-store décor, M&S website and the main communication channel among its employees.

They provide a huge range of clothing, food, home and beauty products that are established through longstanding core values – quality and service, through innovation, value and trust. The trust we are talking about is the bond between the company and its customers, its employees and shareholders and this trust was integrated among all to achieve success for the business.

The management team confirmed it once again that the company's promise to its core values and aggressively used CSR is an integral part of refining and improving commercial performance and customer loyalty. (Paul Myners, Chairman and Stuart Rose, Chief Executive, 2004)

In conclusion each business unit known as (SBU) Strategy Business units of M&S needs to develop a its own CSR strategy that helps that specific unit to measure and tackle its risks and opportunities that may rise from its market position, its customer base, its product range and quality and its supply chain which is of utmost importance. For example M&S has identified sixteen separate core issues relates to their business which comprises of health, labor standards, packaging, fair-trade etc. and through strategic intent they are able to develop clear strategy and position on each issue.

M&S Culture

The culture of any company plays an important role and so for Marks and Spencer as culture is all about people and the way in which they interact with each other in the organisation and that is crucial for the company while making their decisions. M&S should have positive culture which may

influence the decision making process that can help to achieve excellence in <https://assignbuster.com/mission-and-goals-of-marks-and-spencer-commerce-essay/>

their business and it is possible only when both management and its employees work together and think the same. In simple words culture in any organisation is the way the things are done to achieve business goals and objectives.

M&S culture (Their way of doing things) since it originated:

M&S were heavily dependent on British suppliers and thus not strived for cheaper buying from overseas market.

M&S have a centralized system of buying from the central office which is an old formula and incurs cost heavily as movement of goods increases.

The store managers of M&S followed central direction on store design and layout, training and development, merchandising and so on which makes the store identical where local discretion is limited.

The managers were restrained to respond to the local needs of the customers as there were severe restrictions.

M&S's organization structure can be categorized as reflection which is "taken for granted fashion" and this type of attitude is shared among the members of the organization. The societal beliefs and basic assumptions operate among the members automatically. These basic assumptions and taken for granted fashion have taken M&S roots from the basis of the organisational success.

The rationale behind a particular manner in which people act and the reasons behind the action is not dependent on the blend of "objective" and

“ subjective” factors, but in a complex network of meanings as created and understood by the participants (Schutz, 1964). It's very important that employees act accordingly therefore at the end organisations do not react to their environment, it's their members react due to changes in the environment within and outside the organization.

The culture that originates out of M&S is a customer specific or customer driven. This type of culture can be said when everyone in the business makes a deliberate but real effort whether the management or its employees to improve customer service. This can be achieved when good market research has been conducted, employing right people and giving them proper training and updated e-commerce technology is used. M&S culture is dynamic and regards changes as opportunity and not as a threat and they are doing this because they are always looking for new ideas at any stage and this is where all employees and management are involved together to make it successful and achieve its goals and objectives.

The People may act in terms of their own when facing any problem in work without regarding the observer's explanation of the situation and that's why it's very difficult to handle situations related to culture which is composed of management and employees' (Silverman's, 1970).

The key feature for sustainability in any organization is to change dynamically and evolve continuously to conquer with its environment in which it operates but this has not been done by M&S and the firms' failure in terms of its culture in words of Mr. Richard Greenbury,

M & S Chief executive from 1991, “ I think that the simple answer is that we followed absolutely and totally the principles of the business. I was the business with the aid of my colleagues based upon the very long-lasting and recognized ways of running it”. (Johnson & Scholes, 2001).

Most of the researchers and analyst have found that M&S had remained for the longer period with their traditional risk averseness formula then it was needed. M&S can be concluded on the note that its organizational culture has led to failure in nurturing the dynamic nature of the organizations which has eventually led towards the fall of M&S since the late 1990's. This effect of huge inequality between the organizations standard and their erratic environment is due to the changes in the Organizational culture.

In present scenario M&S is trying to hold the competitive nature of the business and trying its best to get back on the track and therefore they have no fear in implanting new strategies and new strategic approaches are being adopted and implemented to fasten the recovery of the business.

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