

Environmental analysis of bandq



Today's companies have to endure in Darwinian marketplace where the natural choice are plays an essential role. For this purpose, the analysis of the business environment is a significant element in the decision making procedure, as achievement will come only if firms are able to match the opportunity and threats in the environment with suitable strategies.

However, constant examine of the environment through observation of all the relevant actions is vital to compete in a well-organized way in this dynamic and lively environment. In a way we can define as “ the business environment is viewed as a sources of information that continually creates signals and messages that organisations should consider important” Auster, E. and Choo, C (1994). Juan, L. and Nocolau (2004) stated in the journal of valuing the business environment on a daily basis as “ environment as all elements that exist outside and inside the boundary of the organization and have the potential to affect all or part of it”. Thus, the environment is what provides organizations their means of endurance. In the private sector, pleased customers are what stay an organization in business; in the public sector, government, clients, students or patients that normally play the same role. Gerry, J. et all (2008) demonstrated that, the environment also can be source of threats: because for example, new regulatory requirement, aggressive shifts in market demand or entry of new competitor, and revolutionary technology environmental.

Figure : Layers of the Business environment

Not only, has a positive business environment play important role in the organization, but also a rational culture much more important for the effective carrying out of an organization. A typical organizational culture can

ensure that the numerous parts of the organization are all working to a widespread end and give the very core of the competitive benefit in markets because it demonstrates so difficult to reproduce. Kemp, S. and Dwyer, L. (2001) stated in the journal of examination of organizational culture as “ organization culture can be very resistant to change and may therefore impair the development of business strategies that are essential responses to changes in the internal and external environment including competitor actions”.

However, it is aim this report to identify, demonstrate, and represent the internal and external analysis of business environment on the basis of available media information, theory and models about B & Q (UK) and including on its culture.

History of B & Q (UK):

One of the outstanding market features of the UK economy through the 1980s was the boom in consumer expenses. As a result the retail sector enjoyed a extensive growth in domestic stipulate during the period.

History of B&Q

Year

Developed

1969

B&Q was founded by David Quayle and Richard Block the first store opened.

1979

26 stores were in operation and company became public

1980

B&Q was acquired by Woolworth (1982)

1991

B&Q launched its suppliers environmental audit

2001

www. diy. com B&Q operation website launch

2007

B&Q re-launched its enhancing, decorative brand ' colour' with new kind of wallpapers, paints soft-furnishing and curtains.

2008

B&Q signed a three year partnership agreement with Bioregional. B&Q has awarded for chain-of-custody certification for both (PEFC) programme for the Endorsement of Forest Certification Schemes, and (FSC) Forest Stewardship Council.

2009

B&Q had begun one year sponsorship of 4homes, Property Ladder, Channel 4's property strand, location, location, location and Relocation.

Source: www.diy.com [accessed-18/10/10]

However, the B&Q was founded in 1969 in Southampton. B&Q is Britain's largest do-it-yourself (DIY) retailer of garden and hardware products. At that time it has given a new concept in DIY retailing, the DIY supercentre. The supercentre intended to provide a large range of DIY goods under one covering, where a customer could buy anything from plumbing equipment.

In 1982 the company was sold to the Kingfisher Group- then known as Woolworth Holdings- which owns numerous chains in UK, including Woolworths (general store), Comet (household electrical equipment), and Superdrug (Chemists). It has 321 stores (UK), more than 30, 000 employ (more than quarters are over 50 years of age, with a similar number under the age of 25), it believes more than three million customers come through B&Q doors every day with great range 40, 000 products hunting. The Kingfisher annual accounts reveal that B&Q has been important contributors to profit.

As according to the report B&Q has been contributing to the Kingfisher Plc in a aggressive turnover result. When pressed by environmentalist in 1990 to take exploit on sustainability of the maintained source of the lumber it sold, B&Q was sustained to point to a system it had already recognized based on its environmental mission statement “ B&Q is committed to the minimisation of environmental damage caused by the day-to-day running of the business and [caused by] the securing of raw materials, production, packaging and disposal of its products range” (Green, k. et all. 1998). In 1996, B&Q has

refined and stiffened its green supply policy with a new supplier assessment system and new mission statement, Quality-Ethics-SafeTy (QUEST).

External Environmental Analysis:

As we already defined that a business environmental scanning is a highlight of outside view of a company's frontier, and recognises that strategic thoughts begins with a study of the external environment. Aaker, D. A (1994) emphasized that environmental scanning needs to discover emerging circumstances, opportunity and hazard that may affect a company's strategic trend and operation. Scanning invokes a procedure that causes the company to spread out decision making to contain the viewpoint of outer surface, for example; customers, stake holders, present and perspective entrants, regulators, political climate, social, technological development, and cultural change.

PESTEL Analysis on B&Q:

The PESTEL analysis provides a inclusive list of influences on the likely success or failure of specific strategies. In order to analyse the viability of B&Q, it is important to understand and accomplished by performing a PESTEL analysis, which look at and stand for Political, Economical, Social, Technological, Environmental, and Legal aspects.

Political:

Helping Implementation of Government Policy: The Coventry Study found that substantial interest from their answerer in the possible of combined environmentally relate to projects. Which perhaps bear the view that

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influential customers could be important agents for communicating and reaching the environmental memo to small business and could give an effective average for the implementation of government policy (Patton, D. et al 2007).

Helping Government Launch 'Green Loan' Pilot Scheme: B&Q is partnering the London Borough of Sutton in an experiment of the government's new (PAYS) Pay as You Save Scheme. Ed Miliband energy and climate secretary announced details said, 'Green home Loans' up to £10000 will be given through supermarkets, DIY chains or local authorities (B&Q) and can be repaid over time through savings made on energy bills. www.crp-news.com

Government offers B&Q vouchers to help prevent Burglary (National Security): Jacqui Smith (Home Secretary) announced that a partnership has been formed with DIY Stores, B&Q and Focus DIY to operate such activities, reduce Crime, Police Forces, Disorder, arrest operation, street briefing, practical work apt and safety roadside security campaign at the homes of defenceless people on a national 'day of action' to undertake burglary.

Helping to Government to Provide Security Equipments: Home secretary also announced that the leading DIY stores and B&Q has ensured that home security equipments are at a reasonable price and as affordable as possible. Which will run together with a Home Office Funded Handyman (skilled person who is expert with household repairs) scheme to secure more than 45,000 homes.

Requested for Reducing VAT: B&Q has requested to government and European Commission to energy saving products affordable to all by reducing the VAT to 5%". [www. diy. com](http://www.diy.com)

Economical:

Strong Growth Rate: B&Q has made a near 50% jump in annual profits 25th march 2010 amid a strong performance for its DIY business. It managed in a competitive market, with minimal margins on the more conventional products. The strong growth has guided to expansion and raise in the number of jobs as well. B&Q at present employs some 30000 staff and within that about 40% of these are part-time. It has obtained a national positive reputation for employment of older people.

Source: [http://www. tiscali. worksmart. org. uk/company/company. php? id= 00973387](http://www.tiscali.worksmart.org.uk/company/company.php?id=00973387) (accessed- 18/10/10)

Economics Down Turn of B&Q: B&Q profits fall 19% as downturn in UK home improvement sales between march 2008 to march 2009 approximately £25 million slump in profits at DIY chains due to the lack of season.

Internationalization Business: Home improvement retailer B&Q, as a part of the UK's Kingfisher group, has been expanded in China around 50 stores within 8 Cities. B&Q approximated that one-tenth of China's 400 million families have disposable income \$1000 or more in a year to pay out on home improvements and it increasing speedily.

Growth of Total Home Improvement Market of China, 1994-2005:

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Hitt, Ireland, and Hoskisson (2009)

Social:

Work-life Balance: B&Q is dedicated to helping its employees to practice their careers and at the same time feel satisfied in their personal life. In some more than 60% of B&Q employees work part-time or flexible hours. (Emerald Group, 2008).

Demographic: The age profile of many companies' personnel, especially in the retail sector, is usually young. This is definite to anyone entering a store and in a sense can act to dishearten job applications from older workers in a sense with little or no place for older workers. Because the common perceptions of older people are:

Slow

Physically unfit

Not capable to handle with new technology.

However, B&Q's decision to employ older workers was embedded in the altering demographic structure of the UK labour market.

Benefits Available for Older Workers:

Hogarth, T. and Michael C. Barth (1991)

Technological: