

Strategic planning management in tesco

Business, Strategic Management



Introduction

Strategic planning is an essential process to be campaigned within, for the success of the organisation. By performing strategic planning an organisation can determine its short term as well as long term goals along with their implementation and scheme to accomplish them. Strategic planning defines strategy, direction, and strength towards the external as well as internal challenges faced by the organisation. It suggests resources and serving allocations, so strategic planning is one of the important liabilities of management. Performing strategic management leads to the answers of following three questions.

Where the organisation does stand?

What are the goals to be achieved?

Financial

Brand name

How the goals can be accomplishment?

Strategic planning and business planning are the basic requirement to be executed by the management members, the former is related to entire organisation while the latter is relate to an individual product or service. Several strategic planning models have been introduces along with the approaches that are used for the welfare of the organisation. The development of a plan is dependent on factors such as culture of organisation, threats to the organisation, structure of the organisation,

skilfulness of plan developer. The plan may be of one year or may be of ten years, depending upon the planner and the activities involved in the plan. More the details are included lengthier the plan would be and clear the goals would be. Process of the plan is more important than former sketching of Strategic planning, threats to the organisation, or its current financial status. A good planner emphasize on excelling the organisation rather than victory over competitors. Several organisations view this process of determining the standpoint of organisation over next years, to forecast they need to know the current status of the organisation and the place where they see the organisation in coming years, this plotting of the direction can be referred as the “ Strategic Planning”. Although over the period of time, each long term strategic plans needs monitoring and modifications. As the plans are made on the basis of assumption of the external and internal environment of the organisation, everything goes well until the prediction turns to be right.

Tesco plc. is an internationally recognised organisation, the company was established in 1929 in Middlesex, U. K.. Today the 3rd largest retailer and the 2nd largest profit earning organisation amongst millions of business is Tesco plc. Across the world; this organisation is serving 13 major countries i. e. 32 stores in Malaysia, 81 in Slovakia, 88 in China, 105 in Turkey, 119 in Ireland, 136 in Czech Republic, 142 in Japan, 145 in U. S. A., 176 in Hungary, 305 in South Korea, 336 in Poland, 663 in Thailand, and in United Kingdom the number of stores are more than the numbers of Tesco stores in rest of the countries i. e. 2482 stores. Since Tesco has reached to such heights analysis on strategic planning would be best understood by looking into strategy followed by Tesco plc.

Essential Planning Components: Principles, Theories and Tools.

The main activity of the organisation is retailing and finance services, finance services such as banking, insurance services and retailing services such as online shopping form television, internet etc. Tesco has reached such heights by applying strategic planning with keen knowledge of its principles and theories. The principles of Strategic planning are

Strategic planning serves the foundation of management process. Plans are sort of guidelines to the company for figuring out the financial resources and non-financial resources.

Stakeholders play an important role for execution and progress of the plan. Active members of stakeholder will add the strength to the process effectiveness.

Performance of an organisation is calculable so a clear strategy leads to accomplish practice goals

As the market condition cannot be controlled so it's difficult to predict the future environment and as the organisation is dependent on external environment, the plan cannot be exactly designed and few changes may be made in future as required.

As the organisation reaches the expected state again the planning is made for the next few years, dew to this characteristic of organisation planning is persistent throughout the life of the organisation.

Stakeholder's reviews are essential aspect of the planning process, collecting review make out the contribution and commitment of the staff toward the mission and vision of the organisation.

These principles are essential to planning process; integrating principles in a strategic planning process may not lead to success but overlooking these principles may cause a failure.

A Marketing Plan for Tesco plc.

Marketing planning is a process to determine the requirements of customer and a route to fulfil coming requirement, this is done to increase the sales of the product or service provided by the organisation. The diagram below depicts the scheme to increase marketing strategy of Tesco plc. The aim of this marketing strategy is to improve turn a profit and performance of the firm.

Examine current market position: – Here Tesco must analyse the present position and stand in the market and sketch them.

Determine targeted market: – Determine where the management wants to be in coming years.

Conclude marketing Objectives: – Planner may then set achievable goals to be achieved in certain time duration.

Choose suitable marketing mix: – What scheme should Tesco follow; to achieve determined goals will be chosen in this phase.

Develop plan of action: – This phase starts to generate the environment to initiate the plan.

Implement marketing program: – Now Tesco would turn words into action, the journey to achieve determined goals start in this phase.

Establish control: – The management determines role of each element and intensity of the force applied by the implementation of plan.

Implement control: – The figured out control over the plan is than implemented.

Practising this strategic marketing management, Tesco can plan and implement the marketing goals and achieve the customer satisfaction

Role of Stakeholders in Tesco

Stakeholders exert a broad range of liability in an organisation; they may be a single person or a group of peoples interested in an organisation. A large amount of weightage is held by the stakeholders on the final consequence of the plan. Stakeholders comprises; shareholders of the company, management members in an organisation, employee or staff of the organisation, businesses supplying services to the organisation, clients who consumes the services or product of the organisation, the local society and the government. Analysing individuals, Stakeholders may be considered as members who are affected by or who may affect the performance and the objectives of an organisation. Lager the organisation is wider the range of stakeholders are. Stakeholders may be classified into several categories

Internal and External

Narrow and wide

Primary and Secondary

Active and Passive

Internal and external stakeholders are above board differentiated, they are one inside and outside the organisation, internal stakeholders includes staff and management of the organisation, whereas external stakeholders includes customers, businesses providing services to the organisation, the business providing same products or services i. e. competitors and many more.

Narrow Stakeholders are those who are affected by the achievements of the organisations such as management and staff, in other words who are dependent on the organisation. Wide stakeholders are those who are affected to a lesser extent such as government, customers with choice of investment to a product etc.

Primary stakeholders are those whose participation in the organisation is very important and the survival without them in market is not possible on the other hand secondary stakeholders are those; on whom organisation is dependent to a lesser extent.

Active stakeholders are one who monitors and participates directly in an organisation, this does not mean that management and employee always fall in this category, sometimes external bodies fall in this category and internal

stakeholders fail to participate in this group. Whilst passive stakeholders are one who does not participate actively in the organisation such as usually role played by shareholders and government towards an organisation.

There are many more categories defined by the scholars and researchers on management, such as voluntary stakeholders and involuntary stakeholders, legitimate stakeholders and illegitimate stakeholders, recognised and unrecognised stakeholders and so on.

Needs and Expectations of stakeholders in an organisational process

Strategic planning emphasises on surrounding of the organisation, the available resources internal and external to the organisation and the potentiality towards the environment. These inputs are not sufficient for the implementation of a plan, as stakeholders have an influence on companies output, a complete research should be made on them. Strategic planning also depends upon the vision of stakeholders.

The process starts from Identifying stakeholders who are interested in the organisation, since each party may have different prospects for organisation it is essential for the firm to recognise them and make them realise how important they are to the venture.

Then comes the stage of mapping of stakeholders which comprises of determining the expectations of the stakeholders, exercising this establishes policy-making and their priorities. Expectancy assesses two subjects;

How much interested the stakeholders are?

Do they have the ability to lead the company to determined height?

The power/ interest Matrix determine; to which groups of stakeholders should organisation show their interest in. the matrix classifies stakeholders in context of their power and the interest in organisational strategy, this makes easy for the organisation to determine what relation should be maintained with which group?. Intrinsically, this analysis is practicable to know the difficulties and ease of the society in a strategy. It also depicts the proportions of strategic change.

Mission and Vision: Tesco plc.

Mission statement is that statement which defines about reason behind the existence of the organisation. The aim of an organisation can be determined by the mission statement. Key points and the achievements to be conquered are can be jotted into mission statement. Basically, mission statement is plotted to make the business plans understood by the stakeholders of the company. Since mission statement carries such details of the business it can be said that a mission statement is a base of the organisation. A mission statement should be represented in such a way that it is easy to understand the motto of the firm. It should depict the principles and ethics of a company along with the process of conducting work. Organisation faces ups and downs in the life span of the firm, organisation changes its strategy of planning, marketing and several aspects but the mission of the organisation never changes. The mission of the organisation should be revised in certain time duration so that management can determine that if they are not losing

the track. The language used in mission statement should be that easy to be understood by ordinary man.

Vision statement is a statement that reflects the state where an organisation seeks itself in coming years. Vision statement depicts the idea, dreams and thoughts of an organisation represented in such a way that employee gets motivated and attracts customers. The ethics and values of an organisation are reflected from a vision statement, the vision statement is accomplished after the determination of mission statement. Vision statement is represented in such a way that it motivates not only employee but also to the customers so as to maintain a long term relation with them.

The basic difference between a mission and a vision statement is that vision statement targets on companies value in future whereas the mission statement is one that represents the current status of an organisation. Mission statement is more precise about the present condition in an organisation.

Values and objectives of Tesco

Tesco's main aim is to generate values for customers so as to earn a lifetime loyalty. Tesco believes that its success depends on those people who shops with us and one who works with us. Tesco believes if it serves well to a customer it is more likely that the customer will come back and shop again.