

Strategic information systems for business and enterprise

[Business](#), [Company](#)



The chosen company in this case study is Woolworths Group Limited, which is an extensive Australian retail company. The company solely aims at providing the best value services to the customers, and by far it is the second largest company in New Zealand. In this particular report, the internal and external analysis of Woolworths will be performed in order to understand its business strategy and business environment.

Part 1: Business background

The Woolworths Group Limited, mainly includes supermarkets, retail stores, liquor retailing, discount department stores etc. The company had first opened its store in Pitt Street, Sydney.

The first opened retail store was very much attractive, which first exploited the idea to use cash registers to print receipts for customers. During 1920, the company expanded its second store in Sydney and Brisbane. In addition, gradually the company extended the small supermarket, even petrol market located outside the shopping malls. The company adopts major strategies to raise its value in the worldwide markets in upcoming days also.

Type of industry: Woolworths Group Limited is a retail company. It is the second largest employer within Australia, which was established in 1924.

General environment analysis: Woolworths' macro-environment analysis is a major factor, which influences its market value that even shapes and boosts up the company to withstand the demands of customers, and increases profit eventually. Political factors: It plays a vital role and has a great impact on the profit rates of Woolworths. Certain factors are therefore analysed by

the company before initiating a new business. The healthy political condition of Australia shapes the business of Woolworths. Moreover, there is political stability as the trading partners, and foreign investors are ready to carry out business with Woolworths. Further, there is no such risk for Woolworths as the company operates in a fairly stable market.

Economic Factors: Before conducting any new business strategies there are several factors which are considered such as inflation rates, interest rate, savings rate, economic cycle etc. The major economic conditions of Woolworths include the kind of economic system which is prevalent in the country. The efficiency rates of a financial market, labour cost, unemployment rates, interest rates etc. The macro environmental factors if considered by the company then increases the profit rates using minimum cost efficiency and other expenses. Woolworths' economic condition has declined due to the global financial crisis that led to serious financial issues. However, the retail sector in Australia is more stable than other parts of the world. This supports Woolworths to operate its business successfully.

Social factors: Organizations that are very successful in monitoring the macro environment changes are at a benefit of creating a competitive advantage for the company. Social culture also has a huge impact on the Woolworths' establishment because the implementation of particular things can have a big impact on the business organization. Certain conditions such as the standard of education in Woolworths limited, the role of a class which may influence innovations, infrastructure and leisure interests contribute for social uplifting.

Technological factors: Technology has a wider impact on the growth of Woolworths as the rates at which the industries are growing offers a variable profit rate which eventually increases the demands of the products. Along with the emergence and increase in manufacturing of products the competition level with other companies decreases.

Moreover, it also has a great impact on the cost structure of the food and retail industries. The technical analysis is also the part of business tools if implemented correctly. It deals with the external issues which affect the business strategy. There are several examples such as the existence of 3D technologies, internet connectivity, automation, security etc.

Environmental factors: Before the initiation of a business, it is essential to look at the environmental conditions of the existing markets. Such as the weather, climate change, waste management, greenery, ecological products, pollution etc. has an impact on Woolworths. Woolworths have invested in reducing the carbon footprint of the company along with reducing the wastage of natural resources. The sustainability practice of Woolworths involves the use of ethical approaches, sourcing of food items. This helps the company to become a socially responsible business.

Legal factors: Legal analysis of Woolworths refers to the statement, which is held by the judiciary system, legal experts, on condition of an action or intent. The food licensing is an important aspect in the retail sector that Woolworths need to consider. Apart from that, Woolworths need to maintain

the food's quality as per the country's regulation that sold to the customers in the outlet.

Industry environment: The Porter's Five Forces analysis helps to understand the external environment of Woolworths in details as it allows to gain knowledge of the forces or factors that greatly influence the business. The analysis is as follows: Threats of new entrant Fresh entries in the food and retail sector or industry bring development, better approaches for getting things done and weight Woolworths Limited through a lower evaluating technique, bring down expenses and new offers for clients. Woolworths Limited ought to deal with every one of these difficulties and assemble compelling boundaries to secure its intensity.

Bargaining Power of Suppliers

All the most organizations in the business purchase and sells raw material from numerous providers. Suppliers in a dominant position can reduce Woolworths Limited's margins and gain 7in the market. The retail division is utilizing its dealing capacity to remove higher costs from organizations in the retail industry. The general impact of high bargaining power of suppliers is that it lessens the general benefit of Woolworths and other retail stores.

Bargaining Power of Buyers

Buyers are often a demanding lot. They want to buy the best offerings available by paying the minimum price as possible. This put pressure on Woolworths Limited profitability in the long run. The smaller and more

powerful the customer base is of Woolworths Limited the higher the bargaining power of the customers and higher their ability to seek increasing discounts and offers.

Threats of Substitute Products or Services

At the point when another item or service meets comparative client needs in various ways, the gainfulness of the business suffers. For instance, products, for example, fresh food and dry foods of Woolworths and Walmart are substitutes for each other. The risk of an elective product or service is high on the off chance that it introduces an incentive that is remarkably unique in relation to current industry contributions.

Rivalry among the Existing Competitors

In the event that the current players in the business are intensive, it will prompt lower costs and lessen the general productivity of the business. Woolworths Limited works in the retail exchange of nourishment and retail merchandise. This opposition influences the general long-term benefit of the venture.

Competitive environment: A business has to perform effectively to ensure its profit rates managing its competition in the emerging markets. The more sellers of the said product, the more will be the competition with other retail stores. The company is often required to meet the demand of the customers through innovations and looking at the requirement of the customers. If the company fails to do so, then its impression is lost. And thus the competitive

retail company gains the advantage. Apart from these ups and downs when a company sets up its brand name in the market with innovative ideas and customer satisfaction, then it can emerge well with high-profit rates.

Opportunities and threats: Woolworths is one of the largest retail industry in Australia. The company side by side to earn the profit rates and boost up the company's market value in the world faced several threats and opportunities. There was a huge growth of the sector in 2014 since 2009 the company began to emerge well in the markets. Food retailing has increased by 0.2% in 2015 itself. With the emergence of social media, it provides an excellent advantage to reach out to major population through social networks. As a result, it increases the profit rates and also reaches out people who are unaware of the brand name. Apart from these, it also has some disadvantages, which cause major problems. With the rise of new competitors, the customers who have been purchasing from Woolworths are seeking interests from other retail companies. This eventually hampers the profit rates of the company and also customer interests. The main competitors of Woolworths include Cole supermarket, Aldi, Asda and many more. Customers have nowadays started to purchase products from the other companies that surely affects the profit rates of the branded company.

Part 2: The firm's resources, tangible and intangible

There are several tangible and intangible resources of a business company. The tangible aspects of Woolworths describe the opportunities that are earned by the company to receive advantages, distribution of goods, labour

costs, services etc. that promotes a wide variety of business opportunities of a company and also promotes the business. The tangible sources are not applied to the customers. Instead, these are solely for the business purposes, which serves to produce goods and services. There may be several kinds of tangible assets, which are as current assets, which includes cash, the market position of the company etc. fixed assets, include the property, customer relationship, types of equipment of the business organizations which increases the financial circumstances for the company. Intangible assets are the non-physical assets, which include patents of Woolworths, trademarks, copyrights, brand name etc. intangible assets are very much essential for a company's long run especially to establish its market value. These are mainly the vital assets of a company, which solely aims in building a market value for the company, which in turn increases the profit rates and proper customer relationship also. They mainly form the skeletal framework of the company, which provides information about the company when expansion and other domains are considered.

Capabilities identification: There are several strategies, which are identified by some major business companies to ensure a constant and emerging market value and profit rates. Similarly, Woolworths Company believes in the advertisement of the products, and it's marketing rate would then eventually raise the demand of the product. In addition, the business organization does so by enhancing the relationship with customers and reviewing the products through social media. These are strategies, which focus on the core areas to increase the profit rates of the company. A strategy in these capabilities

helps to figure out the strength, disadvantages, and even competitive environment and eventually promotes fast growth of the business organization.

Core competency analysis: It is the most prominent idea to solve many problems underlying the Woolworths business company, which is required to shape the retail industry. The idea of a business organization is to set up a goal, which can be achieved easily as soon as it meets the demand of the customers. As Woolworths is more focused to achieve their goal, it mainly focuses on core competency and works on it to make them effective. Firstly, Woolworths should provide innovative ideas that would meet the purpose of the company, and it would rather strongly influence the consumer to purchase the product. Secondly, trying to implement the skills to make the product better than the competitors would make the launched product more demanding, thus it will increase the profit rates. Lastly, the product would eventually open up to a good number of markets, which will sustain the demand. Apart from this strong expertise and knowledge would 11eventually raise the core competence of the industrial sector of the company. This would result to avoid competitors and influence the profit rates of the business.

Propose a suitable information system solution that meets the need of the company: There are some business strategies, which should be maintained by Woolworths in order to maintain the high-profit rates and maintain the brand name in the worldwide market.

Firstly, it is important to gather information about the competitive rates in the present situation with other companies. In some cases, small problems can be solved by taking the appropriate time and setting meetings with the employees. Then it is highly recommended to go behind the cause of the problems, which would solve the issue with better solutions. Secondly, it is very important to fulfil the needs of the employees, and also to praise them for their innovations and hard work.

Thirdly, it is required to select a solution to implement it so that it can be accepted by all. And it is also necessary to distribute work among all so that it would develop the urge to work and also a sense of responsibility will also develop. These conditions, when implemented together, would also ensure the continuation of business strategies with higher profit and excellent performance. In addition, this will help with the betterment of the business company. This business analysis as a practice would facilitate changes and thus will promote the sustainability of a company.

Evaluate the proposed system and provide recommendations: There are some following recommendations, which can work for running the business of Woolworths successfully. The main workload of the business is upon the workers. Therefore, with the increase in workload, the problematic situations also rise. So it is recommended to clearly have a conversation with the clients to solve the problems that can be barriers in the future.

Then a well brand business strategy boosts up the company to rise above all and sustain its growth with higher profit. Thirdly, it is also recommended

to provide all kinds of services and offers to the clients of the company. And lastly to analyse a problem and find its solution in a more simplified manner. These would eventually improve Woolworth's experience and therefore would promote the business to higher levels.

CONCLUSION

Throughout the world, all business-like Woolworths has some configuration that defines the liability, leadership, ownership, sustainability of the business company in the markets. Apart from these disadvantages, it is essential to set up a goal and vision regarding the expansion of a business. This requires skills management, control systems, infrastructure etc. these takes an important step towards a successful and efficient business company which expects to be more developing in the upcoming years.