

# Public limited company essay

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



Sainsburys is a plc, a public limited company and has limited liability, which is the idea that the owners (shareholders) are financially only responsible for the amount that they have invested in the company rather than their personal wealth. So if a firm becomes insolvent, the maximum the creditors can receive is the shareholders original investment. In order to both protect and inform creditors the word Ltd or Plc appears after the company name.

By limiting the shareholders liability it encourages people to invest in the company, as it is possible for them to invest with little risk. Public limited companies are the only type of company to be quoted on the stock exchange. Plc's are part of the Private Sector, which is the part of the economy owned by either private individuals or the shareholders. The Public Sector is the organisations that are either owned or funded by the local or national government.

However there is some concern with plc's that even though the shareholders own the company the management team run them and this can lead problems with conflicting loyalties where managers may pursue objectives that can improve their job satisfaction or benefit their careers instead of looking after the shareholders best interests. Divorce of ownership and control is a common phrase used to convey the concern for this. Opening new types of store to meet the changing needs of more groups of people as well as existing customers, and indeed piloting 24-hour shopping in some areas.

Sainsbury's serve on average over 9.5 million customers a week and currently has 432 stores in the U. K., mostly situated in town centres or on

the edge of town. A large percentage of these stores were built on previously derelict sites. Sainsbury's has in the last year opened many new stores and has extended 27 older stores. In the next year Sainsbury's plan to open another 13 stores and to extend another 22 stores.

Being a firm believer in playing an active part of community Sainsbury's donated 5 million to charity groups, community projects and sponsorship. Annually Sainsbury's run a reward scheme for schools and so far has donated approximately 4 million in equipment to schools. Sainsbury's launched a new Low price guarantee in October 1999 on 1, 600 of its most regularly purchased items including its own brand label as well as some top brands.

Is Sainsburys being successful in meeting its objectives? To try and measure whether or not Sainsburys has been successful in meeting its objectives I have gathered information from the company. All these channels and types of communication can be used to express both confidential and open communication. Sainsbury's also conduct monthly meetings with senior managers within the technical division, where social responsible sourcing is a formal agenda item. Sainsbury's have a magazine that is distributed to all members of staff that is issued quarterly and also a quarterly review of the progress of Sainsbury's that includes the Chief Executive and Commercial Director

Internal Communication In a store of Sainsbury's the most often used forms of non-verbal communication are reports, memorandums, minutes and newsletters. The advantage of using mainly written communication is that

there is always a record of the message and normally a back up copy. Verbal communication is normally used to let people know of instructions and developments, such as telephones and face-to-face communication.

**External Communication** The postal service used to be used heavily by Sainsbury's but this is somewhat unreliable compared to what technology now has to offer. Now E-mail and the Internet are used a lot as well as the postal service occasionally. Telephones and mobile telephones are also used a lot but these have their restrictions as no copy is made of the conversation and it relies on the recipient to understand all the information and to remember.

**Role of ICT** Information technology is a key factor in the success of any business. In Sainsbury's ICT is a tool to make ready existing services or transactions as fast as possible. The telephone system - Before ICT was introduced to Sainsbury's the Sainsbury's telephone system was very small a compact with a very little range (not many links with other places and other companies). Now due to the introduction of ICT phone lines have gone digital enabling higher speeds of data transfer and opening paths for other methods of carrying information. This led to the introduction of permanent hard lines with other companies (such as trade dealers) thus opening the field to other technology's such as video conferencing, conference calling with many lines, e-mail, internet networks, web-sites (cheap advertising), etc

This expansion in the main communication systems widened the field for Sainsbury's so parts of the countries that were not easily reachable were now in range. New telephone exchanges can handle up to 20, 000 calls a minute enabling Sainsbury's to deal with most of its customer's queries and

complaints. Previously just telephone operators have been trained to deal with e-mail and fax providing even further transfer media in which Sainsbury's can be reached.

Links with product suppliers - Possibly the biggest impact ICT has had was in the field of effective trade communications. Extract from a Microsoft. com promotional bulletin.

Sainsbury's Supermarkets, a leading United Kingdom grocery chain, recently launched a new supply-chain initiative to provide tighter collaboration with suppliers, higher profits, and better customer service. The new Internet-based information-sharing and collaboration system, created with the help of Microsoft Certified Solution Provider EQOS Systems, Ltd., will eventually allow all 4, 000 of Sainsbury's suppliers to work with buyers in planning, executing, and managing successful product promotions.

The solution, the first retail system of its kind in the U. K. to be based on the Microsoft Value Chain Initiative, was created in a matter of weeks using Microsoft electronic commerce technologies, such as Microsoft Site Server 3. 0 Commerce Edition, Microsoft Windows NT(r) Server 4. 0, and Microsoft SQL Server(tm) 6. 5. The solution also has future potential for management and tracking of new product introductions, product returns, and product lifecycles.

As you can see the introduction of this new software system allows Sainsbury's to do effective trade with suppliers by enabling very fast methods of communication. The new network will allow Sainsbury's to order

and trade with suppliers nearly 5 times the speed of the normal method of phone or mail order. Faster communication will allow for faster reaction speed to changes in the market and a better service to its costumers. Improved management - As you may expect ICT has improved management. Mundane tasks done by hand have been replaced by computer processes. All files are stored mainly on networked computer systems available for querying at the click of a button. Networks connect Sainsbury's stores world-wide meaning files and data can transferred from any where to any where in seconds.

Here is a typical example of ICT in management: Chief executive manager can sit in his/her office in front of his computer and receive reports, files and other documents from for example the secretary. Then he may then wish to send the documents to his non-executive managing directors in other parts of the world (or locally) using e-mail software. They then could read the report and a video conference (video visual meeting) could be set-up.

Improved methods - Due to the use of ICT many tasks have been replaced by computer processes. For example in the old system a worker would have to be employed to address, write and send mail to all customers concerned (which may be thousands if it is advertising) in the new system thousands of letters can be written, uniquely named and addressed and sent to a remote queuing system where all letters will be printed and dispatched.