

# Investigating the companies of tesco and oxfam business essay



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Tesco is Britain's largest retailer, and it is the third largest grocery retailer in the world. Tesco is a profit making business which started out by selling groceries, but now they sell a whole variety of products from tea bags all the way up to televisions. The purpose of Tesco is to please every customer and keep them loyal for a life time, as this saying says on their website. ' Our Core Purpose is to create value for customers to earn their lifetime loyalty'.

The aims and objectives of Tesco's are;

To capitalize on sales

Develop and maintain the number one retail business in the UK.

To outperform rivals and remain the market leader.

Highest aim of Tesco is to maximize revenue.

To supply goods/services that is low-priced and affordable to consumers or the public

Tesco would want to expand their business by making new 'green buildings' for their stores to keep their carbon footprint down. By doing this it would appeal to wider customer bases who believe in environmentally friendly buildings are to be built to sustain global warming.

On the other hand Oxfam is a charity organization, which was formed in 1995 by a group of independent non-governmental organizations. Their objectives are to work together for a superior effect on the global stage to reduce poverty and injustice. Oxfam is a world front-runner in the delivery of emergency aid; Oxfam also implants long term development programs in weak societies. Also Oxfam help people to campaign with people and organizations for things such as;

Ending unfair trade

Demand better health and education services for all.

The aims and objectives of Oxfam would be;

Support third world nations in any way they can.

Get rid of poverty, distress and suffering.

Educate people about natural disasters and the effect this has on poverty.

To campaign for a fair-minded world.

Encourage western nations to aid poorer third world countries.

Oxfam's main concern would be the donation of food to relieve famine, over the years Oxfam has developed plans to fight the causes of famine. In addition to food and medication Oxfam also offers tools to allow people to become self-sufficient.

## **Ownership**

Tesco is a Private Limited Company or Plc., it is owned by several people or thousands of people. The reason Tesco is a Plc. is because of the sheer size of the business, it is huge. Due to its size it would be tough to raise sufficient funds for Tesco if it was owned by a sole trader or by partners whereas in a Plc., the company is owned by shareholders who fund the company. This happens by the people buying shares in the company and becoming shareholders. Sometimes this may seem more appealing to people who are investing because they have the bonus of limited liability. Limited liability is where if the business goes bankrupt then you only lose the money that you invested. Unlimited liability relates to sole traders and partnerships if one of these were to go bankrupt then they could lose all their personal assets over it and the money they put into it.

Stakeholders influence the purpose of Tesco because if it weren't for the investors then the business wouldn't be able to run. The investors invest their own money to better the business and receive a profit. This is how the following could influence the organization;

Customers - Customers would want to be treated equally and with loyalty or they would go elsewhere, Tesco could lose customers.

Employees - Employees want better pay or they'll treat the customers in a poor manner so this would mean the customers would go elsewhere.

Shareholders - Shareholders invest their own money into the business and want great returns or the share values would decrease in value.

Pressure groups - Pressure groups could stop the business from opening stores in small communities, which would affect many small businesses.

Trade unions - Trade unions want staff to be treated fairly, equally and with respect. Also to be paid reasonable wages irrespective of age, race or gender.

Suppliers - Suppliers want fairness in business trading or would give the company a bad reputation.

Government - Government want their taxes paid, also to reduce unemployment in the local areas.

Local community - the community could protest against Tesco or boycott the business, if they damage the local environment or wildlife.

Oxfam is a charity so they won't be 'owned' by anybody, but there will be paid staff and a CEO. The CEO would deal with all the staff and media, but all the choices would be made by a panel of directors. The panel of directors would be chosen by the individuals who pay (donors/associates). The directors have the duty to follow their members or associates desires and do what they aim or set out to do. I. e. help third world countries or provide health and education to the poor.

For Oxfam the ' stakeholder' which would be the panel of directors would influence the organization because, if they were not to listen to their member's/donors thoughts then they could make the wrong decisions for the organization and this could possibly put the organization out of business. I. e. if the directors were to ignore their members then no one would support Oxfam and could damage the business. This is how the following could influence the organization;

Customers - Customers want to be treated fair and equal or they could go to another rival charity.

Employees - Employees could be working voluntary or on a wage but either way they would want to be treated respectfully, regardless of age, race or gender.

Shareholders - Shareholders within Oxfam would be the directors. They would want what's best for the business because it is a charity and it isn't a profit making business.

Pressure groups - Pressure groups could stop Oxfam from using plastic bags for their organization as it is not very economical.

Trade unions - Trade unions want staff to be treated fairly, equally and with respect. Also to be paid reasonable wages irrespective of age, race or gender.

Suppliers - Suppliers could provide free clothing to the charity but they could be in bad condition and this could affect how the charity would sell them.

Government – Government want their taxes paid.

Local community – the community could protest against Oxfam for not asking from clothes around the community instead of importing them from abroad.

## **Tesco's Organization chart**

As you can see Tesco's organization chart is a hierarchical structure and a complex structure because Tesco have many levels of hierarchy and many leaders of certain departments. This means or shows that the power of owning the business is spread out. I. E. the people at the top of the chart (Chairman) and people at the bottom of the chart (employees) can make decisions about what happens within the business. Also each store in the Tesco series of supermarkets has a store manager who makes decisions regarding the store he/she is managing. Then all the managers in the region or area report the information to their regional manager.

Tesco has a distributed organizational structure and the advantages of these are;

Senior managers can concentrate on the most crucial decisions.

Decision making powers held by the employees, may motivate them and increase their work ethic.

Responses to challenges and alterations are much quicker in a distributed organizational structure.

The span control – Tesco's has many leaders and people as heads of certain departments. This makes it easier for them to manage and control their employees and staff. Tesco's have divided the responsibilities for leaders to look after certain amount of people.

## **Oxfam Organization chart**

Oxfam's organizational structure is based on just making enough money to cover costs. As you can see In the chart above everyone is working together to achieve a goal. Oxfam doesn't have many head of departments as Tesco, because they have teams based at different places around world and all work together.

Directors – The panel of directors would make the choices for the charity and take on board the views of the members/associates.

Finance – the finance department would look at the records of Oxfam, and provide the directors with information that they can use for future decision making. i. e., the cost of donating charity to the remote places in the world. But the directors would need to be continually conscious of their financial state, or could harm the business in future without knowing so.

Staff and volunteers – staff and volunteers could keep the charities income raising by selling the products within the store, and working as hard as possible for the business.

Fundraising and supporter making decision – Fundraising is key for Oxfam to survive because; it relies on people providing money so they could help



needy people around the globe. Oxfam also take into account their donators and supporters views to better their services.

International aid – this is where Oxfam supports and helps people all over the world. They do this only by the money they are provided with from certain people and organizations.

Span control – Oxfam has many teams around the world that manage certain amount of employees/volunteers. So the employees are supervised and get their work done effectively.

## **Style of Organizations**

The style of Tesco's organization is very organized and very direct. Their aim is to please the consumer/customer as best they can. But their main purpose would be;

To make money and capitalize, if it doesn't do that, it can't exist. Tesco is a major retailer in grocery and all-purpose retailing.

To provide excellent quality goods and services to their customers

Tesco mission – Creating value for customers, to earn their lifetime loyalty.

Tesco values – Tesco's fundamental purpose is to create value for consumers to earn their lifetime loyalty. The supermarkets success relies on their customers, i. e. if the customers like what Tesco are offering and doing then they are more likely to come back and shop with them again.

To understand customers

Be first to meet their requirements

Act responsibly for the surrounding communities

To work as a team

Tesco - objectives and Strategic aims - to capitalize on sales

Grow and maintain number 1 retailer in the UK

To outshine and outperform competitors

They would want to be able to keep their carbon foot prints down by making energy efficient buildings.

Also to achieve specific targets that the business wants to achieve, like if they wanted to make a certain amount of profit a year they would have to change or adopt a business plan to achieve their goal.

SMART - Specific - make a certain amount of profit a year

Measurable - Within a year

Achievable - Very possible to reach the target

Realistic - positively realistic

Time specific - it would be achieved within a period of a year

Strategic plans allow a business to achieve its Purposes/objectives; they are based on what's going on during the current marketplace. So Tesco must do

its research to find out lots of information about its customers, sales, competitors, market shares etc.

Tesco strategic process – making their shopping spree as relaxed as possible

continually seeking to reduce their prices to help you spend less

offering the convenience of either large or small stores

bringing simplicity and value to complicated markets

Oxfam's organization is more based on working together internationally to achieve greater impact by our collective efforts. Also to work mostly through local responsible organizations, pursuing to strengthen their authorization.

Oxfam mission and values are to;

Further Oxfam's' common goals

Promote, assist and co-ordinate collaboration among the Oxfam's where this will result in a greater impact of the sum total of their joint efforts

Protect the Oxfam name and enhance its standing.

<http://www.oxfam.org/en/about/what/mission>

Strategic aims and objectives – aim to help the poor in the developing countries and to try and make a change in a person's life.

To address structural causes of poverty and related injustice

Help people directly where capacity is inadequate or unsuitable for Oxfam purposes

To have peace and substantial arm reduced for development

SMART objective - Specific - To reduce poverty and hunger for the poor

Measurable - within 10 years

Achievable - with hard and dedication yes

Realistic - with hard and dedication yes

Time specific - within 10 years of starting development in poorer countries

## **M1**

The points of views from different stakeholders would vary because they would have different opinions on certain topics. For example the customers who hold a stake in Tesco's could want cheaper prices for customers, but on the other hand store managers could go against lowering prices as this could lead to not making enough profit. Or they could have to sell more products to break even.

Customers - customers points of views or opinion if they were to effect Tesco strategic aims and objectives would be about the service they receive. As a customer you would want to receive the highest level of customer service from such a big store like Tesco. I would think that most of Tesco strategic aims are based around or on their customer's feedback, like if they wanted to expand into other areas of business, like selling hardware and home

furniture they would have to see if customers were interested and would they actually buy from them. We are used to seeing Tesco in all places as they are looking to expand and dominate their competitors. This would be good for customers because Tesco would expand and open large stores giving jobs and services to customers and local people.

Oxfam - customers - The customers of Oxfam would expect Oxfam to claim more aid etc, to meet their specific aims and strategic aims. They would also expect Oxfam to open many stores across the nation to help provide jobs and aid for suffering people, also to provide customers/local people with jobs and by opening more stores this could help raise the amount that Oxfam donate to suffering people. Customers that influence the charity would like to see more posts for voluntary work which could help them reach their objectives and aims in the specific time.

Tesco suppliers - the suppliers of Tesco would benefit from their strategic aims and objectives because Tesco are always looking to expand. This would mean more demand for products from their suppliers, also meaning that more stores are open and more jobs made for people. This indicates more revenue made, and more cash spent on suppliers for products. The supplies would be needed throughout the world and would need to be reliable because Tesco would rely on their supplies heavily. Tesco would rely on their suppliers to deliver goods and products to all their stores nationally and internationally, so suppliers would be needed around the world, in order to cope with the demand of products that Tesco require. The strategic aims and objectives would give the suppliers of Tesco a good contact