

Economic growth example narrative essay

[Economics](#)



Resources used by Tesco are several in its multi stage operation. Tesco has huge operations of scale in Production, Procurement, Storage, Marketing, Finance and Supply chain management to name a very few core functions. Resource management is at the heart of the profitability function of any economic unit. These resources can be primarily grouped into Products, Services, Personnel, Capacity and Strategy. Tesco allocates one resource to the other function to provide for the maximum efficiency and Quality control. For example, it provides the Procurement operation with its capacity resource to maximize availability of seasonal food products.

Similarly it allocates a huge chunk of human resource (personnel) and strategic resources to Marketing function to come up with its unique concepts of online-mall (which has been rightly replicated by other chains promptly) to increase its reach in the virtual market segment. The baselining of the supply chain management with Resource management and having effective and quality-controlled processes to allocate and later evaluate their returns on various key performance indicators results in maximizing the economy of scale in line with their philosophy of “every little helps”

Or instance the marketing team is allocated to the malls newly opened in various countries as part of Tesco’s global reach. They are then evaluated on KPIs like footfalls, net revenue, market realization and acquisition. This prudent resource management helps Tesco afford profitability to all its stakeholders. Efficient usage of resources helps Tesco keep its promise of something for every customer irrespective of his budget. The now legendary support of Tesco to its vendors by allocating its resources of transport and

storage has helped them grow and Tesco is now reaping the dividends of dependable and loyal vendor management system.

Show how by use of social welfare and greater use of 'Corporate Social Responsibility' Tesco's reputation could be enhanced in the eyes of the wider community

Source: <http://www.wbcso.org/DocRoot/RGk80049q8ErwmWXIwtF/CSRmeeting.pdf>, accessed on 4/2/2007 "Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large." (WBCSD Stakeholder Dialogue on CSR, The Netherlands, Sept 6-8, 1998)

Tesco understood already the benefits of using a coherent CSR strategy based on sound ethics and core values as well as the benefits to monitor shifts in social expectations and to help control risks. For example, over the past years Tesco have reduced the amounts of salt in over 500 of its products and is engaged to cut the amount of salt of 2000 more products to help meet the Department of Health and Food Standards Agency targets of 6g per day intake by 2010. Such a strategy has ultimately helped Tesco to grow while improving its reputation and gaining public support.

Evaluate the impact of macro economic policy and the global economy on this UK based organisation

Sources: http://en.wikipedia.org/wiki/Macroeconomic_policy_instruments and http://en.wikipedia.org/wiki/Global_economy accessed on 4/2/1007

There are two major macroeconomic policies: - The monetary policy, which can be either expansive for the economy or restrictive for the economy. Historically, the

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major objective of monetary policy had been to manage or curb domestic inflation. More recently, central bankers have often focused on a second objective: managing economic growth as both inflation and economic growth are highly interrelated.

The monetary policy has an important impact on Tesco because it influence the whole economic activity through interest rates, exchange rates, control of moneysupply and control over bank lending and credit. For example, the monetary policy controls Tesco's ability to borrow money from banks and the interests charged; so, if Tesco wish to enlarge one of its store and need some funds from its bank, the conditions might be more or less restrictive depending of the current needs of the government. - The fiscal policy, which consists in managing the national budget and its financing so as to influence economic activity.

Raising taxes and reducing the Budget Deficit is deemed to be a restrictive fiscal policy as it would reduce aggregate demand and slow down GDP growth. Lowering taxes and increasing the Budget Deficit is considered an expansive fiscal policy that would increase aggregate demand and stimulate the economy. Tesco pays a certain amount of taxes depending on its revenue and current needs of the government. - The global economy gave business the ability to market products and services all over the globe. It has also allowed them to develop partnerships and alliances throughout the world, which has become essential for success in today's business.

" (Haag Stephen, 2000). The breaking down of global barriers allows companies to benefit from the largest and cheapest workforces, raw materials and technology. One disadvantage of a global economy is the <https://assignbuster.com/economic-growth-example-narrative-essay/>

increased need for transportation due to less local production. Increased transportation leads to increased emissions greenhouse gases. Tesco took advantage of the globalisation. It has stores in several countries, employs workforce from all over the world, buys from local suppliers and uses the latest technology to facilitate the shopping experience of its customers (ex: laser check out).