

# [Target corporation in the news](https://assignbuster.com/target-corporation-in-the-news/)

[Business](https://assignbuster.com/essay-subjects/business/)

The paper " Target Corporation in the News" is a good example of a case study on business. According to an article written by Minneapolis, Target Corporation declared its strategy to accelerate the multiyear plan which was established in 2018. Minneapolis states that Target has extended its transportation provisions alternatives for guests as well as investing in the team associates salaries. The organization now provides free delivery on hundreds of thousands of products through Target. com site. The firm has also initiated a Drive-Up provision which enables guests to have their online ordered products to be delivered to their vehicles by a store group associates. By the end of 2018, the retailer targets expanding from 50 to approximately 1000 stores countrywide (Minneapolis, 2018). Target Corporation has for an extended period been determined in capitalizing in its team by using the adoption of competitive payments as well as a broad variety of support resources, training, and tools to its employees so as to nurture them professionally and offer and a comprehensive encounter for customers. In 2018, the company will increase the minimum hourly wage up to 12 USD starting with current team associates in the spring season. During the fall season of 2017, the firm raised the minimum hourly wage to 11 USD and has been determined to increase it further up to 15 USD by the close of the business year in 2020 (Minneapolis, 2018). A beginning hourly wage of 12 USD is higher than the state-level hourly payment in all the states in the US.
The yearly strategy declared also entails reconstructing the firm’s brand portfolio. The firm was determined to reimage its possessed brand portfolio in 2017 as well as offering more than one-of-a-kind products through initiating more than a dozen new exclusive commodities by the close of business in 2018 (Minneapolis, 2018).
- Target Corporation is the firm which was selected for analysis.
- The news material summarized is relevant to the coursework in various ways.
- The news material is relevant to the portfolio management course which is located on page 193.
- According to the course material, portfolio management is an approach to examining the competitive position of the business portfolio within a company.
- The primary aim of portfolio management is to enable an organization to attain a balanced portfolio for trades. This comprises of businesses whose viability development and cash flow features complement one another and accumulates up to a satisfactory general efficiency of the firm (Page 194).
- According to the news material, Target Corporation has initiated a multiyear strategy which is meant at improving its business through portfolio management and offering a better minimum hourly wage of 12 USD.
- Increasing the minimum hourly wage is a form of portfolio management since there are benefits and risks which are related to it.
- The declared benefits of raising the minimum hourly wage up to 12 USD are increased efficiency of the store team members and raised guests satisfaction. On the other hand, the related risks are increased wage expense.
- The risks are as a result of finance cost reducing profitability and huge money outflow on reimbursement of wages in Target firm. This is because the organization has increased the minimum hourly wage for the team associates to 12 USD and aims at raising it further to 15 USD by the end of 2020.
- There exist two types of risks in portfolio management which are systematic and unsystematic risks.
- Systematic risks can be described as risks which occur due to fluctuations in the firm's earnings caused by macroeconomic factors which are generally in the industry. On the other hand, the unsystematic risks can be described as the macroeconomic factors which are peculiar to a given firm and which cause variations in the firm's earnings (Johnson, 2014). The risks which Target is likely to encounter are the unsystematic risks.
- On page 195 of the coursebook, even though there are possible paybacks of portfolio management models, there exist some distinguished limitations. In portfolio management, it is mandatory to define both the benefits and risks of new businesses. Thus, the news material is linked to this part of the book since the company has been able to describe both the paybacks and risks of the multiyear strategy.
- The expected return and risks of the portfolio should be estimated at the beginning of the performance period. This has been done appropriately by target corporation according to the new material.
- In portfolio management, the financial risks are threats which were present during the investment period and which involved variations in the firm's earnings and cash flows caused by the amount of debt in the stocks capital structure. This has also been declared by Target firm.
- The news material analyzed is further relevant to chapter 9 readings about motivation through incentives and rewards.
- On page 286, the book states that incentive and reward programs represent a strong mean of impacting the firm's culture, centering determinations on high-priority assignments and inspiring individual as well as group work performance.
- By specifying who is been rewarded and the viable reasons for doing so, Target Corporation is acting as an efficient employer.
- Target Corporation has declared its endless efforts to increase the minimum hourly wage for the store team members up to 15 USD by the end of business in 2022. Currently, the minimum hourly wage for these staffs has been increased to 12 USD. The motive of increasing this wage is to motivate the store team members so as to enhance their performance. In turn, with the increased productivity of the store team associates, the satisfaction of guests is improved.