

The performance of the greggs bakery chain



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In this assignment I will be aiming to access, in a critical manner, the classic and contemporary models, concepts and tools in business strategy and planning. I will also be evaluating the methods used by organisations to identify their goals and values. I will be doing the above two in reference to the British bakery chain Greggs plc.

1) Manning (1988: 27) made a set of assumptions about the contemporary concept and ideas of strategy, and in relation to Greggs plc they are:

The strategy Greggs develops must be designed in order to allow the organisation to deal with an uncertain future.

The strategy developed designs a restructuring process instead of a plan per se.

The rules of competition with other bakery must be inherent in the strategy.

Inspiration and imagination of Greggs allow better performance for them.

Synthesis is the most important skill for Greggs.

All discussions in the Greggs board room are followed by measurements, which in turn is managed.

‘Transformational’ is an executive management tactic. This involves combining Greggs’ organisational strategy and target with their initiatives for the employees, process and technology. This tactic helps in supporting the business strategy and achieving the long-term goals. This tactic is achieved by combining different areas of people, process and technology, and trying to achieve specific targets together; this involves changing appearance,

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shape and form, and also through new technology, business models and management practices.

Incremental is a gradual increase by a certain (or fixed) amount. E. g. Greggs experienced the opposite of incremental (a decrement) as it had a gradual decrease in its profit margins from 2009 to 2010, and then continuing to 2011. However, they also had an increment as sales increased on a fixed percentage of 2.1% year on year.

2) Greggs uses various methods, as shown above, to achieve their targets. As a modern day organisations, it is fair to evaluate the success of those methods for Greggs.

The strategy Greggs developed a few years back has surely failed to ensure it was designed for an uncertain future. This is evidenced by their fall in profits from £52 million to £48 million; they were not able to prepare for a future they were not sure of and thus had to face consequences. On the other hand, if Greggs' initial strategy was to increase sales then they have indeed succeeded as they have experienced increases in sales of 2.1%. But, even so Greggs can still be taken to be a failure as it failed to increase profit. Therefore we can conclude the success of their strategies depends on exactly what they were, but either way Greggs have faltered.

Transformational is visibly used by Greggs. This is evidenced by their use of newsletters to increase communication between employees; this will allow staff, starting from those in the lowest level to those in the most influential position, to be aware of the organisation's target, as well as staying updated on any happenings around any other departments. This in turn will aid in <https://assignbuster.com/the-performance-of-the-greggs-bakery-chain-essay-samples/>

motivating and inspiring staff to work harder together towards the common target.

3) The main differences between prescriptive and emergent theories in relation to Greggs plc are:

Prescriptive approach, as used by Greggs, will be systematic and based upon pre analysis of future happenings in the bakery industry. But, emergent, in contradiction to that is, unplanned and develops over time as Greggs continually keeps adjusting to the changing business environment in the bakery market.

In prescriptive, the executives of Greggs set the objectives, and design the organisation strategy. But, in the emergent approach, managers at any level (e. g. managers of local branches) are capable of having an input in setting the objective or strategy.

The prescriptive approach supports analysis of the situation in the bakery market as a strong base for competitive advantage. But, the emergent approach supports Greggs' expert knowledge as the basis for competitive advantage.

The logical and analytical approach of the prescriptive allows Greggs to predict and revise their strategies in order to take advantage of any new opportunities that may come up. One example of this approach (in relation to another company) is when EasyJet correctly predicted and lowered their cost in order to gain an advantage in the cost-conscious European market.

Whereas, the emergent approach allows a more creative and responsive

strategy which can be well suited for a hyper-competitive and unpredictable business environment (as that in the food market). Examples of organisations (other than Greggs) that don't tie themselves to pre-designed objectives and strategies include big names such as Microsoft and Apple.

In today's organisations, like Greggs, the emergent approach would have a bigger relevance. The reason being the prescriptive model doesn't allow the contemporary style of allowing employees at the lower levels to make contributions to the decision made. As a result of such an approach employees become less motivated.

4) There are three types of goals. They act together to form the overall organisation goal. The three goals in relation to Greggs plc are: Strategic Goal (the targeted position Greggs intends to be in the future), Tactical Goal (the targets set for the most important departments within Greggs), and Organisational Goal (specific results expected from a certain department, groups or individuals). Goals help in designing the actions to be taken, and works best when clear choices exist regarding the future. But, in may not work properly if Greggs restructures at a fast rate.

Every organisation has its own values, including Greggs. This values shape the Greggs' culture and working environment. It helps in setting goals in line with the culture, and in increasing performance in key areas such as quality and customer service.

Peter Drucker's Eight Content Areas in Developing Goals are:

Marketing

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Innovation

Productivity

Physical and financial resources

Profitability

Managerial performance and development

Worker performance and attitude

Public responsibility

One of the most important problems with goal and value setting is the failure of Greggs to think strategically. A common problem that occurs is that planners (i. e. the executives at Greggs) confuse organisational efficiency with organisational effectiveness. In doing so, they only look at internal matters and how to make things slightly better than they currently are. Ultimately, they end up without having solved potential threats, and without using their strengths to gain advantage. Steps to a progressive strategic thinking (in other words settings goals and values) are:

Select the strategies that Greggs wants to implement.

Strategies must focus with the restructuring of Greggs, as this aids in directing and sustaining changes.

Strategies must be designed in order to allow adaptation to unexpected results.

Use brainstorming techniques to allow fellow planners to contribute.

While developing the strategy the planners (the executives at Greggs plc) must think whether it will allow a change in the organisation, as well as it was whether it was actually a strategic activity.

Reconsider strategies that have failed in the past.

Make sure to avoid conflicting strategies.

Also, Greggs must take the following into considerations to ensure their strategies, targets and values are truly effective and don't contradict each other:

The most important issues always present the most complicating problems. Therefore it is advisable to concentrate more on such matters.

Continually question every idea to ensure clarity.

Each of the strategies must be associated with currently running programs.

5) Stakeholders in Greggs plc have different interest, some of which are conflicting and some of which are in agreement. Examples of agreement include high profits (which leads to high dividends and job security), interest in growth and prosperity, etc. Examples of conflict include wage rises (which results in a decrease in dividends), growth of the organisation at the expense of short term profit and local community, etc.

It cannot be taken that stakeholders have equality in terms of power and influence. Stakeholders can exert influence by disrupting and causing

uncertainty in Greggs' plans. However, Governments, community groups and managers can also exert influence; government can indirectly through the use of taxation, community groups through protests and violence, and managers as they make decisions and therefore hold extensive power.

In conclusion, even though stakeholders on paper have greater influence and power, other individuals or groups can exert influence through indirect means and methods. However, if conflict or disagreement exists between stakeholders, then proportionality in the ownership of the company comes into effect, as those with the largest share are the most influence.

7) Strategic intent is the reason behind the existence of any organisation like Greggs. It forms a clear path to achieve the vision of the company. It helps to prioritise and concentrate on the important issues. The means of strategic intent are the following:

A properly designed strategic intent allows development of strategies and setting of targets.

Inspiring people by making targets a valuable asset.

Encouraging participation and contribution.

Careful direction of resources.

Emphasises on building new resources.

Strategic intent has certainly been used by Greggs in restricting their organisation. They have ensured participation, efficiency of resources and

have developed a well thought strategy. This is clearly visible as their number of sales as increased in the past years.

In conclusion, strategic intent is indeed a successful theory as seen by the success of Greggs due to their implementation of it.

Mission statement states the importance behind the existence of Greggs. It explains the basic expectations, and the primary values of the company. The statement should be brief, to-the-point and easy to understand. Also, it should showcase the uniqueness of the organisation.

Vision statement is how the organisation wishes to be in the future, in other words its future position.

8) Mission intent is a description of the role the organisation plays in serving their stakeholders. It provides a framework upon which strategies are formulated. The means of mission intent are the following:

Produce a mission statement that is feasible and clear.

A statement which is inspiring and credible.

A statement which is unique and analytical.

Greggs' mission statement is " Making a difference to the lives of people in need in the heart of Greggs' local communities." It is a well-structured mission statement because it is feasible and very clear (to help the local communities), it is inspiring (helping others is always a motivating cause) and analytical (because it looks carefully at the specific needs of the

community). And it certainly seemed to have succeeded as Greggs successfully raised money in aid of the local community, as well as ensuring to provide environmental friendly packaging for its products.

In conclusion, the mission intent is an effective tool in creating a friendly and comfortable atmosphere and environment. It increases organisation profile and allows successful growth.

Vision statement is a statement identifying what the organisation intends to be in providing its services and products. A well planned statement should be clear, realistic and should harmonize with the organisation's culture and values. Greggs' vision is " Our vision is to be Europe's finest bakery-related retailer. Our purpose is the growth and development of a thriving business, operating with integrity, for the benefit and enjoyment of our people, customers, shareholders and the wider community." It is a perfect vision statement as it is clear (grow into Europe's finest bakery), realistic (it can almost be achieve as it continues to grow across Europe) and harmonize with the organisation's culture and values (of support for the community). The fact Greggs' clear vision has allowed it to become one of Europe's biggest and fastest growing bakery shop, proves that vision intent is indeed an effective method.

Objectives are targets that the organisation aims for in a certain time. The theory of objectives suggests they are:

They are the basics of any plan.

Policies are designed in order to achieve objectives.

Setting objective is the responsibility the executives.

It is common to have a set of objectives, rather than one single.

Objectives are set in the short term, as well as long term.

Objectives must be set in order to ensure they can be adjusted in the future if needed.

The objectives must be feasible, realistic and operational.

Greggs' objective of being a 'customer-focused business' has certainly been a success, as seen from their increased sales and their growth. This proves that setting objective is indeed effective as it allows an organisation to meet their target in an organised manner.

Conclusion:

In conclusion, businesses now-a-days use all forms of models, concepts and tools, regardless of whether their classic or contemporary, to develop their strategy and plans, and do so in a successful manner so that the strategies and plans are both compatible for both the present and future situations that the Greggs might find themselves in. Also, the methods used by organisations like Greggs to identify their goals and values, are certainly effective and aids in developing and furthering growth for the company.

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