

Strategy planning and implementation



Task 1a) The organisation of my choice in discussing the Strategy Planning and Implementation assignment would be Pantaloon Retail India Limited. The reason behind choosing this organisation as matter of discussion can be mentioned as follows:

i) I am an ex-employee of Pantaloon Retail India Limited being on the rolls of the company for nearly 4 years overseeing company's Marketing & Business Operations in the state of Gujarat, India encompassing 5 Pantaloon Retail Lifestyle stores in the cities of Ahmedabad, Baroda, Surat & Rajkot in Gujarat.

ii) Organised retailing is emerging in Indian sub-continent with Pantaloon Retail India Limited being the forerunner.

iii) Started from a humble beginning in late 20th century with single outlet operation today it is Rs. 10 billion turnover, with a presence over 30 cities with combination of 500 mega stores, super stores and lifestyle stores with over 20,000 employees.

Task 1b) Stakeholders are the persons or a community (group of people) who are directly or indirectly associated with an organisation for attaining its objectives and are directly or indirectly affected by the actions, decisions and policies made by the organisation. Stakeholders of the company are its Directors, Employees, Creditors, Customers, Vendors, Government Agencies, Owners and Shareholders. Hence, in other words all the human entities directly or indirectly associated with the organisation are the stakeholders of the organisation.

In particular, the major stakeholders of my chosen organisation are the Employees, Customers and Vendors.

Retail is a man intensive industry and hence the role and importance of team work is the essence of providing international standard experience of shopping to its customers.

Customers are king of the retail business. Customers are listened, obliged, serviced and are given the primary importance in Pantaloon Retail India Limited. It is believed here that if Customers are happy then the company will survive. The company follows the M. K. Gandhi's famous quote, " A customer is the most important visitor on our premises, he is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider in our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us an opportunity to do so."

Vendors are the blood line of the organisation. Vendors provide the organisation with the right product in desired quantity. They also support the organisation in terms of payback period giving an edge to maintain healthy cash flows for development.

Hence, we observe that these stakeholders are of considerable importance to the organisation growth and to combat fierce competition and to meet customer satisfaction. The specific considerations that the company has for these stakeholders are as follows:

Employees: The employees should be suitably compensated in terms of monetary and other intangible benefits so that the high level of enthusiasm towards work and customer focus is maintained. The happiness and retention of customers can be ensured only with satisfied employees.

Customers: As mentioned above, Customer is the key focal point of Pantaloon, hence all the business perspective should be should be suitable oriented towards customer needs and wants. The company consideration would be providing Value for Money experience to its customers and reaching them the products wherever and whenever they want.

Vendors: The company considers Vendors as partner for growth. The company has taken measurable steps towards assessing them, procuring procedure, payments and to deal with the grievance. The company has further taken a step ahead by incorporating electronic touch points to minimise the lengthy procedure and ensure time saving.

Task 1c) Organised retail is aggressive and is becoming challenging every moment. All the strategies formulated in Retail have been centered around the most important entity 'The Customer'. The company has always focussed towards attracting customers, retaining the existing customers and giving customers an experience which would enable to come back again and again. The criteria that Pantaloon focussed are:

1. Cost: The most challenging factor in today's business. A good earnings to cost ratio would only decide the fate of the retail business. No matter what top-line or bottom line a company desires, Pantaloon has always focussed on Cost Strategy to offer maximum benefit to its Customers.

2. Market Penetration: After opening its various retail formats in the metro cities in India, the company has decided the Cluster Development Strategy viz. 8 city strategy for market penetration. By doing this the company will focus towards only cluster of cities for market reach in step wise manner.

3. New Product Strategy: The company strategy has always been+ based on Ideas to give their customers something new and unique. The company looks to achieve a healthy share of each Rupee spent by the customers. Thus company started from garments retailing has moved into Food Retail, Fast Food and Speciality cuisine, Gaming, Hyper market segment, home products, e-shopping and insurance sector.

4. Square foot sales : The strategic objective of the company is to seek healthy square foot sales in order to maintain good profit margin in terms of attaining healthy top line.

5. Private Brands: One of the most important criteria for attaining strategic management objective is introducing Private Label Brands which would ensure gaining a healthy bottom-line margin.

6. Vendor Strategy: Touch screen single point operation for vendor selection, product identification and payment procedure. The company believes vendors or manufacturers are partners to the business and hence vendor management is key importance to the company.

Task 1d) Pantaloon Retail India Limited was formed to deliver organised garment retailing in India. The company wanted to blend fashion with affordability. Due to its fast expansion and growth the garment trader and

the distribution channel (middle man) has also earned huge margins. They are the trader who used to source the material from the manufacturers and used to store and supply the merchandise to Pantaloon.

There was a sudden demand in raising the margin of the merchandise by the intermediary channel. Pantaloon used to source 80% of their merchandise of reputed brands from these channels. This sudden raise could not have direct implication on the customers as increase in price to the final product would mean losing business. Hence company initially bear this loss. After sometime the company wanted to discuss with these intermediate channels for price renegotiation, failing which the supply of the goods were stopped creating a vacuum in the supply. This was affected by poor merchandise and customer complaints which continued for several months till the time the company had done renegotiation with new set of Intermediary channel including contacting the manufacturers directly. But this, the company felt the necessity of having their own private brands including manufacturing and acquiring manufacturing set up of few other companies. The company took around 6 months for consolidation exercise and thereafter Pantaloon relaunched its Retail Stores with nearly 80% of private manufactured merchandise.

Task 2) Develop Vision, Mission, Objectives & Measures

a. For your chosen organisation, list down its ethical, cultural, environmental, social and business objectives. How are these influenced by the current business and economic climate?

Pantaloon Retail India Limited with its multi-retail business in various sectors has consolidated its operations under the umbrella concern of Future Group. The company has laid down and observe the following values to cover its ethical, cultural, environmental, social and business objectives. The values are as below:

Ethical

i) Respect & Humility: Respect for every individual associated in business and be humble to all. This value entails the core people function. The company pays utmost respect, listen and act accordingly to its Customers, Employees and Vendors through various channels. The Senior Management evaluates and acts accordingly on any grievance, comments and suggestions made by Customers, Employees and Vendors.

ii) Openness: To be open and receptive for new ideas, knowledge and information. The company has various platform of communication with its people and analyse all the ideas or comments and shares its opinion with the Stakeholders. E. g. the company has Share With Us Book placed in all the retail stores through which a Customer can communicate with the Senior Management.

Cultural

i) Valuing & Nurturing Relationships: To build long-term relationships. Business particularly retail business is strategic in nature. It has complete reliance on Relationship building and nurturing the emotions. It is observed that it requires more money to attract new customers rather than retaining and satisfying new customers.

ii) **Simplicity & Positivity:** Simplicity in thought, business and actions.

Thinking simple yet positive render positive vibrations in the economy and earn respect from its stakeholders.

Environmental

i) **Flow:** To respect and understand universal laws of nature. The company follows the natural way of business and respect and adheres to the rules and policies laid down from time to time. It also acts accordingly keeping in mind the current economic condition and takes steps relevant in order to satisfy needs of its stake holders.

Social

i) **Indianness :** Confidence within ourselves and amongst our product. The company respects Indian culture and offer the products that suits Indian households.

ii) **Adaptability:** To be adaptive and flexible to meet new challenges. The only thing that is constant in the Universe is Change. Hence the company is always open to change and modify accordingly its product lines as per the need and demand of the present market.

Business Objectives

i) **Intropsection:** Leading to purposeful thinking. The company from time to time does meaningful invigoration of its entire process in order to audit and take any corrective action if any. Based on the outcome the company re-strategise any of its process or function.

ii) Leadership: Leadership in thought and idea and its application in business. The company believes to be Number 1 in whatever business they are and work hard to retain its position.

(Source: Pantaloon Retail India Limited website idhttp://www.pantaloon.com/corporate_state.asp, Dated October 26, 2009)

Based on the above, it is clearly observed that Pantaloon Retail India Limited is equipped with broad range of measures to handle stressful business environment and economic changes that may occur. Specifically, particular change in any macro economic policies are treated with utmost sincerity and needed change is implemented to overcome it. Thus more recently the economic crises has very little effect on Pantaloon, as the company could envisage the problem and taken specific measures to overcome this. The percentage of leased out premises to its total retail outlet was nearly 65% towards the beginning of year 2008. The company's outflow in rental expenditure was a large sum of money. The company could oversee the challenge of offering competitive pricing during the era of economic meltdown. Based on the same company started having its own premises by creating a special vehicle Future Capital Holdings which is 100% subsidiary of Pantaloon Retail India Limited. This has brought down not only the rental outflow but also ensured better offering to customers in terms of competitive pricing as compared to its competitors.