

Micro environment choices of the body shop business essay



**ASSIGN
BUSTER**

The Body Shop is within the New Clicks Holding Limited, under General Retail Industry. The Body Shop is a retailer and manufacturer which produce natural beauty and cosmetic products. By being a retailer it means that The Body Shop also sells products which were manufactured by other businesses. The Body Shop is also a manufacturer. This is because they produce their own unique products. They have a reputation of being the only manufacturer which uses nearly 100% pure and natural ingredients. This business was founded by the late Dame Anita Roddick. The Body Shop has hundreds of stores spread throughout the world. They take a big part in preserving the earth and its animals. They also support disadvantaged people. They truly do live up to their belief of their one way to be beautiful, and that is nature's way. The Body Shop is classified as a 'Green business'. This meaning that The Body Shop is active in helping to save the planet. They have organizations such as 'Protect our planet'.

Values/Vision

The Body Shop values are to 'search for ingredients from around the world to create a product which will enhance ones natural beauty'.

Also keeping in mind not to harm the planet.

"We don't do this because it's fashionable. We do it because, to us, it's the only way' says Dame Anita Roddick. A Human Rights activist and founder of The Body Shop".

The Body Shops values are then categorized into three different categories:

The inner beauty which is explained to be a feeling, a natural way of being, where the character, self esteem and humour are expressed. The Body Shop products are not just about looking beautiful; it is about “ exuding a vibrant attitude to life”.

The environment is about the Body Shops commitment to finding and preserving the natural material and ingredients. To use the planets resources wisely. The Body Shop is the first to take a stand against animal testing in the cosmetic industry. They continue to fund organizations campaigning to end the suffering of animals through the Body Shop.

The people The Body Shop tries hard to treat everyone in a fair and open fashion. To respect and value their integrity. They support the vulnerable, disadvantaged and continue to fight for social justice and human rights. Due to the fact of them being the first to bring fair trade to their industry they take pride in their Community Trade programme. The programme makes a difference in the lives of their producers, farmer and community. (The Body Shop, 2009)

Mission

“ The Body Shops mission is their ‘ business pursuit of social and environmental change”.

To innovatively balance the financial and human needs of their stakeholders, this being the employees, customers, franchisees, suppliers and shareholders.

“ To make sure that the business is ecologically sustainable”. That they are meeting the needs of the present without compromising the future.

To have a say with their local, national and international community’s which they trade with.

“ To take on a code of conduct this will ensure care, honesty, fairness and respect”.

To whole heartily campaign for the environment, civil rights and against animal testing within the cosmetics and toiletries industry.

“ To endlessly work to narrow the breach between the principle and practice while making fun, passion and care of their daily lives”. (The Body Shop, 2009)

Organizational structure

The organizational structure used within The Body Shop is the line and staff structure.

The advantages of the structure and why it makes the business successful:

Given orders are easily understood by everyone and there is unity of control because of there being one person giving out orders.

Advisors assist the top and middle level managers. in this case this is the CEO, Global Head of Fragrance, International Values Direction Training and Development Manager and Chair of the Panel.

The advisors would be assisting with the decision making.

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Greater division of labour

Decisions would be made faster.

The head of the Body Shop is the CEO who is Sophie Gasperment.

The International Values Director is Jan Buckingham.

Gordon Roddick is the Chair of the Panel and stores managers around the world.

(The Body Shop, 2009)

GLOBAL HEAD OF FRAGRANCE: Rebecca Phillips

INTERNATIONAL VALUES DIRECTOR: Jan Buckingham

CEO: Sophie Gasperment

TRAINING AND DEVELOPMENT MANAGER: Patsy Chan

CHAIR OF THE PANEL: Gordon Roddick

Organizational culture

The culture of the Body Shop is the values and attitude and that every member is familiar with the businesses common value.

The company, founded by the late Dame Anita Roddick, believes in five core values: ' Against animal testing, Support community trade, Active self-esteem, defend human rights and to protect our planet'. (The Body Shop, 2009)

Corporate Governance

The Body Shop show that it is involved in the CSR by having five core values:

The business has taken part with the King II report.

The King II report states that businesses should report on a Triple Bottom Line and not only on a financial performance.

Reporting on a financial performance means that The Body Shop is not profit driven. Their main aim is not to only make a profit.

The Triple Bottom Line includes the Social, Economic and Environmental aspects.

The social economic issues for The Body Shop would be their campaigns' against violence in the home, stopping child, youth and the staying alive foundation.

The Body Shop takes part in the environmental aspects of the triple bottom line by preserving natural material and ingredients.

The Body Shop takes a stand against animal testing in the cosmetic industry.

All of the CSR projects are sustainable and are planned for long-term and short-term effects.

Testing of Animals:

Animals are not used when testing the cosmetic products or ingredients. The Body Shop also does not support other products that test their ingredients on animals.

The Body Shop campaigned for a change in the law on the testing of animals for cosmetics.

It is the first international company to sign the Human Cosmetics Standard (HCS). (The Body Shop, 2009)

It stops its suppliers from the use of tests.

They put an end to buying any ingredients which had been tested on animals and placed restrictions on its suppliers.

December 31 1990 was the cut- off date for them to comply with these restrictions. (The Body Shop, 2009)

The Body Shop thoroughly check that any ingredients they receive from animals were not harmful to the animals, people and suitable for vegetarians. (The Body Shop 2009)

Community trade:

The Body shop gets its ingredients from worldwide suppliers.

This is mostly done to help struggling countries and increase job creation around the world.

Examples of their outsourcing are Marula oil from Namibia, Banana from the Caribbean, Beeswax from a women's group in Ghana. (The Body Shop, 2009)

The Body Shop states that their trading with these countries is not just to create another product or marketing for the business but to “ exchange and value, trade and respect, friendship and trust”. (The Body Shop, 2009)

Through trade with these companies The Body Shop assured a living wage for its Community Trade suppliers and workers.

They do this through their long-term business relationship.

Community Trade was launched by The Body Shop to be able to offer their suppliers a constant long-term income. (The Body Shop, 2009)

This way they have access to nature's best ingredients which are grown and harvested by professional local farmers.

Community Trade allows their suppliers to build better futures for their community and themselves.

Increase confidence:

The Body Shop has clearly stated that their products do not promise an everlasting young appearance.

They focus on products that will provide wellbeing and comfort.

Their marketing message encourages diversity and does not use super thin and the idealistic models.

The Body Shop even went along to create a doll called Ruby it is realistic and represents real women compared to the unrealistic Barbie doll. (The Body Shop, 2009)

Human rights:

Defending human rights is another core value of the company.

The Body Shop feels that every person must make it their responsibility to help people who are deprived of their human rights.

The Body Shop takes part in this by ensuring that all of their products are sourced and produced in regions where human and civil rights are respected and applied as expected by the Universal Declaration of Human Rights.

The Body Shop also includes ethical trade issues such as:

“ Employment is freely chosen

Freedom of association and the right to collective bargaining are respected.

Working conditions are safe and hygienic

Child labour is not used

Living wages are paid

Working hours are not excessive

No discrimination is practiced

Regular employment is provided

No harsh or inhumane treatment is allowed” (The Body Shop, 2009)

Planet Protection:

The Body Shop supports materials and technologies that cause little harm to the environment.

It promotes the use of renewable resources and sustainable ingredients.

It strives to minimize their waste usage by using recycled materials and few packaging.

The Body Shop partnered up with different environmentally friendly organizations to make sure that their policies for chemical use were environmentally responsible.

The Body Shop joined the World Wild UK Forest and Trade network to ensure that all of its wood products were derived from an FSC.

It commits itself to address social and environmental issues with palm oil.

This production includes deforestation, biodiversity, the rights of indigenous populations and poor labour conditions.

The Body Shop also donates money to charities which work with environmental, animal welfare and human rights issues.

All of the Body Shop CSR are sustainable and are planned for long-term and short term effects.

(The Body Shop 2009)

SOCIO-ECONOMIC ISSUES

“ Stop Child Youth and Sex Trafficking” (The Body Shop, 2009)

This is a global campaign which is founded by The Body Shop.

The “ aim of this campaign is to raise awareness and stop the amount of child and sex trafficking around the world”. (The Body Shop, 2009)

It also raises funding for the vulnerable children, young people and to inspire those with the ability to make change.

The Body Shop works alongside ECPAT. (The Body Shop, 2009)

The Body Shop shops around the world are gathering hundreds of people for rallies and marches.

Customers are given the opportunity to write personal messages to victims of trafficking at the ECPAT Foundation Shelter for support.

The Body Shop shops are handing out leaflets in red light districts within their cities.

In 2009 The Body Shop launched Soft Hands Kind Heart Hand Cream. (The Body Shop, 2009)

ECPAT and other organizations that support trafficking victims receive a donation for every hand cream that is sold.

The Body Shops objective is to join with other signatories around the world by taking their petitions to the United Nations in 2011.

The Body Shop has set up websites reports to educate people around the world about trafficking.

People are able to report suspected incidents and receive help.

Together with ECPAT The Body Shop have shelters where victims are able to stay and be rehabilitated.

CODE OF ETHICS

The code of ethics is “ an umbrella concept explaining the values, ethics and beliefs of an organization”.

The Code of Ethics defines the morals, principals and values of the organization.

The code indicates professional responsibility to society as well as honesty, integrity and humanity.

The Body Shop is a retailer which is committed to being ethical and actively works to address human rights issues within their operation and trading relationships. Also to all the communities and societies in which they operate.

The Body Shop respects all local, cultural and political differences but will always make sure that their business activities follow basic human rights.

They assess all of their business activities to conclude where they have direct or indirect impacts, to make sure they are following the human rights legislation and to have a positive impact on their stakeholders and society.

The Body Shop benchmarks their employee policies to make sure that they provide good working conditions which obey the international Human Rights Standards.

(The Body Shop 2009)

This is done by:

“ Continually reviewing their strategic initiatives such as product development and new markets to address the human rights implications”.

(The Body Shop, 2009)

The Body Shop makes sure that all businesses operating under The Body Shop name apply all relevant international Human Rights Standards in areas working conditions, appropriate use of security staff and protection of privacy.

All of their suppliers must demonstrate compliance with the Ethical Trading Initiative Base Code. (The Body Shop, 2009)

They monitor their impacts by reporting on their performance to ensure that they have continuous improvement.

Ethical Trade

The main purpose of this program is to “ improve the conditions for workers in the supply chain, make sure that there are no Human Rights being abused and to manage risks towards The Body Shop brand”. (The Body Shop, 2009)

Choice of company

Spur is a family restaurant which is dedicated on making sure that every one of their customers is happy and satisfied.

This is done by the customer service given by the employees which Spur makes sure is spotless.

Micro Environment

Vision

Their vision is “ to be the best family sit-down restaurant in the market which they trade in”. (Spur corporation, 2003)

Mission

Their mission is to be dedicated at all times to their customers and employees.

To provide a “ taste for life” for their customers and be a “ great place to work” for employees. (Spur corporation, 2003)

Organizational structure

Spur uses the Line and Staff organizational structure.

The Line and Staff structure is successful for Spur because in a restaurant it is vital to have a structure where there is one person in charge.

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This person in charge will give instructions and orders to the employees.

This way the employees know exactly what to do, when to do it and how to do it.

MANAGING DIRECTOR:

Pierre Van Tonder

Decisions are made easier and faster

DEPUTY MANAGING DIRECTOR: Mark Farrelly

EXECUTIVE DIRECTOR:

Phillip Joffe

EXECUTIVE DIRECTOR:

Kevin Robertson

EXECUTIVE CHAIRMAN:

Allen Amboance

Rebecca Phillips

FINANCIAL DIRECTOR:

Ronel Van Dijk

NON-EXECUTIVE DIRECTOR: Keith Getz; Dean Hyde

NON- EXECUTIVE DIRECTOR MBE (DEPUTY CHAIRMAN): Keith Madders

Corporate Governance

The Spur board is very committed to meeting the standards of Corporate Governance.

They analyze their governance process to make sure that the wellbeing of the group and their shareholders are not compromised.

The board ensures that the business follows the King II report principles.

Spur focuses a lot on uplifting disadvantaged communities.

They help with the development of the youth of South Africa who have been denied opportunities.

Spur also believes in investing the development and advancement of their own staff.

This is because these staff members are the future leaders of the Spur.

The Directors acknowledge the necessity of conducting the groups' affairs with exactness, transparency and good corporate practices.

The Executive Board is the people who approve the annual corporate social investment budget and projects set suggested by their marketing department and Human Resources.

Productivity committee.

The Human Resources Productivity Committees purpose is to develop and entail a competitive strategy that will make sure that the company is able to attract, retain and develop the best talent in order to support the businesses performance. (Spur corporation, 2003)

SOCIO-ECONOMIC ISSUES

The Spur board is involved in helping charities, organizations and events that support disadvantaged communities.

They focus on children and families.

They participate in the following project and social initiative:

“ AIDS Awareness Campaign”:

This campaign was started in 2003.

It includes handing out of videos, free condoms and in holding ‘ in-store AIDS workshops.

The aim of these workshops is to ‘ educate franchisees and their staff’.

To “ equip them with the needed knowledge to help stop and prevent the spread of HIV/AIDS”. (Spur corporation, 2003)

CODE OF ETHICS

Spur is a small team but they are committed to the well being of their staff and the happiness and satisfactory of their customers.

Spur also makes sure that themselves and their franchisees are aware of and comply with all of the labour related legislation.

They have compiled a code of ethics where all of their employees are expected to maintain a high ethical standard to ensure that the group conducts its business internally and externally in a proper and professional manner.

These are the principals within the code which each individual is expected to follow and accept:

“ Integrity

Honesty and good faith

Impartiality

Transparency and openness

Accountability and responsibility” (Spur corporation, 2003)

The code of ethics is there to make sure that all the companies’ directors and employees perform their daily work with the highest moral and ethical standards.

This is to “ ensure honesty and integrity for all of their dealings with colleagues, shareholders, customers, suppliers and the broader community”.
(Spur corporation, 2003)

Also tied in with their ethics Spur has taken it upon treating all races equal.

This is shown by applying BEE to their business.

Black Economic Empowerment is one of their priorities and they are committed to “ developing strategies that will give a sustainable transformation across all business areas, particularly the shareholder, staff and franchisee level”. (Spur corporation, 2003)

They have identified potential black shareholders and are introducing black equity partners into the business.

There is also a steady growth in their black franchisee

Micro Environment

The Body Shop

Spur

Vision

“ To search all over to find the best ingredients this will enhance natural beauty”.

“ To be the best family restaurant”.

Mission

“ To cause a social and environmental change

To balance the financial and human needs of their stakeholders.

To stand against environmental, civil rights and against animal testing”.

“ To dedicate themselves to their customers and employees”.

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Organizational structure

Line and staff structure

Line and staff structure

Corporate governance

They focus on their five core values.

Their main focus is not on their financial performance.

Their main aim is to take care of the earth and people.

They focus mostly on the well being of the business internally.

This being their employees and stakeholders etc.

They have organizations where they help the community and the unprivileged.

Socio- Economic issues

They put a lot of effort into getting consumers involved and aware of issues they deal with.

They focus a lot on families and children.

Spur does contribute to helping the community but not the same quantity as The Body Shop.

Code of ethics

The Body Shop is based on respecting all diverse beliefs e. g. culture and politics.

They focus mostly on external relationships such as trading.

Spur has created an excellent relationship between employee and employer.

(The Body Shop 2009) (Spur corporation, 2003)

CONCLUSION

After viewing the table comparison table one can judge as to which one is better.

From a personal view The Body Shop would be the best out of the two.

This is because The Body Shop has proven to dedicate the business to fulfilling the triple bottom line.

This being by getting involved in saving the environment, animals and helping people.

Spur needs to get more involved with the corporate governance ad socio-economic issues.

To also give back t the consumers.

Spur needs to brainstorm good strategies on how to inform the public about the socio- economic issues that are being dealt with and to get the people and supportive consumers taking part.

This could be done through advertising. Whether it is through the newspaper, radio or magazines.

Abstract

This research task helped show exactly what these two businesses do to protect the people and the planet.

It has given an explanation for some of the high prices given out by both businesses.

This research task gave reasons as to why people must shop at either one of these shops

It would be advisable to the public to support The Body Shop due to the reason that The Body Shops helps the communities in every way that it can and it considers the wellbeing of its consumers before making a profit.

This is shown by how The Body Shop will search around the world for the most harm free, organic and non animal tested ingredients.

Methodology

Majority of the information found in this research task is from the The Body Shop and Spur websites.

Some of the school text books were also used, such as the Business Studies grade 12 and grade 11 books.

GLOSSARY

CEO: Chief Executive Officer

Triple Bottom line: Part of the King II report. Every business must take into account the People, Planet and the Profit. The social, economic and environmental factors must also be included in the business

Outsourcing: bringing in a third-party to come and to a specific job within the business

ECPAT: “ End Child Prostitution, Child Pornography and the Trafficking of Children for Sexual Purpose” (The Body Shop, 2009)

Benchmark: Measurements of opponent’s products according to specific standards. This is done so that a business can compare and be able to change or improve.

BEE: Black Economic Empowerment

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