

Performance of the business

Business, Management



Aim: To identify how effectively and efficiently your chosen company is run. To produce a report based on your findings on the performance of the business. The business I have decided to investigate is Karen Millen. It is one of the UK's most successful retailers of woman's fashion. Its main products are womenswear, footwear and accessories. Karen Millen operates under one business structure from concept through raw material purchasing, production and distribution to the actual point of sale. The focus on design continues throughout all aspects of the company.

The market within which it operates is eighteen to forty year olds, the clothes range from young stylish casual wear to smart evening wear. The company's mission statement is " We provide our customers with the best value formoneythrough the most convenient shopping experience".

Classification of business Karen Millen is a private limited company. It has two founding partners: Karen Millen and Kevin Stanford. The business was started with an initial investment of i?? 100 when 100 metres of white cotton was bought to make shirts to sell their friends.

They started off by doing 'a party plan' network to sell their products, which generated sufficient income to financetheir first store, which was situated in Maidstone, Kent. The business then expanded over the years and know has over 150 stores worldwide with more than 1, 000 employers. Karen Millen is also open to people to franchise. This is when someone buys the right to trade under the trade name. The company hasn't undergone any major changes of classification it is still controlled by Karen Millen and Kevin Stanford but around 5 more people own shares in the company.

It is still a private limited company. The two original partners now own 60% of the company and 40% is owned by shareholders. This states that the two founding owners are still in control of the company but they have just added different sources of finance. The profits mainly go to Karen and Kevin. It also has franchisers which take a percentage of the profits but only from the stores in which they own. Advantages of having a private limited company is it is run by the directors and owners of the business so they know exactly what is going on.

It will be protected by limited liability and all the profits will go to them.

Disadvantages of having a private limited company is if anything goes wrong the partners will have to pay and debts will be sent to them and they could lose their homes. The company also has franchisers, advantages for having a franchisee is they will have a well known name and logo, gains from national advertising and they are simple to set up. Disadvantages of having a franchisee is it could require a large capital outlay, it has limited scope for individual action and you would need to monitor and control the company.

Business Objectives To achieve efficiency of operation, convenience and customer service in our stores. * To provide a working environment where there is a concern for the welfare of each member of staff. * To provide the best quality service by working closely with our team of store designers. The objectives above for Karen Millen are very clear. They show exactly what the company is trying to achieve and govern the way they operate. The objectives are SMART: Specific, Measurable, Attainable or Achievable, Relevant or Realistic and Time.

Their first objective is set to make sure the operation of the company is to go smoothly and to make sure everything works together well. The second objective is set to make sure the staff who work for their company are getting the best out of working their. To make sure they are happy with their working life and to make sure they are safe whilst at work. The third objective is set to make sure the whole company is working closely together with each other to get the best out of the business. It is to make sure the quality of the service is at its best and the clothes are of a high standard.

Karen Millen is meeting all of the objectives that it has set. They have achieved these by providing good quality service, by making sure the products are off a high quality and the customer service within the stores is excellent. The company also makes sure the staff have a good working environment by giving them benefits whilst working their and making their work enjoyable. Since the business has started the partners have made sure the design, manufacturing and retail process is done under one business structure.

This makes the efficiency of the operation well organised. The company hasn't failed and is expanding more and more everyday. There are a few conflicts between the objectives of the company such as between making a profit and providing services to the community. If the community is small the demand for a service will be low because the prices are high and it's a clothes retailer. If the company increases the prices of the products it will cause a conflict with the customers. Profits will only be made if the shop is situated in a larger community.