

The value of marks and spencers



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Marks and Spencer the giant in UK's high street history started its journey in 1884 which leads the retailers in UK who has the number of visiting customers over 21 million per week with over 70,000 employees working in around 900 stores all over the world with 600 stores in UK and above 300 in over 40 countries (Marks and Spencer , 2010) since the origination of marks and spencers had grown as a global retailer and increased its strength to strength by increasing the stores all over , and getting closer to the customers , since 1920, Marks and Spencers has bought its goods directly through the manufacturer using the trademark name as " StMichael" and became a public company in 1926 with its first store opening in 1930 in London , from then the organisation has grown step by step fulfilling the needs of public, From then M&S has become the Brittan's leading organisation providing wide range of products and services to the customers worldwide. Marks & Spencers has wide range of products like clothing, footwear, gifts, bakery, houseappliances, electricals etc. Where 17% of the clothing market in UK is in hold of Marks and Spencers . Softgoods such as clothing and household appliances account about 58% of the company's sales and almost 42% of the sales come from Food and Wine . The reputation of marks and spencers increased day by day due to its customer friendly techniques. The goods that are sold by marks spencers have excellent value and quality which increased the reputation and brand value which made Marks and Spencers as the best retailer in UK. The headoffice of Marks and Spencers is located in Paddington station, London, UK. The Marks and Spencers store that is located in Marble Arch, London holds the Guinness record for having the highest revenue per square foot considering any stores

all over the world. Britain called as home of shopkeepers and for sure Marks and Spencer can be called as the leader of the shop keepers in UK.

AIMS AND OBJECTIVES:

This research is aimed to show how Marks and Spencer's could be by 2030, and what are the strategies Marks and Spencer's need to follow to attain a sustainable position in the market and the ways it need to save its reputation , and the role of Human recourses Management for the sustainable growth . This research's objective is to interlink the role of HRM and Scenario Planning on Marks and Spencer's and show the picture how Marks and Spencer's would grow when both scenario planning and HRM work effectively, and even to show the other side of Marks and Spencer's by 2030 when the management doesn't have a specific strategy with a normal team of HRM. This research even shows how marks and Spencer's can increase its range in different business fields in different countries, and how it can be the leading shopkeeper in the world by 2030.

LITERATURE REVIEW:

Scenario planning is defined by many authors in different ways, Ringland defined scenario planning as “ the part of strategy planning that relates to tools and technologies for managing the uncertainties of the future” – (Ringland, 1998)

Scenario planning is defined by Schwartz as “ tool for ordering ones perceptions about alternative future environments in which ones decision might be played out”- (Schwartz, 1991).

According to shoemaker (1995), scenario planning is a disciplined process for imaging good future in which organisations outcome is calculated.

Scenario planning for the years has been proven that the technique to overcome the uncertainties and identifying the critical future and investing the loop holes in the organisation-(Kahane, 1999).

The changes in the environment and the financial crisis may lead to degrade the market situation. Fleming believes that this type of situation cannot be overcome easily and the public policy should concentrate on transformation of the political economy- (David Fleming, 2001).

According to Deming, a change is necessary when the economy is in a “down-hill-slide” and he even argued that “we can elevate our economy with specialized services and products. This change will require knowledge . in other words, our problem is education and development of a culture that puts value on learning” (Deming, 1994).

According to Edgar da Cruz Souto Gomes, “modern companies pay attention towards their human resources. The one who is able to enable them, coordinate them and take in to their expectations are able to gain market share.”

According to Thompson the main aim behind PEST analysis is generally economic conditions affect both on cost and demand even they effect on the success and profits-(Thompson, 2002)

In an organisation such as Marks and Spencer’s training for the employees should be carried out in a highly specific way in such a situation the role of

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HRM is crucial. The designed programmes for the employees should be in such a way that it should satisfy both the organisation and the employees. According to McGhee and Thayer in 1961 training must be identified and performing different level of analysis such as organizational, operational and individual analysis. In training needs analysis (TNA) “ method” and “ technique” are often used in the journals by the authors such as Chiu, et al, 1999, Ford, 2002.

According to R. R. Yeleti manager in Marks and Spencer the Human Resources was well established and the way it approaches is simple as the role of line manager to customer service assistant is to improve the quality of Marks and Spencer. And for the growth of the organisation Marks and Spencer need to follow SMART. In general SMART is used as the goal setting tool for the organisation. And R. R. Yeleti also discussed about Plan-Do-Review-Revise which is being followed by the organisation. According to him it is a tool that can be used in many ways and in many situations for setting a plan for the implementation of project and process of simplifying the problems.

RESEARCH QUESTIONS:

- 1) What are the scenarios that Marks and Spencer need to follow by 2030 to attain a sustainable position?**
- 2) What is the role of HRM in Marks and Spencer for the growth of the organisation by 2030?**

SMART: the goal setting tool for Marks and Spencer.

Goal setting of Marks and Spencer is achievable only when they had the vision. The research analyses the need for developing its HR team by 2030

and developing some strategies for overcoming the competition which they are facing now and the need for changing its brand value which will be goals for the organisation.

Some areas where Marks and Spencer need to consider before setting the goals

FROM THE MARKS AND SPENCER PERSPECTIVE:

Explore what you need to set as target through the heart of Marks and Spencer keeping in mind the trusted customer base.

How to function the leadership?

The line managers and senior managers should have discussions on the needs that they are to be achieved?

Need to maintain the database regarding the feedback from the customers and even from the staff regarding the performance measurement.

Direct and indirect feedback within Marks and Spencer

What is the best way to demonstrate and add value to the organisation?

PERFORMANCE ANALYSIS WITHIN MARKS AND SPENCER

Considering the past feedback from colleagues and other databases which will give a chance to look the future.

Marks and Spencer need to review on own strengths and areas of development.

Marks and Spencer need to finalise the results for various questionnaires and what does the results show?

What feedback did Marks and Spenser receive from its suppliers regarding its retail business and what are the ways it can develop.

PLAN TO ACHIEVE THE TARGETS:

Considering the targets and after setting new goals then Marks and Spencer need to put up a plan together by the management. I recommend the following goal setting plans in this research.

Make a detailed Plan: For achieving the goal the process should not slip or advance from the time limit. Marks and Spencer should tell its customers only when they are sure that they can help to achieve the goal.

Dead Line: Marks and Spenser should have a dead line to track the status for example if they had a goal of opening 100 new stores all over the world they should have a dead line for achieving that, the dead line should particularly specify the year when Marks and Spencer are going to achieve the target so that they will be able to track the path they are in.

Visualise the goal: Marks and Spencer should visualise the goal as if they are creating the future history. Marks and Spencer should be able to feel the change they are going to show in the future to the public so that the target can be achieved easily. Marks and Spenser should be able to feel and sense the taste, smell and should be able to experience the outcome.

Direct / Indirect support: Marks and Spencer should be able to keep a note of people or groups who could support Marks and Spencer to achieve the goal.

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What does the supporter need from the organisation to support Marks and Spencer? The supporters might be supporting the organisation directly or indirectly. And the organisation should be able to help the supporters which will indirectly help Marks and Spencer.

Overcoming Obstacles: Even they follow the actions according to fixed targets and goals they may have some obstacles such as political and economical issues. To overcome such obstacles Marks and Spencer should be able to face with a never give up attitude which will make the organisations dreams come true

PLANS DO REVIEW REVISE IMPROVE (PDRRI):

The plan do review revise improve is generally opted by the organisations for the continuous development. Marks and Spencer's can use this tool in creating a path to fulfil the goals.

Planning a project by Marks and Spencer

Reviewing the effectiveness during the implementation and completion

Revising the adopted changes

Making changes to improve

The success of the assigned goal of Marks and Spencer come true only when the staff feel responsible for the implementation with a plan , making use of the direct and indirect help from the stake holders in all stages to improve the quality.

PLAN: Marks and Spencer's should be clear about the plan

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DO: Implementing the strategic planning for carrying out the plan

REVIEW: Marks and Spencer should be able to draw the conclusion from the implementation of strategic planning

IMPROVE: How can Marks and Spencer improve? Improving the assigned plans for the better outcome.

A goal without any specific plan just remains as goal . Marks and Spencer has vision , intentions, ideas, dreams which will make the goals come true by 2030 if they are SMART.

SMART is in general Specific, Measurable, Achievable, Realistic and Time bound.

SPECIFIC: A specific goal has a much difference when compared to a general goal, a general goal for Marks and Spencer would be “ internalization”. A specific goal would be different from internalization and the specific goal would say setting up a team to calculate the business levels in particular countries where the business is planned.

MEASURABLE: Marks and Spencer need to concentrate on measuring the progress towards attaining the goal , Marks and Spencer need to measure the progress, whether they are on track, and reaching the target dates, and experience the effort to reach the organisations goal, and asking questions themselves such as how much? How many?

ACHIEVABLE: It is important to Marks and Spencer to ensure that the goal they set is achievable not impossible. It would be a wrong assumption if they

set a goal to attain profits of 50% in a recession which is impossible . instead they can have achievable goals such as market segmentation expanding the market opening new stores and being a tough competitor to its competitors.

REALISTIC: Marks and Spencer should be realistic in the goal they choose and they should be able to represent their goal in highly realistic way that it is achievable and they would be only one who can decide whether the goal they set is high, realistic and achievable.

TIME BOUND: Marks and Spencer goals should be grounded within a time frame. With no time frame there is no sense of urgency. If Marks and Spencer has a goal of opening 100 new stores, when do Marks and Spencer want to open new stores by? In next 10 years won't work. But if you have a time frame that is by 2030. Then it is clear that Marks and Spencer set a clear time bound which will start to work on the goal.

S W O T ANALYSIS:

SWOT analysis shows the internal business in terms of strengths and weakness of an organisation, opportunities and threats of the external business. SWOT analysis is meant to spark the strategic ray and to calculate the facts and figures which help for the strategic planning (Mintzberg 1994). This research shows the SWOT analysis of the Marks and Spencer's to analyze the current situation and to implement the strategies to give a tough competition to its competitors by 2030.

STRENGTHS:

Marks and Spencer has many strengths but this research focuses mainly on the brand value of the organisation and wide range of products and different outlets which help to grow the business and the range it delivered to the public.

High recognition of the brand: Marks and Spencer's is the giant of the UK's high street is known by everyone in the market for the quality it is providing in the past years. The brand value is high as the customers who go to the high street prefer to go to Marks and Spencer's as they can finish the whole shopping in a go.

Wide variety of products: Marks and Spencer's had a variety of products in every store which helps the customers to choose the best, for example if we take vegetables , Marks and Spencer's began to sell the vegetables and fruits over 40 years ago, they started selling fruits and vegetables such as Canary tomatoes , avocados and English apples , carrots . and Marks and spencers always relied on the farmers with good relationship from where they are able to increase the variety of products. Back in 1970's Marks and Spencer's persuaded small growers of strawberries to drive their crop straight to local marks and Spencer's stores. To find the perfect taste of the customers Marks and Spencer's spend more than three years on testing and tasting the strawberries before launching marks and Spencer's jubilee Strawberry in summer 2003. At the moment Marks and Spencer's has more than 1200 suppliers with over 400 different varieties, as well as 500 different types of pre prepared fruits, vegetables and salads.(Marks and Spencer 2010) Where the other super markets fail to produce wide variety of products , which indirectly helps Marks and Spencer's .

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Large number of stores and outlets: Marks and Spencer the giant in the UK high street history has about 900 stores all over the world with 600 stores in the UK and above 300 in over 40 countries (Marks and Spencer, 2010). The numbers clearly say that large number of stores and outlets make the business wider and the sales even increase due to the wide range of products that Marks and Spencer has. If the stores and outlets increase the strength of Marks and Spencer goes high day by day, as it can be available to all the commodities of the people for reasonable cost and good quality.

Popular designer brands: Marks and Spencer has wide range of brands which really help the organisation. For example men's wear has wide range of brands such as " Autograph, Big&tall, Blue harbour, Collezione, North coast etc" (Marks and Spencer, 2010). Coming to women brands Marks and Spencer has different brands such as " Autograph, Classic, Indigo collection, Limited collection, Per Una, Portfolio, etc"(marks and Spencer 2010). Due to the wide range of brands the business of the organisation goes strength by strength

WEAKNESS: Marks and Spencer even had some weakness as the other organisations had; this research mainly focuses on weaknesses of Marks and Spencer and the strategies the organisation need to follow to overcome the situation.

Bad publicity as non trendy store: Marks and Spencer has a draw back in the market as the organisation is out fashioned and non trendy. Even though Marks and Spencer has wide range of products and different brands the general people has a wrong assumption that men's wear and women's wear

are only for the aged people not for the teenagers and young people. These wrong assumptions are making the business low. The management should develop new strategies to focus on the sales for the young people. Even the management failed in the past years to attract the new customers, the people who had trust on Marks and Spencer from the past years still shop but the new generations are not at all interested. Some people say that Marks and Spencer is a shop for sixties and seventies but not for twenties and thirties. To overcome this management of Marks and Spencer's need to come with a new strategy to attract all the age limits not losing its reputation with the present followers and they even need to develop a strategy to overcome from the bad publicity and to give great competition to its competitors such as Primark, Next, River island, oasis, Oxygen, New look, H&M etc.

Manual working increases the costs: Marks and Spencer's had a backdrop of following old techniques rather than following the new techniques which increase the different aspects such as money, time etc. But in general the big organisations are keeping a focus on the new technologies for the efficiency of the work done. Now a day's the organisations are preferring for both mechanized and automated material handling alternatives for various types of logistic operations. Most of these technologies help to increase the productivity in less span of time but the main drawback of Marks and Spencer is not utilising the technology for effective use the manual work increases the cost and reduces the work efficiency it is recommended to Marks and Spencer to use the new techniques instead of increasing the manual hours and manual costs for trading. It's just matter of time and

planning to overcome this obstacle. There is no doubt that manual working increases cost.

OPPORTUNITIES:

INTERNALIZATION-increasing the global presence: Marks and Spencer was stabilized in UK and even it started number of stores all over the world in the 1940s. the company started trading most of its services using St. Michael brands. Using St. Michael brand the company started exported about \$1, 146, 000 worth of merchandise. Marks and Spencer's early internalisation was mostly due to domestic factors. After some dramatic changes it is clear that the expansion of the market have to come from the overseas. Labour party members were suggesting nationalising for the leading domestic retailers (De Nardicole 1998). Internationalization was therefore seen as a tool that diverts everything from the market on the local basis. Due to the export business only few international franchising relationships are made. Importers of the St. Michael brand , who were familiar with the success of the brand in their countries started investing in the business of Marks and Spencer . In the early 90s St Michael franchises were operating a good business in 14 different economies. By 1996 Marks and Spencer's has 645 outlets worldwide, among these 645 outlets 58% of the shares were in UK, Europe and Canada.(De Nardi-cole 1998) . The picture has changed since then at the moment Marks and Spencer has about 70, 000 employees in 900 stores all over the world with above 300 stores worldwide and 600 stores in the UK. Marks and Spencer has above 21 million visiting customers per week (Marks and Spencer, 2010). In general Retailers take relatively less risk to enter the global market, Instead they start exporting and franchising their

products globally. Marks and Spencer did the same thing back in 1950s but due to the significant raise in the demand by the consumer's marks and Spencer can go ahead by increasing globally as it has significant purchasing power. Marks and Spencer can utilize various types of modes of entry around the world. Marks and Spencer can open its own stores around the world or through expanding the business through franchise agreements. Marks and Spencer has its own stores in Canada, France, Belgium, Germany, Hong-Kong, Ireland, Spain and Netherlands. Marks and Spencer have the Franchise agreement with developing countries such as Bermuda, Canary Islands, The Bahamas, The Czech republic and Israel (De Naridi cole , 1998) the company started franchising in the countries who have smaller per capita income . Marks and Spencer started growing in south Asia from 2000 . Marks and Spencer had a franchise deal with a company called planet sport. According to the market basis it started the clothing and bath items only, the franchise owner VP. Sharma said to BBC that most of the goods in India are imported from Europe so The brand name of Marks and Spencer would help the business to grow rapidly. It is a good idea to increase the Franchise as Marks and Spencer has a good reputation all over the world and it origins from the land of costly brands. By taking Planet Sport as example Marks and Spencer's has the chance of growing globally as it is recognised globally, The management need to take necessary steps to increase globally keeping in mind all the factors . The chance of growing increases only when Marks and Spencer's is activated globally. A specific strategy need to be implemented by the management for the raise in the branches all over the world which will be a good sign for the organisation.

MARKET SEGMENTATION: Market Segmentation is defined as the process of splitting customers in a market into different groups within which customers share similar level of interests in the same or comparable set of needs satisfied by a distinct marketing proposition. Marks and Spencer has the opportunity to increase the technique of market segmentation by increasing its branches all over the places which will increase the business, in general marks and Spencer mainly have the mega stores all over the places but they dint concentrate on splitting the customers according to the area of interest. Sainsbury on other hand divided the customers by opening new stores called Sainsbury Local's which increased the business. In the same way Marks and Spencer has the opportunity by dividing the customers by establishing small shops which will reduce the maintenance cost and increase the profits as the manual power will gradually decrease when compared to mega stores and even the investment on the publicity will be less , keeping in mind all the features it has the opportunity of spreading the business by market segmentation.

THREATS:

Increased competition in all areas of business: Marks and Spencer has the threat of losing its scope in the business due to the competition, the increased competition in the retailer sector is a big worry as the other retail competitors such as Asda, Sainsbury and Tesco are expanding themselves such as Sainsbury's local and Tesco Express where as Marks and Spencer is still relaying on the mega stores, if the same thing goes on there is a risk of losing its reputation among the customers so it is recommended to increase the stores where they can increase the profits so the Management need to

come with a new scenario to develop the risk management by increasing the stores. Marks and Spencer need to come with a strategy to overcome all the obstacles

PEST ANALYSIS:

“ PEST analysis can be defined as the Political, Environmental, Social and Technological analysis that describes the frame work of the macro-environmental factors used in the environmental scanning components of strategic management”(Brenner , 1998).

Figure <http://www.dreamstime.com/royalty-free-stock-image-pest-analysis-image14771406>

SCENARIO PLANNING:

As the world progresses further into developing stage, organisations are looking for different types of new techniques which would drive the organisation; uncertainty is becoming a factor to concentrate on for the business leaders. The changes are external to the organisation but to overcome these uncertainties there should be designed solution assuming the future. The well known technique for overcoming uncertainties is strategic planning; the strategy planning alone cannot overcome Political, Economical, Social and Technological factors. Another school of strategy planning has emerged as scenario planning. Rather than predicting the future scenario planning gives the different type of stories that organisation need to follow in the critical situation. It is clear that the participation in scenario planning can have direct impact on business and the decision making techniques are directly related to the business results (Schwartz, 1991).

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Scenario planning was first developed by RAND corporation in the early 1940s by Kahn and he titled it as “ Future-now” (Kahn, 1940). The intent of this approach was to produce a script which would analyze the future and produce the report regarding the business by the business professionals. Around in 1960s Kahn adopted a name called “ scenario”

1. Lean Economy
2. Political nightmare
3. Marks and Spencer forms as a conglomerate (low competition and trend changes in the environment)
4. High competition and trend changes
5. Hr to Hr. 2 for Marks and Spencer

LEAN ECONOMY:

Expected global recession to hit UK in 2030

If this situation occurs Marks and Spencer’s should be Developing the funds necessary to overcome the situation

Having a focused team with knowledge on political issues

Marks and Spencer’s should be active politically for best result to know the policies of the government which are going to be affecting the retailers.

If the recession by 2030 occurs Marks and Spencer’s should be able to Compare the market situation and try to be cheaper than its competitors

such as Primark, Next, Oasis in the clothing segment and retailers such as Sainsbury's, Tesco and Asda etc.

UK: 2030, if X party which does not support the retailers is in power and if there is another recession hits UK. The X government does not have any interest to support the retailers. The X party don't have any idea of injecting money into the market even the situation is so tight which will make the situation too worse, Marks and Spencer won't be in a situation to help itself from the crisis even the organisation will find difficult to run the business effectively. Even in this situation Marks and Spencer don't want to lose its reputation in the market by showing the situation to employees and the customers.

POLITICAL NIGHTMARE:

UK: 2030 expected change in the politicians policies towards the retailers which make the business sink

If this change occurs Marks and Spencer need to focus on the political issues

Role of HRM should be active in Marks and Spencer to overcome the critical situation

Marks and Spencer should be able to Change the policies according to the political issues

Marks and Spencer would be comfortable with the situation only when the organisation had a specific planning.

MARKS AND SPENCER FORMS AS A CONGLOMERATE (LOW COMPETITION AND TREND CHANGES IN THE ENVIRONMENT)

Expected that the situation in the global market changed by 2030 and there is low competition and also trend changes in the environment then Marks and Spencer's need to follow different approach to the customers.

If the situation goes then Marks and Spencer should focus on how to get closer to the customers and to retain the customers by offering incentives to remain with them.

Due to the low competition Marks and Spencer can opt to spend more on Loyalty schemes rather than investing the money on advertising.

Marks and Spencer need to look for cost saving techniques and then pass the savings for the lower prices to the customers.

Marks and Spencer should merge as a conglomerate because of the potential benefits that might be provided to the organisation.

Due to the less flow of the money in the market customers and business people show the value for money

Keeping in mind the present situation Marks and Spencer could form as conglomerate will lead the business of Marks and Spencer remain both profitable and efficient.

Marks and Spencer should concentrate on buying the shares of the smaller businesses who are facing tougher financial stages due to the present situation, as Marks and Spencer's would be capable of investing their

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business under the franchise would be even helpful as they can expand the business even in tougher situation like this.

MARKS AND SPENCER WITH DYNAMIC APPROACH (HIGH COMPETITION AND TREND CHANGES IN A GOOD ECONOMY):

If this is the situation by 2030 consumers are with high income and they prefer to have better services rather than a normal service.

Marks and Spencer should be in a situation to implement new technology for the fast growing customer needs.

Marks and Spencer's should be able to research its competitors potential at home and abroad, and it should be able to turn the customers to its side with dynamic approach as there is a chance of high competition and trend changes in a good economy.

Marks and Spencer's should have the ability to purchase the products due to high demand of products as consumers demand for the innovative technologies.

Marks and Spencer's is in a situation where there is high competition and tremendous changes in the trend in a good economy by 2030, the organisation should be able to have the purchasing power for the innovative technologies which will help the organisation to attract new customers with high potential so that the sales increase gradually even the competition in the market is high. Marks and Spencer's should even concentrate on internalization as the economy is expected to be in raise which will increase

the consumers needs , Marks and Spencer's even need to have a check on its own potential with its competitors due to high competition.

HRM SCENARIO: HR to HR 2. 0

Expect the need. Strong work force planning must be conducted.

Specify the job. Make sure that right job is assigned for the right employee; jobs must be built around the people.

Developing the pool

Concentrate on choosing the right assessors than concentrating on the assessment technique. Measure the candidates.

Receiving the new comer. Helping him to acquire the organisation culture.

Examine and review.

M&S should be able to foresee the need of recruiting the staff for some special occasions like Christmas and New Year. As the flow of customers will be high on these occasions, more employees must be recruited. To control the situations, M&S should have a strong work force planning.

The right job must be assigned to the right employees to achieve the best outputs. If the HR department fails to assign the right jobs, it will be of no use even if they best employees. The jobs must be built around the employees.

It is very much important to develop the pool to easily filter the better workforce. The HR department should concentrate on choosing the best

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assessors rather than concentrating on the techniques they use to assess the employees. If they can assess the employees, then they