

Analysis of woolworths and wimpy



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In this secondary research project I did an analysis on two companies, Woolworths and wimpy, both listed on the JSE. I did the following analysis to find out whether companies that are listed on the JSE uphold corporate governance, follow the King ii report and maintain ethical and professional standards. This is an analysis between two companies Woolworths holdings Limited being classified the general retail industry and Wimpy also under the name of famous Brands Limited being classified as a franchise fast food industry.

ABSTRACT:

This project is the research between two companies listed on the JSE, to see if these public companies uphold corporate governance and maintain ethical and professional governance in their work place. I have looked at the internal structure of the business, the employees, the ethics and the corporate social responsibility and how sustainable the projects that the businesses take on have been and will be in the future.

METHODOLOGY:

In the following project I have researched and summarized all the necessary information for Woolworths first, and then I have done the same with wimpy, only at the end of the research task have I discussed the comparisons between the two companies and given my personal views on how the company's operate and if they uphold their professional standards.

WOOLWORTHS

Choice of companies:

I chose Woolworths because it's a store or consumer provider for every person who wants to be served by them. Woolworths' stores are situated all over the country and they are a first class clothing and food company.

They are proud with who they are and are proud to stand firm for what they believe in and stand for their core values, which are very important between the employee and management levels.

They also support their consumers and recognize any problems within society or the environment, and they continually try and make a difference.

The employees are treated well and are treated with respect and integrity, all situations are handled reasonably

Personally when I walk into Woolworths, I get first class service and the attendants are always looking for ways to satisfy me, or any consumer.

Woolworths are very popular and have grown quickly in the last few years; this is a compliment to the attitude and consistency of perseverance of Woolies.

Woolworths is not only a clothing company that looks to please the consumer and looks for ways to satisfy the consumers needs, but they are also a food company and they are always looking for ways to improve the health of the consumer as well as providing excellent, safe and fresh produce. They are also recommended on their developing products, they are always looking for a gap in the market.

Introduction to the businesses micro environment:

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Woolworths has over 400 stores country wide. They offer a wide and specialized range of carefully thought out food, clothing and services for the respected consumer. (Limited, 2007)

Within their business they respect their employees and uphold their wishes, because employees are a very important part of their company, with out the employees they would have no business; the employees keep the business going. As quoted “ Woolworths’ employees are our most important brand ambassadors and our most valuable assets.” (Limited, 2007)

Woolworths also believe that “ Putting the right people in the right jobs is very important” (Limited, 2007). They will always help their staff to become even “ more skillful, passionate and committed retailers, they want to make sure that their employees stay in the business.” (Limited, 2007)

As a company Woolworths has “ adapted and changed” (Limited, 2007), but as they say they have always upheld their core values within their business, “ quality, integrity, value and innovation” (Limited, 2007), they also want to keep on making a difference in the consumers lives using their core values.

Woolworths treat their suppliers with respect as they treat their consumers. They also have morals and values and respect their competitors while always trying to be better than them, which is ethical for a business to survive. (Limited, 2007)

This is an example of the Woolworths organizational structure taken from the Woolworths Holdings Limited web site. As Woolworths Holdings Limited as

the main owner and the other Woolworths companies following as “franchises” to Woolworths HL. (Limited, 2007)

This is Woolworths mission statement and what every employee sets out to do: – Quality and style: the best

Value: simple fair deal

Service: think consumer

Innovation: discover difference

Integrity: do what you say you will do

Energy: be passionate to deliver

Sustainability: build a better future (limited, 2006)

Woolworths is “passionate” (Limited, 2007) about who supplies them and who the company supplies to (their retailers).

Woolworths is also aware and as stated in their mission statement that there are major issues with global warming and especially in the industry world, Woolworths, in their own way, by reducing carbon emissions, by producing bio degradable plastic, by proving products that will not harm the environment.

Corporate social responsibility and sustainability:

There are a few social responsibility programs that Woolworths are responsible for, namely, “surplus food and clothing”, “orphaned and

vulnerable children”, “ the woolworths trust”, “ my school”, and many others that are very beneficial to the community and the environment of SA.

(Limited, 2007)

The project that I am focusing on is the EduPlant Project that Woolworths has supported and started. This project is all about helping the disadvantaged and poorer communities with the lack of food and nutrients in their communities and schools. The project reaches out to the teachers and educators and it educates them on how to plant a successful garden and to sustain themselves and they then teach the children who are attending that school. The teachers and students of underprivileged school and communities will cultivate and grow school gardens and the children will take this project home and cultivate gardens at home and from that they will be able to sustain themselves and their families.

In this project there are three companies who support the project; Absa, Engen and the woolworths Trust. The project was started by a Jeunesse Park. This project is only made possible because the sponsors have been able to donate resources and money to the project. 72 workshops and projects are held for all school leaders and educators, and communities all over the country and these start on the 26th January 2010 and carry on until March, then it's up to the community and the schools to sustain their gardens, there will always be money donations and resource donations, but woolworths is trying to get a skill across to the people, and not just handing over money to the community.

As Jeunesse Park stated, “ there are more that 300 million people in South Africa that go to bed starving, and it is important to teach communities that for minimal financial investment they can sustainably and independently grow their own food and improve their quality of life.” (Limited, 2007). It is also very important for the environment, because they are not just being taught to plant a vegetable graden but they are being taught life skills that will help save and develop the environment for the better, so that in the futur life will be safe and clean.

The king II report is a document stating the way businesses and companies are supposed to act and control the work environment in all spheres of the business. “ It is the way the business directs and controls their assets, resources and actions.” (Thornton, 2010). in chapter 6 of the report is states that “ businesses should provide all citizens with the opportunity to earn a sustainable livelihood...” (unknown, unknown)

It is evident that even though they have not stated that within their social responsibility program they are not following the King II report, that they are taking it into consideration.

I think this is a very sustainable project, it is teaching the underpriveledged community a skill, Woolworths is not just donating money or food, they are teaching the younger generation to garden and have a responsible attatude toward their gardens. The younger generation are the generation that will grow up and want the world to be a better place and they want a harmonious environment to live in, Woolworths is making a good difference. There is a saying that goes; “ Give a man a fish and he eats for a day, teach a man to

fish and he eats for a lifetime” (Limited, 2007). Woolworths is not only trying to make a difference to the communities sustainability but they are also making a difference to the environment, this is very evident in the way products are packaged and the way they look after their environment and people. This is definitely a sustainable project, that will benefit South Africa, now and in the future.

Socio-economic issues and strategies used:

Education in South Africa:

Woolworths has worked on the socio-economic factor of education in South Africa

Woolworths can see that there are under privileged schools in SA and they are dedicated to helping these communities and supporting them with the help of My School. (Limited, 2007)

This program started many years ago and as stated in 2006 Woolworths donated over R7, 5 million to schools all over the country. (Limited, 2007)

This is not only a project that is associated with Woolworths; it is a government organization and Woolworths is a definite supporter and contributor. Woolworths will carry on participating in the My School program because it is making huge changes and benefiting the South African community greatly.

Whenever a cardholder swipes their card they can choose which school their money is donated to, this has a huge effect on schools in SA, because every

bit counts, (Limited, 2007) because in SA there is a huge education problem. This tie's in perfectly with Woolworths' many other social responsibility programs, especially the EduPlant program, Woolworths are all about the younger generation and supporting them. Woolworths is helping the community by letting their consumers contribute as well, therefore most of the Woolworths supporters also support a school and contribute to the education problem in South Africa.

This EduPlant program, which is a program when teachers of underprivileged schools in SA are taught how to plant successful gardens and then teach this to the students and parents in the schools. The project was started in 2002 and is still very sustainable today in many schools across the country. The business uses other companies and sponsors to help and develop the project further.

The education (my school card) and the EduPlant programs are very similar and they work hand in hand to help the younger generation and to grow the younger generation into a leading generation in the future, SA's future generation is very important and will lead us into the future. (Limited, 2007)

Code of ethics in the business:

The code of ethics in any business is very important. If the businesses ethics reflect social responsibility then the business will portray those ethics and codes into real life and follow through with the projects they set out to do.

As Woolworths have stated, in their mission statement that they are “ thinking about the customer all the time, have the integrity to do what they

always say they will do, build life for a better future and make sure it is sustainable for many years to come” (Limited, 2007). Woolworths is always looking at sustainability ways in which to address the current issues in SA and how to improve them and make it better.

Because Woolworths has recognized the socio economic and environmental problems in the country this has made them aware and they now produce products that are environmentally friendly and they support and demonstrate projects that are helping the future generation with education in all spheres of their lives.

Woolworths follows a good mission statement and because they have huge CSR involvement they are a leading business in the corporate world especially in SA.

WIMPY

Choice of companies:

I chose wimpy because they have based themselves all over the country

Their product is available to many different people, they do not only make their product available to a specific customer, whether they be poor or wealthy Wimpy serve them.

There are more than 400 wimpy stores in Southern Africa and they are constantly looking for ways to improve and expand their franchise. They make their customers happy and leave with a smile on their faces.

Wimpy is a franchise, so as soon as an owner buys a share and starts up their own franchise the company's owners are willing to " hold the franchise owners hands all the way and help them every step of the way, so that they become very successful and happy franchise owners" (Wimpy, unknown).

Wimpy does not only cater for a specific religion, they are halaal and cater for people who need specific needs (diet and other).

They are also situated along the main travelling routes and in cities, for fast and easy access. This is very important.

Personally I chose Wimpy because they have fast and cheerful service and are always helping people and looking for ways to help the consumers and the people supporting them; they are also very easily accessible.

Introduction to business's micro environment:

Wimpy is a leading food outlet in SA and they " feel that the want to give back to the people of SA"; because they are seen as an icon and a place of good, quality food.

Part of Wimpy's mission and vision is that they want to help the community in which they are situated to sustain themselves; they want them to be able to start coping with their own environment and to make responsible choices in their futures.

Wimpy has a trust fund and from this trust fund they dram money and help, and they use this to go out into the community and help the less fortunate and give them advice for sustainability within their homes and lives.

Wimpy asks the customer and the consumer for help, this is very important because they include the more wealthy and fortunate communities to help the less fortunate communities, this builds a bond between people from different cultures and communities and hopefully with close the large gap in the economy and between communities that outside people are very scared of closing. This will help the country in a good way.

The Wimpy trust that was mentioned earlier “ focuses on children in need”. Wimpy’s aim in the SR realm is to raise funds so that they can donate meals to the less fortunate children and families.

There is a manager of famous brands limited and under him is the CEO of the wimpy chain of stores, and then in SA there is a managing director of all the food chain stores in the country, this manager owns and helps franchisers to start up his or her business.

There are over 400 stores or food outlets in the country and, each outlet has their own owner and manager and these people are totally in charge of their outlet, they have nothing to do with the others, although they act like a “ family” and will help each other out when the time comes. (Wimpy, unknown)

Corporate Social Reasonability and sustainability:

Wimpy holds a charitable trust, and this trust takes care of fund raisers and money as well as service donations to the poor and less fortunate people in South Africa.

Wimpy believes that there are huge social and socio-economic problems in South Africa and because they are a leading food company in SA they believe they are responsible for helping and giving of themselves to others less fortunate than themselves.

The trust is mainly held in place to help and assist the needy children in many different communities. As stated in 1999 Wimpy raised R250 000 for children and they always donate food to the people who need it, they plan to continue raising funds through the Wimpy Charitable Trust Fund and this will help them donate their money, food and help (Wimpy, unknown). They also encourage people who support their company and food chains to help and donate their time and help and money to those less fortunate, this will bring the two different communities closer and will bring peace and understanding between racial, ethnic, and cultural groups and help SA become a more “united” country.

In 1999 their project to raise money for the Star Seaside fund (Wimpy, unknown) was a huge success and they plan to carry on this success by helping many other communities with the younger generation as their main target of help and food donation.

There are no other current programs that Wimpy is running, but I do think that when they raise money they do put in the full effort and raise themselves to the challenge and this is all for the community, they want the children of SA to have a better life and look forward to their future.

Socio-Economic issues and strategies used:

Poverty in South Africa:

Wimpy has addressed the socio-economic issue of hunger and starvation in the rural and less fortunate communities in SA.

They have come up with a trust or fund where they are continuously raising money and holding events to raise money for the poor and less fortunate youth of South Africa and they then donate the money to the communities, they also donate food and meals to the children of South Africa who need it the most. It is easy for them to donate food to the needy because they can save their left over's or order extra food to make extra meals on a cheap cost, and then distribute this food to the poverty stricken community.

(Wimpy, unknown)

This is a very important socio-economic issues, because it deals with the youth of SA, the youth is very important because they are the next powerful generation that are going to be taking over the country and so it is good that the children who need the resources are given the resources and they are looked after with care, and food.

Because there are now nearly 500 Wimpy outlets in the country, they feel that they need to look after the communities where they are situated. So I think that if there are 500 stores or outlets then there will be sustainability of the project to look after children in need and they will continue to do that between the managers and branch owners. If each Wimpy outlet looked after their community they are situated in, then every day there will be people being looked after and more children eating every day. (Wimpy, Wimpy, unknown)

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Code of ethics:

The main ethics that the Wimpy has is that they are continuously uplifting themselves and the community around them. (Wimpy, unknown)

They are always looking for ways to help their consumer, looking for ways to help the community and always making their environment a better place for families and employees.

Wimpy employees are always looking for ways to please the customer and to make their meal enjoyable – “ with a smile” (Wimpy, unknown).

Their goals and values in the work place are cleanliness, friendliness, good quality service, and value that no one can forget.

Their slogan is clearly stated -“ enjoy every moment” (Wimpy, unknown) and this is what they strive to achieve, that the customers will feel at home and enjoy every moment (Wimpy, unknown) with a good feeling.

ANALYSIS OF INFORMATION, COMPARISON AND OPINION:

Both Woolworths and Wimpy are leading clothing and food industries in South Africa. They have very good structures and facilities; they train their employees with care and are always uplifting their customers and looking for ways to stay on top of the market and to stay ahead.

I think that Woolworths has been established very well compared to Wimpy, they are well ahead in the market and keep their customers happy.

Woolworths has a very good grounding and has very strong ethics and core

values, they uphold their values and are business able to sustain any project that they start. Wimpy has a very good mission statement and they are also very large and well established, yet they do not seem to have any structures values of morals that their employees should follow and agree to. This is where Woolworths takes the lead.

Both Woolworths and Wimpy have pointed out socio-economic problems within the community and they both want to help the less fortunate children, this seems to be a very popular cause that they are for. I think that it is evident that Woolworths has many different CSR programs running and this is why they are so popular with the communities and people they are situated in. The projects that they uphold are very sustainable and Woolworths can definitely stick to what they do and finish what they start. That is very important to stay ahead and to come up with innovative projects that catch the consumer's eye and keep them evolved. This is what Wimpy has done as well, they have created only one project though, but they have included the richer community in the project and asked them to donate money and to donate their time to the less fortunate. This is also very important. Where wimpy only has one CSR project running at one time, Woolworths has many CSR projects running, this is because they are more established and have a broader target market, this gives them the benefit of the community.

It is good to know that most businesses in SA can see that there is a huge socio-economic problem with homeless, child headed homes and hungry children. This is a big problem and it is good to see that businesses as powerful and as ahead in the market as Woolworths and Wimpy have taken

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the initiative to start sustainable projects that are worthwhile and will have a long term effect like the EduPlant (Limited, 2007) program and the Trust Fund (Wimpy, unknown) by Wimpy, these are both very sustainable.

After investigating these companies, it is clear that they are leading businesses in their fields and are planning on staying there with their values, morals and mission statements, these are very important to keep the business running.

DICUSSION AND CONCLUSION:

After careful research I found that I know a lot more about these companies and franchise companies that I would have taken for granted. I know about a lot more of what goes on behind the scenes, and that both Woolworths and Wimpy have good morals, values and their mission is to uphold their mission statements, this is very import as all employees and owners need to follow this carefully so that they can keep their businesses ahead and in the lead in their specific fields.

This is very evident that these businesses uphold the community and have similar goals and they are both looking at ways to improve the environment in which the less fortunate children of South Africa live in, because they both believe that that is where our countries future lies.

For many years to come these companies are going to thrive on their CSR programs and the community will thrive on their CSR programs, they will be very sustainable and although some businesses argue that providing a service is a social responsibility, with our a corporate Social responsibility there would be very little understanding for the community by the business

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and very little respect from the consumer towards the company, and this is what a business is made of.

I feel that Woolworths is better governed because they have many more direct values they follow within their business. They have many more constant morals and standards, there are less rumors and stories in the media about Woolworths than there are about Wimpy. I feel that Woolworths has a competitive advantage over Wimpy because they have more CSR happening at the moment which are long lasting and will have a positive effect on the current and future generations. Their CSR are skill involved where as Wimpy has CSR projects which are mostly are all giving related and food related, and there is nothing wrong with this, but that over time is could become very expensive, where as a skill is something one has and will never be able to buy or sell or more or less money.

Therefore I believe that companies that are listed on the JSE and companies that are public do uphold their CSR programs that are sustainable and they are businesses that hold very high and professional standards.

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Brackets are what have been taken out of the internet site and text.

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