

# [Laura ashley: deliberate and emergent strategies](https://assignbuster.com/laura-ashley-deliberate-and-emergent-strategies/)

Laura Ashley home furnishing and fashion is a popular store all over the world. This company has come a long way since Laura herself and Bernard Ashley had started their company by producing headscarves, tablemats and napkins for their kitchen tables in the 1950’s. Twenty years later in the 1970’s Laura and her husband made an investment, they started the company they first produced a dress for social occasion, this was their breakthrough and the sales increased and by then there were many stores open on different parts of the world.

The company continued to expand worldwide and flourished throughout the 1980’s. However it was one fatal day that Laura Ashley had fallen downstairs on her 60th birthday and died, this upset to the company only got worse after the incident and problems started to occur. Due to the fashion industry changing so rapidly and the fashion provided by Laura was soon replaced by casualness in comparison to the formality fashion the company offered. The company was left behind as it didn’t adapt to the changes and didn’t size up to the upcoming competition.

Laura Ashley deteriorating performances lead to reaching out for help by getting a different CEO in place to help set the company on the right track. The company had up to 5 different CEO’s from the dates of 1991-1999 and each one had their own strategies and views on how to run the company. Laura Ashley overall is an unlikely business success story and has gone through a lot and is now currently back to its roots of Kitchen tables covers but also taps in the current fashion industry and not as formal as before.

## 1. Map Laura Ashley’s stakeholders using a power/interest matrix

Stakeholders are those individuals or groups that have a part in the company (Hill & Jones, 1995, pg 45). Mapping stakeholders is a strategic business tool that identifies and assesses the different effects of individual or group of stakeholders on a company. The power and interest matrix identifies which stakeholders play a vital part in the company and examines the power they have and their likelihood to use that power. ( G. Johnson & K. Scholes, Exploring Corporate Strategy, Financial Times/Prentice Hall, 2002.) By examining the key stakeholder of Laura Ashley we will be able to identify who we should mainly concentrate on.

The stakeholder’s matrix consists of four sections and is divided up accordingly to group A, group B, group C and group D. Group A is (Minimal Efforts) this group needs to be monitored but you do not need to actually provide these people with a lot of information. Group B on the other hand needs to be kept informed. Here you will need to keep the people sufficiently informed and you must ensure that you communicate with them in order to ensure that no problems or other issues may arise. These people are often very helpful to the company with regards to having some details about what you are doing.

Group C you must ensure you keep them satisfied. In this situation the company needs to ensure that the people are kept satisfied, the actual difference here in comparison to the first group is that these people are not as interested in using their power. Group D are your key players and these are the people that you must fully engage with and you must ensure that you make the greatest efforts in satisfying them. Your position on the grid below shows you the actions that you must make when it comes to them (Rachel Thompson)

Firstly the managers in Laura Ashley’s are Laura Ashley herself and her husband Barnard Ashley. Together they are responsible for the overall running operations on the business and they compile different strategies in order for the company to be successful and then ensure that the strategies are implemented. Therefore Laura and her husband have very high levels of interest in the business as they have invested their own money in the company.

Laura and her husband Barnard also have a high level of power as they decided on the effort levels of employees therefore they will both be classified as Key Players. The four board directors appointed by MUI also fall under Group A as they have a high level of power on the operations of the business and a high level of interest on the success of the business.

The Shareholders of Laura Ashley’s have both got high levels of interest and a high level of power therefore also putting them in Group D which is the Key players. According to the case Laura Ashley’s shareholders, Malayan United Industries, showed their power by appointing four board members. Dr Khoo Kay Pen is the chair person of MUI and the reason why they have this power is because they had 40% of the chain. The fact they were so involved shows that they had a high level of interest in the success of the business. They showed this by opening new product lines and creating a sense of direction for the firm to further expand. Therefore this particular shareholder need to be kept informed and involved.

Although Laura Ashley has other shareholders they don’t necessarily have the high level of power that MUI does but they do still have a high level of interested in the business therefore putting them under group B, keeping informed. The reason why they might not have the same level of power to the other shareholder is because they do not have as much shares in the company therefore limiting them to have power to make or implement changes in the company.

The Employees of Laura Ashley’s are not really in title to high level of power but they do have a high level of interest in the company success. This is because they are concerned with the security of their job and they want to be kept informed on the future of the business and whether or not they will have an income and a job the next day. Therefore the employees of Laura Ashley fit under Group B, Keep Informed.

The Distributors and suppliers of Laura Ashley are considered to have a high level of power but low interest levels making them fall under Group C, Keep Satisfied. The distributors and suppliers have high level of power because Laura Ashley is dependent on them making them more in control as they are the once supplying the company with the goods and without them Laura Ashley wouldn’t have her quality products. The Distributors and suppliers do not have interest in the business itself just as long as they get paid on time.

Customers of Laura Ashley are more concerned with the services they receive and the quality of the products that they purchase. Therefore the customers have a low level of interest in the business running. On the other hand the customers do have a high level of power in terms of deciding if they will be buying your product or not and without your customers Laura Ashley would not have business therefore the customers must be kept satisfied. The customers fall under group C and need to be provided with good services to keep them coming back.

The Government plays a vital role in the business operations of Laura Ashley. They implement and increase or decrease tax. Therefore they have power over all businesses when it comes to influencing prices and how the company obeys certain policies that they draw up. The Government has a low level of interest the business itself as long as they pay tax and run their business according to the policies. Therefore the government fits in Group C, keep satisfied.

Peel Hunt, the investment bank, would fall under Group A as they would be interest in the company’s financial position and they have the power to close the business if the business is making a loss or is not operating according to how they planned. David Cook would be part of Group B as he is the financial director for Laura Ashley and has a high level of interest as an employee and he ensures that the company is financially sound. David Cook does not have a high level of power that influences the business.

The Competitors that are competing against Laura Ashley have a high level of power in the sense of offering better services or prices that might impact how Laura Ashley might operate. The competitors might have power over the suppliers and distributors and therefore can be seen as a threat. Therefore it is important for Laura Ashley to be better than the competitors. The competitors also have a high level of interest on the business as they want to be better than Laura Ashley.

The Media also plays a part in the power/interest matrix. Tamasin Doe, the director of a fashion magazine would fall under Group B, keep informed. The magazine would be helping the company in promoting their collection. Therefore they need to be kept informed on what is happening within the company and the collection. The magazine has a high level of interest in the business but low level of power or the operations of the business.

## 2. How would you characterize Laura Ashley’s ‘ Core Values’?

Core Values is essential for an organization as it sets guiding principles for the company. Your company’s core values should not be confused with cultural practices or operating practices and it should not be comprised of the company’s financial gains or short term expediency (Johnson, Schole & Whittington, pg 163). Values are seen as a life directing guideline that helps underline the behavior expected. (Trice & Beyer 1984)

Laura Ashley’s core values revolve around their brand, diversification, employees and their customer’s satisfaction. Laura Ashley value for diversity allowed a much broader employee commitment and it will attract more employees. By getting the employees committed will help guide their decisions and behaviours. This will be shown and discussed accordingly in the paragraphs below.

The Core Value of Laura Ashley was founded in the 1950’s when Laura and her husband started making basic material accessories in their apartment. Hard work and dedication was the reason why they are so successful today. With dedication and a vision Laura and her husband had the right attitude and passion to become successful business owners. Their value of staying true to who they were and offering the same quality products over the years is also another indication of how dedicated and passionate they were about what they were offering a quality brand to their customers.

The attitude that Laura had helped direct her behavior in the sense of how she put everything she could to ensure that the products were of good quality and with this good work ethics Laura was able to guide her organization strategy to be successful. When Laura Ashley died her company carried on but with the same values that she had created and this helped the organization stay close to the roots of Laura Ashley and the vision on where she wanted the business to be.

Laura Ashley’s kept up to date with the latest trends and made their line inspirational an unique. Therefore they created the value around their brand and ensured that it kept up with the latest trends and fashion apple to the customers. The idea of attaching Laura Ashley’s name to the brand was to help customers identify the real quality provided as she uses her own name. This shows that they were positive in their products quality. Laura Ashley was able to personalize and self express with her products which is what added value to the customers.

After all the company has gone through such as expansion and numerous of different managers, Laura Ashley’s core values remained. The brand heritage was based meaning that it was accessible and it had good designs that were realistically priced. The fact that the brand was so well established it left the customers to have a sense of trust in the quality products that is provided. Laura Ashley lives up to their promises which shows integrity.

Laura Ashley identified and develop a clearer, concise and a shared meaning of values and direction because of all the changes they have gone through the employees had to adapt to each new chief executives ways and this could have caused some confusion if the value was not understood. Values help guide the employees in their decision making and this can help with the services to the customers and result in customer’s satisfaction. (Trice & Beyer 1984)

These core values identifies exactly what Laura Ashley is all about. They concentrate on the quality brands and ensure that they achieve customer satisfaction. Core Values have helped the company survive and it has helped them stay true to the roots that Laura Ashley herself created. Therefore the core values are very important within a business and it helped identify the business.

## 3. Recommend a new Mission statement/or Vision Statement for Laura Ashley.

A mission Statement defines the purpose of an organization and their primary objectives. A mission statement is developed to define the key measures to a business success. (Angela Schnaubelt Aug 1, 2007) Your mission statement will help an organization have a precise direction about what you plan on doing and where you are going in the future. (Angela Schnaubelt Aug 1, 2007)

A Vision Statement is your ticket to success and is like an image in words of your company’s future, like a mission statement it also defines the purpose of the organisation but in terms of the organisation’s values. (Susan Ward, About. com Guide) The statement provides inspiration for both the company’s daily operations and strategic decision making. In other words without a clear vision statement it would be impossible to have effective business planning. (Susan Ward, About. com Guide) A Vision Statement provides the company and the employees a sense of direction and a plan on how to get there in order to accomplish the business goals. (Susan Ward, About. com Guide)

Laura Ashley’s new mission statement will ensure that everyone will feel drawn to and feel more a part of the business and respect the values. I would recommend that the mission statement should be edited as follows: Laura Ashley’s wants to establish relationships with those who share a love of the lifestyle that Laura Ashley herself did. Laura Ashley’s act to protect those relationships formed and wants to ensure that the relationships are prosperous and long-term. With highly respectable and knowledgeable employees, Laura Ashley can provide the customers with good sales services and help customers find their individuality.

The vision of Laura Ashley had changed numerous of times due to the fact that when a new chief executive came they saw different ways to make Laura Ashley a success and each one had their own mind set on how they were going to achieve that. Therefore I would recommend that Laura Ashley’s vision statement should be fixed no matter who the chief executive is as this will ensure that the employees don’t get confused with what they must accomplish. Today Laura Ashley is in a strong position with 450 stores around the world and is well situated for further expansion. (Lillian Tan, Chief Executive Officer of Laura Ashley in 2005).

I would recommend that Laura Ashley’s vision statement should be as follows: We want Laura Ashley’s to be a place

We want Laura Ashley’s to be a place where the customers can come and feel welcome and have a good time shopping and finding their individuality. From the moment our customers walk in our store they will be greeted by a warm atmosphere, subtle music and friendly staff. I envisions that Laura Ashley been a leading individual store that provides customers with variety of products and fashion that ensures individuality for each customer.

By changing both the mission statement and vision statement for Laura Ashley will be a new adventure for them. The fact that Laura Ashley went back to its roots it would only be wise to change them both and ensure that the employees understand where the company is going and what they should to help it get there.

## 4. To what extent was Laura Ashley’s strategy development emergent or deliberate?

A deliberate strategy is more of a desired strategy that is deliberately formulated or planned by the managers. It’s associated with the use of tools, techniques and frameworks for strategic analysis and evaluation. (G. Johnson, K. Scholes, R. Whittington) Deliberate strategy involves a 6 step process namely: 1 Environmental Analysis, 2 Goal Setting, 3 Strategy Formulation, 4 Strategy Implementation, 5 Evaluation/Control, 6 Feedback. (G. Johnson, K. Scholes, R. Whittington)

An Emergent strategy on the other hand comes about through everyday routines, activities and processes in organisations leading to decisions that become a long-term direction of an organisation. (G. Johnson, K. Scholes, R. Whittington) An emergent strategy is a pattern of action that develops over time in an organization in the absence of a specific mission and goals, or despite a mission and goals. (D. J. Power,  Alexander P. and Daniel J.,  Planning )

Within 14 years Laura Ashley’s had up to 11 different CEO’s and each one had a different strategy that they implemented. Due to the company’s plans and brand investment strategy that was implemented across the fashion and home furnishing department.

Laura Ashley’s brand became well known and standards were set for good quality product and this deliberate strategy evolved in customer loyalty. On the other hand Laura Ashley’s strategy was also an emergent strategy. It was stated that they went into the market by been a home furnishing but the break though came about when Laura Ashley produced a dress for social occasion. At the time Laura Ashley made and emergent strategy to start tapping into the fashion industry. This emergent strategy made the success of the company.

Laura Ashley’s strategy was deliberate. Laura Ashley ensured that her strategy was to get her brand well known and recognized by the customers and potential customers. By using this strategy Laura Ashley knew she could concentrate on differentiating her products from her competitors as she wanted to put value to her brand. Laura Ashley did this to gain customer loyalty therefore she made the brand the central part of Laura’s strategy. Laura Ashley herself planned a strategy that would ensure her brand would be a success. Laura and her husband did environment analysis to see if there was indeed a market.

Though the years of operation things drastically changed. After the death of Laura the strategy was still in place but was forced to be emergent at times due to the changes in the environment. When Ann Iverson was selected to be chief executive she made a emergent strategy to expand Laura Ashley’s overseas and she tried to appeal to the younger customers in the UK. This strategy that Iverson implemented at the end of the day becomes trouble because there were not enough products to fill each of these huge stores.

This could have been a result of not carefully planning. Therefore another emergent strategy had to be put in place. The emergent strategy was to let Ann Iverson go and to put a rescue team in place. This emergent strategy left Laura Ashley having a lifeline, their major shareholder Malayan United Industries (MUI). MUI purchased 40 per cent of Laura Ashley. MUI then came up with a deliberate strategy to appoint four new boards of directors and this resulted in giving Laura Ashley some stability that they needed.

MUI implemented many emergent strategies to get Laura Ashley’s pack on track, they even closed down some stores that were unprofitable and closed those stores that’s rented was too high. This strategy was to ensure that the expenses of Laura Ashley didn’t exceed the money coming in. The overall strategy was to modernize the brand but at the same time to remain true to Laura Ashley’s brand values, this strategy is emergent as well for the simple fact that it wasn’t necessary to go through a long process that is time consuming.

Laura Ashley’s did not have the time to waste and needed to act fast due to the changes in the environment and due to the changes within the company itself. The one part of Laura Ashley that was deliberate was when they relocated the poorer performing stores from the prime areas to the larger off-pitch stores. This was deliberate as they intended to save money and costs. They had to do environmental analysis to identify the stores that were not doing so well and when they identified these stores they had to set goals in order to ensure that they don’t lose any more money.

By setting a goal that want to move the unprofitable stores they were deliberately planning to ensure the Laura Ashley succeeds. The next step they took was setting the strategy to actually take the unprofitable stores and move them to larger stores that were off the prime areas, this strategy was implemented for the simple fact of not having a store that is not doing well in you important areas as it could have damaged the brand image.

In total this case study of Laura Ashley had deliberate and emergent strategies implemented. Due to the fact that Laura Ashley was a fragile company it was important that they did implement more of the emergent strategies as they had so many CEO’s and people running the company that did change business running’s, some good and some bad. With emergent strategies it allowed them to take the opportunities they saw quickly and turn them into a success.

## CONCLUSION:

Laura Ashley’s is a business that included product development in order to satisfy the needs or the target customers though focusing on the signature brand offered. Laura Ashley’s main strategy evolved around the product brand. The brand strategy provided the company with a solid base as to know that the products must always be high quality as it is the face of the business. Laura Ashley’s is a rare success story and is surely an inspiration to many other companies that have grown to international status.

The company has succeed for the reason that it was always looking for ways to improve their services and to improve their operations in order to increase customer services and to expand the business globally. The home furnishing offered by Laura Ashley played a major part in building the brand to be recognised, this was because they put extra value to their customers and provided them with quality goods. The company has come a long way since Laura and her husband Bernard started printing fabric on their kitchen table in London.

Due to their investment in what they considered would be successfully turned out to be true, as sales increased and the company kept on growing as well. Laura Ashley had a clear brand strategy and when Laura herself was managing things she had a clear vision of wanting to be able to provide quality products to her customers and build long term relationships with them in order to ensure that they will come back. Laura’s vision was to be able to also share a common interest with her customers and ensure customer satisfaction by providing excellent services.

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