History of oxfam: non profit organisation

(Oxfam International was formed in 1995 by a group of independent non-governmental organizations. Their aim was to work together for greater impact on the international stage to reduce poverty and injustice.

The name “ Oxfam” comes from the Oxford Committee for Famine Relief, founded in Britain in 1942. The group campaigned for food supplies to be sent through an allied naval blockade to starving women and children in enemy-occupied Greece during the Second World War.

As well as becoming a world leader in the delivery of emergency relief, Oxfam International implements long-term development programs in vulnerable communities. We are also part of a global movement, campaigning with others, for instance, to end unfair trade rules, demand better health and education services for all, and to combat climate change.

Today, there are 13 member organizations of the Oxfam International confederation. They are based in: Australia, Belgium, Canada, France, Germany, Great Britain, Hong Kong, Ireland, The Netherlands, New Zealand, Quebec, Spain and the United States.

The Oxfam International Secretariat is based in Oxford, UK. The Secretariat runs advocacy offices in Brussels, Geneva, New York and Washington DC) (www. oxfam. org/en/about/history).

Oxfam Ireland

(It works with people around the world to end the injustice of poverty. They are an independent and secular not-for-profit organization. Oxfam Ireland is a member of Oxfam International, a confederation of thirteen independent members. The members work together to achieve greater impact by their collective efforts).(www. oxfam. org/oxfamhome

Oxfam is many different things. It’s the organization which helps poor people to build a better future for them. It’s the relief agency which brings help when disaster strikes. And Oxfam is the campaigner for a fairer world. Through our work in long-term development, emergencies and campaigning, Oxfam helps people to achieve their right to a life free from poverty, suffering and injustice) (www. oxfam. org).

I’m doing my workplacement in the Oxfam shop of Rathmines-Dublin 6. this shop considers as one of the Oxfam International branches. In this shop, they get various donations from the public. The work carried out by this shop, they sell good quality bric a brac, cds, books, homewares, clothes, shoes etc.

They shop’s costumers those people who want to buy good quality and different thing at the same shop.

Organisation Chart

Oxfam shop- Rathmines’s Chart

The structure of the shop as you see in the diagram is flat. That’s means the shop has relatively few levels in the hierarchy. The structure looks like span of control that the volunteers directly reporting to the manager.

The explanation of the Chart

The role of the manager

The manager is fully responsible about the shop, how to make the budget for example about (purchasing, selling, pricing, coding, and sorting the donation which he/she gets it from the public.

If the donators make a complaint whe/she will:

investigate fully

do her/his best to explain what went wrong

try to put things right

At this shop, she has own office, and she works with volunteers helping teaching them how they can get on.

Deputy Manager

She/he is fully responsible about the shop doing the same role when the manager is off.

The staff (The Volunteers)

The Volunteers in this shop are the staff of the shop, they are 45 volunteers, I put them in the diagram regarding to their presence over the week. On Monday, the shop has 6 volunteers, some of are student from second and third Level doing their Workplacement. On Tuesday, there are 10 volunteers. On Wednesday, there 8 volunteers. On Thursday, there 9 volunteers. On Friday there 9 volunteers. Finally, on Saturday, there 5 volunteers.

Those volunteers are working together at very peaceful atmosphere and working very hard. After they know what they should do, they do pricing, sorting, coding the donations, so they help the manager a lot.

My duties in this shop

I come every Thursday and Friday (full day), I sometimes work at the Till, sometimes pricier, coder, sorter of the clothes and dealing with customers.

(B) Scanning the Internal Influence on organisation:

There two influences on the organisation (the Oxfam shop)

Resource Base View

(Typical answers might refer to :

Excellent service

Technical know-how

Responsiveness to market needs

Design and engineering capability

Financial resources

Basic principles of the RBV model

RBV of the firm provides a rigorous model for analysing firm's strengths and weaknesses

Basic assumptions of RBV :

Resource and/or capability heterogeneity : different firms possess bundles of different resources and capabilities

Resource and/or capability immobility : Some of these resources and capabilities are inelastic in supply or costly to copy

RBV posits that the sources of value creation are resources and capabilities

Value = Consumer surplus + Producer profit

To outperform industry norm, a company must create more value than its competitors

Value Chain Analysis has two basic activities

Primary Activities

(Inbound logistics, goods or donations from the public of the shop being obtained from the shop suppliers ready to be used for producing the end product). (Notes given in the class).

Operation, the raw materials and goods obtained are manufactured into the final product. Value added to the product at the stage as it moves through the production line.

Outbound logistics, once the product have been manufactured they are ready to be distribute to distribution centres, wholesales, retailer or customers.)(Notes given the class).

Marketing and Sales, Essentially an information activity – informing buyers and consumers about products and services (benefits, use, price etc.)

Service

All those activities associated with maintaining product performance.

(2) Secondary Activities

Procurement, his concerns how resources are acquired for a business (e. g. sourcing and negotiating with materials suppliers)

Human Resource Management, Those activities concerned with recruiting, developing, motivating and rewarding the workforce of a business.

Technology Development, Activities concerned with managing information processing and the development and protection of " knowledge" in a business

Starting point for a unifying strategic framework :

THE RBV of the firm

The RBV of the firm is grounded in economics

RBV sees companies as different collections of physical and intangible assets and capabilities, which determine how efficiently, how effectively a company performs its functional activities

Attributes competitive advantage to ownership of valuable resources and capabilities that enable a company to perform activities better or more cheaply than competitors

Combines internal analysis with external analysis

Resources

Are defined as stocks of firm-specific assets

Cannot be easily duplicated

Cannot be easily acquired in well-functioning markets

Examples:

Patents and trademarks

Brand-name reputation

Installed base

Organizational culture

Workers With specific expertise or knowledge

Contribute either directly (e. g., reputation) or indirectly (e. g., through serving as the basis of capabilities) to value creation

Are converted into final products or services using bonding mechanisms such as IT, incentive systems, trust, etc.

Sometimes non-specific resources (like buildings, raw materials, unskilled labor, etc.) are included in the definition of “ resources”

Resource categories :

Financial capital

Physical capital

Human capital

Organizational Capital

Capabilities

Are defined as cluster activities that a firm does especially well in comparison with other firms

o May reside within business functions (e. g., AA yield management)

o May be linked to technologies, product design (e. g., Honda engines)

o May reside in firm's ability to manage linkages between elements of value chain, i. e., coordination skills (e. g., Ford product development)

o Refer to a firm's capacity to deploy resources, usually in combination, using organizational processes to effect desired ends

Information-based, firm-specific processes which are created over time through complex interactions between resources

Key characteristics :

o Valuable across multiple products and markets

o Embedded in organizational routines (well-honed patterns of performing activities)

o Tacit (i. e., difficult to reduce to algorithms, procedure guides)

Resources and capabilities are distinct from key success factors

Key success factors (KSF)

Refer to the skills and assets a firm must have to achieve profitability in a particular market

Market-level rather than individual characteristics

Necessary, not sufficient for achieving competitive advantage (e. g., KSF in athletic footwear are development of new designs, management of a network of suppliers and distributors, creation of marketing campaigns)

Predictors of firm profitability (like resources and capabilities)

Resources and capabilities

Are conceptually different from KSF

Sometimes overlap with KSF

A FRAMEWORK FOR ANALYSIS : VRIO

Resource-based analysis of the firm determines which resources and capabilities result in which strengths or weaknesses

Strategies are to be implemented which exploit (or build) strengths and avoid (or eliminate) weaknesses

What constitutes a strength or weakness is partially a function of the external environment

Framework for analysis: VRIO – resources and capabilities should be o Valuable

o Rare

o Inimitable

o Organization can effectively exploit them

VALUE of resources and capabilities

A VALUABLE resource or capability (or a combination thereof) must

Contribute to fulfillment of customer's needs

At a price the consumer is willing to pay, which is determined by

Customer preferences

Available alternatives (including substitute products)

Supply of related or supplementary goods

Thus, value is partially a function of external environment (product market, demand forces)

changes in consumer tastes, industry structure, technology, etc. can result in changed value

Resources of different firms can be valuable in different ways (e. g., Timex versus Rolex)

Value = Lowered costs or increased revenues or both

SCARCITY of resources and capabilities

Resources and capabilities must be in short supply to create competitive advantage (and go beyond competitive parity)

What would happen if this were not the case?

An analysis of the firm's resources and capabilities must include critical assessment whether they are unusual when compared to those of competitors

How rare does a resource have to be in order to have potential for generating a competitive advantage?

Example of a rare resource: Wal-Mart's point-of-purchase inventory control system

To be a source of sustained competitive advantage the rarity of the resource must persist over time

INIMITABILITY of resources dans capabilities

Requirement for sustained competitive advantage

Ease of imitation depends on

Cost asymmetries (“ Do firms without a resource or capability face a cost disadvantage in obtaining it compared to firms that already possess it?”)

Capabilities of competitors

Sources of cost asymmetries / cost disadvantages fall into two categories :

Impediments to imitation : Impede rivals from duplicating critical resources and capabilities

Early-mover advantages : Set in motion a dynamic that increases the magnitude of that advantage relative to other firms over time

Impediments to imitation :

Legal restrictions on imitation :

Patents, copyrights, trademarks

Governmental control over entry into markets (licensing), certification, quotas on operating rights)

Superior access to inputs or to customers

Market size and scale economies

Intangible barriers to imitation

Causal ambiguity

Dependence on historical circumstances

Other path dependencies

Social complexity

Degrees of resource and capability imitability

Source: C. Montgomery, " Resources: The essence of Corporate Advantage", Harvard Business School Case N1-792-064.

· Cannot be imitated : Patents, unique assets, unique locations

· Difficult to imitate : Brand loyalty, employee satisfaction, reputation for fairness

· Can be imitated (but may not be) Capacity preemption, economies of scale

· Easy to imitate : Cash, commodities

ORGANIZING to exploit competitive potential of resources and capabilities

The following elements must be in place in order to effectively exploit the resource(s) and/or capability(s):

o Structure

o Management and control systems

o Compensation policies Business processes

o Complementary resources and capabilities)(www. ecofine. com/strategy.

(C) External influence on organisation

This consist of PEST Analysis and Five Forces analysis

PEST Analysis

(A scan of the external macro-environment in which the firm operates can be expressed in terms of the following factors:

Political

Economic

Social

Technological

Political Factors

(Political factors include government regulations and legal issues and define both formal and informal rules under which the firm must operate. Some examples include:

tax policy

employment laws

environmental regulations

trade restrictions and tariffs

political stability)

Economic Factors

Economic factors affect the purchasing power of potential customers and the firm's cost of capital. The following are examples of factors in the macroeconomy:

economic growth

interest rates

exchange rates

inflation rate)(www. quickmba. com/strategy/pest)

Social Factors

(Social factors include the demographic and cultural aspects of the external macroenvironment. These factors affect customer needs and the size of potential markets. Some social factors include:

health consciousness

population growth rate

age distribution

career attitudes

emphasis on safety)

Technological Factors

(Technological factors can lower barriers to entry, reduce minimum efficient production levels, and influence outsourcing decisions. Some technological factors include:

R&D activity

automation

technology incentives

rate of technological change)(www. quickmba. com/strategy/pest).

Political

Economical

Social

Technological

Environment regulation and protection

Exchange rate

Income distribution

Government research spending

Tax policies, may affect on Oxfam as a whole

Taxation

Labor, social mobility

New inventions and development

Employment laws

Economic recession

Lifestyle change

Rate of technology transfer

Competition regulations

Consumer confident for example: the Oxfam shop has many loyalty because of it

Education

Energy use and costs

Safety regulation

Inflation rate, when the government wants to reduce it.

Fashion, hypes

(Change in) Information Technology

Political Stability

Stage of the business cycle

Living conditions

(Change in) Internet

Employment laws

Interest rates

Demographics, Population growth rate, Age distribution

(Change in) Mobile Technology

Five Forces Analysis

“ Porter’s five forces” is a framework for the industry analysis and business strategy development developed by Michael E. Porter of Harvard Business School in 1979. It uses concepts developing Industrial Organization (IO) economics to derive five forces that determine the competitive intensity and therefore attractiveness of a market.”(en. wikipedia. org)

Supplier Power

The Five Forces

The threat of substitute products

The existence of products outside of the realm of the common product boundaries increases the propensity of customers to switch to alternatives:

Buyer propensity to substitute

Relative price performance of substitutes

Buyer switching costs

Perceived level of product differentiation

Number of substitute product available in the market

The threat of the entry of new competitors

Profitable markets that yield high returns will draw firms. This results in many new entrants, which will effectively decrease profitability. Unless the entry of new firms can be blocked by incumbents, the profit rate will fall towards a competitive level (perfect competition).

The existence of barriers to entry (patents, rights, etc.)

Economies of product differences

Brand equity

Switching costs or sunk costs

Capital requirements

Access to distribution

Customer loyalty to established brands

Absolute cost advantages

Learning curve advantages

Expected retaliation by incumbents

Government policies

The intensity of competitive rivalry

For most industries, the intensity of competitive rivalry is the major determinant of the competitiveness of the industry.

Sustainable competitive advantage through improvisation

The bargaining power of customers

The bargaining power of customers is also described as the market of outputs: the ability of customers to put the firm under pressure, which also affects the customer’s sensitivity to price changes.

Buyer concentration to firm concentration ratio

Degree of dependency upon existing channels of distribution

Bargaining leverage, particularly in industries with high fixed costs

Buyer volume

Buyer switching costs relative to firm switching costs

Buyer information availability

Ability to backward integrate

Availability of existing substitute products

Buyer price sensitivity

Differential advantage (uniqueness) of industry products

RFM Analysis

The bargaining power of suppliers

The bargaining power of suppliers is also described as the market of inputs. Suppliers of raw materials, components, labor, and services (such as expertise) to the firm can be a source of power over the firm. Suppliers may refuse to work with the firm, or, e. g., charge excessively high prices for unique resources.

Supplier switching costs relative to firm switching costs

Degree of differentiation of inputs

Presence of substitute inputs

Supplier concentration to firm concentration ratio

Employee solidarity (e. g., labor unions)

Criticisms of the 5 Forces model

Porter's framework has been challenged by other academics and strategists such as Stewart Neill. Similarly, the likes of Kevin P. Coyne and Somu Subramaniam have stated that three dubious assumptions underlie the five forces:

That buyers, competitors, and suppliers are unrelated and do not interact and collude.

That the source of value is structural advantage (creating barriers to entry).

That uncertainty is low, allowing participants in a market to plan for and respond to competitive behavior.

(D) Internal and External influence on organisation

SWOT Analysis

S

(1)Oxfam Fair Trade (OFT) is one of the largest UK fair trade organisations(Oxfam as a whole)

(2)Oxfam is now moving towards a broader market access programme.

(3)Oxfam bookshop where I work has a good reputation among the customers and neighbours, because Oxfam as a whole was founded in 1948, so everyone wants to join it as volunteer, customer and donator. Cheaper and quality and tidy

(4)This shop has a strong brand name, because the donators donate evaluated things and they get donations from strong brand companies.

(5)The shop’s location is fantastic, it is neighbour to Rathmines College and it locates among Dublin 6’s town amenities.

(7)The atmosphere in the shop is attractive.

(8)OFT has been very active in capacity building activities. This has led to new skills and greater access to international markets, created by fair trade organisation.

W

Lack of patent protection

Lack of marketing expertise, because of them are volunteer, few of them well-educated, the other lack of expertise.

The goods in the shop depend on the donations, sometime there is no donations so the shop lack of goods then lack of costumers.

Lack of Creativity / ability to develop new products.

Oxfam aims to work with disadvantaged poor producers, typically from the informal sector, which is characterised by low wages, poor social benefits, lack of access to investment and credit and consequent poor working conditions, home-working etc.

O

T

(1)Unfulfilled customers need

(1)There are many charity competitors around the shop

(2) Arrival of new technologies, for example: in Oxfam shop, the customer takes long time when he/she wants to pay cash, the shop has old-fashion Till

(2) Price wars in those competitors

(3)New regulations

(3)Loosing of regulation

(4)Increase trade barriers

(4)Removal of international trade barriers

(5)Technological developments may make the shop's offerings obsolete. Market changes may result from the changes in the customer needs, competitors'moves, or demographic shifts. The political situation determines government policy and taxation

(5) Market led by a weak competitors

Value Chain Analysis

(Value Chain Analysis describes the activities that take place in a business and relates them to an analysis of the competitive strength of the business. Influential work by Michael Porter suggested that the activities of a business could be grouped under two headings:

Primary Activities – those that are directly concerned with creating and delivering a product (e. g. component assembly); and

Secondary Activities, which whilst they are not directly involved in production, may increase effectiveness or efficiency (e. g. human resource management). It is rare for a business to undertake all primary and support activities.

Value Chain Analysis is one way of identifying which activities are best undertaken by a business and which are best provided by others (" out sourced") (http: tutor2u. net/business/strategy/value_chain_analysis. htm).

Linking Value Chain Analysis to Competitive Advantage

(What activities a business undertakes is directly linked to achieving competitive advantage. For example, a business which wishes to outperform its competitors through differentiating itself through higher quality will have to perform its value chain activities better than the opposition. By contrast, a strategy based on seeking cost leadership will require a reduction in the costs associated with the value chain activities, or a reduction in the total amount of resources used).(http: tutor2. net/business/strategy/value_chain_analysis. htm)

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