

Strategic plan for the target corporation



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The purpose of this paper is to prepare a draft to include an updated 2010 strategic plan for Target Corporation for at least a three year period, as well as to provide a brief background of the company. Both the mission and vision statements will be modified to provide the clarity that is lacking, as well as to explain how the mission, vision, and values help the company reach its desired outcome. Additional topics of discussion to be addressed include but are not limited to any strategic components of the process in relation to the current or new strategy that may need to be further analyzed, how the outcomes of sustaining strategy (current or new) will affect the organization's leadership and culture, as well as its stakeholders.

Strategic Plan Update, Draft One

Target Corporation is known for what it gives back to the community in that it has been giving back 5% since 1946. Target's current mission and vision statements, 'to make Target the preferred shopping destination for our guests by delivering outstanding value, continuous innovation, and an exceptional guest experience by consistently fulfilling our Expect More, Pay Less brand promise' are lacking in legality and clarity. As is mentioned in the company's 2010 Corporate Responsibility Report, Target Corporation focuses on the categories of education, environment, well-being, and safety & preparedness. The company takes these four categories of responsibility a step further to the sub-categories of safe communities, healthy living, inspired students, and sustainable practices. In addition, the company is guided by its commitments to great value, the community, diversity, and the environment, which is identified in the company's strategic plan. From a financial standpoint, the closing price on Target's stock as of August 10,

2010 was \$52. 94, which can be purchased through a brokerage firm or the company's Direct Investment Program (DIP), Mellon Investor Services.

Beginning update of 2010 strategic plan

Target Corporation is an upscale discounter that provides high-quality, on-trend merchandise at attractive prices in clean, spacious, and guest-friendly stores. In addition, Target operates an online business, Target. com. The current business strategy will be modified by meeting the commitments described in the modified mission and vision statements.

Company information over three-year period

The below tables include the company's financial summary, quarterly results, sales increases, store date, and employee information for the period of 2007-2009 and some of 2010 (Target. com, 2010).

Financial Summary

Target Corporation

2009

2008

2007

Revenues

\$65, 357

\$64, 948

\$63, 367

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EBIT

\$4, 673

\$4, 402

\$5, 272

Net Earnings

\$2, 488

\$2, 214

\$2, 849

Net Earnings Per Share, Diluted

\$ 3. 30

\$ 2. 86

\$ 3. 33

Average Common Shares

Outstanding, Diluted

754. 8

773. 6

850. 8

Target Stores

(Fiscal Year End)

2009

2008

2007

Number of Stores

1, 740

1, 682

1, 591

Square Footage

231, 941

222, 588

207, 945

Number of Employees

351, 000

351, 000

366, 000

Quarterly Results

2Q 09

3Q 09

4Q 09

1Q 10

Revenues (billions)

\$15. 1

\$15. 3

\$20. 2

\$15. 6

% Change vs. LY

(2. 6)%

1. 1%

3. 2%

5. 1%

Earnings Per Share TY

. 79

. 58

1. 24

. 90

Earnings Per Share LY

. 82

. 49

. 81

. 69

Sales Increases – Target Stores

2010

January

3. 6

0. 5

February

6. 0

2. 4

March

12. 5

10. 3

April

3. 5

5. 9

May

3. 7

1. 3

June

4. 0

1. 7

July

3. 8

2. 0

2009

August

0. 1

(2. 9)

September

1. 3

(1. 7)

October

2. 8

(0. 1)

November

1. 5

(1. 5)

December

5. 0

1. 8

Modified organizational mission and vision statements

Target Corporation's current mission and vision statement mentioned above are lacking in formality, legality, and clarity. The current mission and vision statement will be modified into one mission statement and one vision statement that together will provide the missing clarification. They will read as is indicated below:

*Mission statement - To make Target the preferred shopping destination for our guests by delivering outstanding value, continuous innovation, and an exceptional guest experience by: creating stores to be easy and intuitive to
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shop; making every Target shopping trip exciting and enjoyable; keeping in stock the items guests want; and providing a fast checkout process

*Vision statement – to fulfill the Expect More, Pay Less brand promise, which is: Expect more of everything. More great design, more choices, and more designer-created items that you won't find anywhere else. And pay less. It's as simple as that.

Brief background

The first Target store (T-1) opened in Roseville, Minnesota, in 1962, launching a new era in discount retailing because of its affordable, trendy merchandise. Serving as the prototype for every Target store opened since then, this T-1 was easy to shop in, attractive, and always clean. It changed the way consumers think about discount shopping.

Today, Target operates almost 1, 750 stores in 49 states, 240 of which are Super Targets that provide an upscale grocery shopping experience. Almost every Target store has a photo processing center, pharmacy, and Food Avenue restaurants. Super Targets have these departments plus an in-store bakery, deli, meat, and produce sections.

How do the mission, vision, and values aid the organization in reaching its desired end state?

The modified mission statement suggested will help Target reach its goals by responding to the guests' wants and needs. Such response will include providing even more convenience and value; creating a new store prototype that offers more fresh and frozen food in the general merchandise stores, including fresh produce, fresh meat, comprehensive dry, dairy, and frozen

food assortments, and an expanded selection of convenience foods to include snacks, beverages, and candy. This new store prototype is already available in over 100 stores across the country. The need for guests to have a distraction-free shopping environment is being met because Target has a long-standing solicitation policy that does not allow solicitation or petitioning at its stores nationwide, regardless of the represented cause.

The modified vision statement will help target reach its goals by fulfilling the Expect More, Pay Less brand promise. Things customers will be able to expect more of include outstanding value, great brands, thoughtful innovation, exceptional design, and unique style. Customers should also expect more of the smart, strategic approach and consistent financial discipline that has made Target a retail leader for decades. In addition, Target is also committed to the following: provide an unwavering focus on its delightful guests, make guests' lives easier and their communities stronger, and create an unforgettable shopping experience. All the above can be accomplished by following one simple principle, ' Anticipate what they want, know what they need, and always make sure they pay less' (Target. com, 2010).

What components of the strategic management process need to be analyzed in light of the current or suggested new strategy?

The four components of the strategic management process in order of operation are environment scanning, strategy formulation, strategy implementation, and strategy evaluation. The component to be analyzed in light of the suggested new strategy is strategy formulation, which is the

process of deciding the best course of action for accomplishing organizational objectives, therefore achieving organizational purpose.

What effect will the outcomes of sustaining current or new strategy have on the leadership and culture of the organization?

The business strategy Target Corporation uses is differentiation because management determined it would best allow the business to create and maintain a sustainable competitive advantage. The more sustained the competitive advantage, the more the firm will stand out from other stores in the customers' minds (Pearce & Robinson, 2009).

How will the outcomes affect stakeholders? The shareholders of corporations are not liable for corporate debt and any debt existing

after corporate assets are liquidated is absorbed by creditors. Corporate shareholders

may simply terminate operations and walk away without liability to remaining creditors.

However, filing a Chapter 7 proceeding will provide for an orderly and fair distribution of

Management Study Guide. (1998-2009). Strategic management process.

Retrieved from <http://www.managementstudyguide.com/strategic-management-process.htm>

Pearce, J. A., & Robinson, R. B. (2009). Strategic management: Formulation, implementation, and control (11th ed.). New York: McGraw-Hill/Irwin.

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Target. com. (2010). Investors. Retrieved from <http://investors.target.com/phoenix.zhtml?c=65828&p=irol-homeProfile>