

# Maintaining a competitive edge in business



## **INTRODUCTION**

The performance of nay business nowadays is very much triggered by stringent competition due to the existence of other players in the respective industries with the iam of providing the general consuming public with products and servces which were previously made available by other suppliers. To survive such predicament, businesses execute their own set of strategies. Various operations strategies have ben identified in order to maintain their sustainable competitive edge and to establish their place in the market as against other players in the industry. In this paper, the researcher will closely analyze the case of J. Sainsbury, a leading supermarket with interests in finance in the United Kingdom. The researcher will identify the performance objectives of the entire industry and compare it with that of J Sainsbury, and analyze order qualifiers and order winners as regards to the business operation of the business. More importantly, the researcher will also give suggestions on what steps can the company do in order to maintain its sustainable competitive advantage despite the growing competition in the industry with the entry of other players and the growth of previously identified competitors.

## **PERFORMANCE OBJECTIVES**

Performance objectives refer to a set of goals and aims specified by the company or the industry which are expected to be achieved after implementation and execution of a set of strategies which are formulated top improve the performance of the organization. The supermarket industry in the United Kingdom is very diverse and competent as each have varying strategies and tools on how they can better serve the public so that they will

have an increased market share as against the other players. The key performance objectives of the operations of these supermarkets are geared towards increasing their market share and generating more profit. One of the performance objectives of the entire supermarket industry in the United Kingdom would be to increase their economic value which involves earnings in profit, creation of new customers, innovation, and the best use of available resources. Furthermore, another performance objective of operations in the industry would be improvement of the companies' social function which entails their ability to perform the conduct of their business while reaping benefits which are beneficial to the society such as corporate social responsibility measures. One more performance objectives would be to improve its human capital which in turn will reciprocate better service in the industry. Another performance objective of the business would be helping in the growth of the nation through improving internal and external environment of the company. The last performance objective of the company would be to be able to expand operations on other areas of the business aside from food retail which has been the industry's main business.

### **ORDER QUALIFIERS AND ORDER WINNERS**

Order qualifiers refer to the characteristics various products which are offered by the company that can qualify for such products or services to be considered for purchase by the customer. On the other hand, an order winner refers to the characteristics of a product or service that wins the order or the final and most important factor which triggers the purchase. A company is said to be in a trouble if its best investments or its sustainable competitive edge is not important to the general consuming public. Order

qualifiers and order winners are important for the firm's products and services because it stipulates the criteria which are identified by the consuming public and these criteria must be present in their offerings for such to be considered as a valuable option.

For instance, in the United Kingdom, when the shoppers think of which supermarket they should buy their needs, they consider these supermarkets in terms of order qualifiers. Order qualifiers would include which ones has the lowest price, highest quality of products, socially responsible business, most accessible, among other factors, nonetheless, presented with this qualifiers, the customer will choose which one to visit base on the order winner or the characteristic or final consideration which makes them choose that supermarket, normally the organization's sustainable competitive advantage. For instance, it can be assumed that what makes J. Sainsbury an order winner is its focus on quality which makes them the best in food and health as they deliver to the public a perpetually improving quality shopping experience exceeding customer expectations.

### **THE OPERATIONS OF J. SAINSBURY**

Being one of the leading supermarkets in the United Kingdom, J. Sainsbury has been continuous in providing the public with a shopping experience of the highest quality in terms of the products and services which it offers. The remaining section will discuss the operations of J. Sainsbury in line with the performance objectives in the industry which have been earlier identified.

The first performance objective identified was economic benefits. J. Sainsbury's operation undeniably surpassed is economic benefits as

illustrated by the profits which the company earned in the previous year. According to the company's Chief Financial Officer, they made good progress despite the challenging economic environment and their sales even soared 6% higher from the previous year which is indicative of a good economic performance. The company is also generating more than 18 million customer transactions on a weekly basis with a 16% market share. Furthermore, in terms of its social function the company also showed in its operating review its continuous emphasis of corporate social responsibility as being significant in the growth of their business. The company has made a positive difference in many communities by being able to support charities such as Comic Relief where they raised almost 10 million pounds and Active Kids where their donation almost reached 70 million pounds worth of sport equipments and other items. They have also implemented efforts to reduce to negative environmental impact of some supermarket practices such as when it comes to plastic bags. The improvement of the workforce has also been identified as a performance objective in the industry. Such has been shown by the company thorough its efforts to improve the quality of the labor force for better service. It also continuously gives out monetary bonuses and incentives for good service performance which will motivate the employees to do better because they know that they are being recognized. Another performance objective earlier identified was being able to help in the growth of the nation. J. Sainsbury's has been committed to this by providing employment opportunities which gave the citizens an avenue of earning as they work in a dynamic corporate environment. It also perpetually creates opportunities to help the unfortunates in the nation by involving in partnerships with different groups. The last performance objective of the

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industry as earlier identified would be being able to expand their operations to open more opportunities and to serve more markets. J. Sainsbury's response to this objective would be improvement in its non-food sector such as sales for home and lifestyle items. They have also expanded business through their additional channels to reach more market such as going on-line.

## **RECOMMENDATIONS**

As what has been shown by the discussion above, it can be assumed that the performance of J. Sainsbury in the market is doing well. The financial performance is indicative of good business while their corporate social responsibility is indicative of how well they help the society by bringing back whatever they have earned from the public. The strategies which have been identified and formulated by the company showed success in being able to maintain its competitive advantage in the market and in being able to manage competition from other players in the industry. The increase in their net sales is indicative that they were able to manage other players and they were able to do business in a good way despite the challenges which were brought about by the global economic downturn.

To be able to maintain its competitive position in the industry, J. Sainsbury must be able to perpetually put an emphasis on its on-going strategies and how maximum benefits can be reaped from such. Competition will always be rough in an industry which is as rough as the supermarket business in the United Kingdom. Both small and big players will have continued efforts in order to outplay and compete against each other. There will be competitive efforts which will focus mainly on price as such has been deemed as the

most important order qualifier among the general consuming public. To be able to manage such competitive strategies, J. Sainsbury must always remember that the lowest price does not guarantee the most market. Price is a big indication towards purchase, but more emphasis should be put into quality as such is more important. There is a significant need to be able to compete on price. Nonetheless, the need to compete on quality can otherwise prove to be more paramount among consumer concerns.

The operations strategies which have been earlier identified will help the company increase its share in the market or at least retain its current position. The researcher recommends that the company must put a continued emphasis on its efforts towards helping the community and the entire nation. The corporate social responsibility or the set of practices of every organization which are geared towards the environment should always be of paramount concern. The general consuming public is being increasingly aware of how to protect the environment. With that, the company must be sensitive towards this concern and must continue its efforts towards providing the public with an environmentally friendly shopping experience such as through the bags they use and improvement in their waste disposal practices in order to keep the environment clean.

Moreover, they should also continue their efforts to help communities in which they pay back from the revenues they have earned from the public. A portion of their earnings shall be directed towards helping others by showing value to the same society which gave them the profit in the business. More importantly, it should continue to generate employment opportunities in the United Kingdom to be able to help the nation and to help improve the

performance of the business by employing more competent and qualified individuals who can render excellent customer service which in the long run will translate into increased profit.

The competitive environment for supermarkets in the United Kingdom is tough. Nonetheless, with the formulation of effective individual operation strategies, the business will be able to outplay competition and survive in the marketplace as it continue on its perpetual efforts to help the public by offering them with a shopping option of the highest quality.

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