

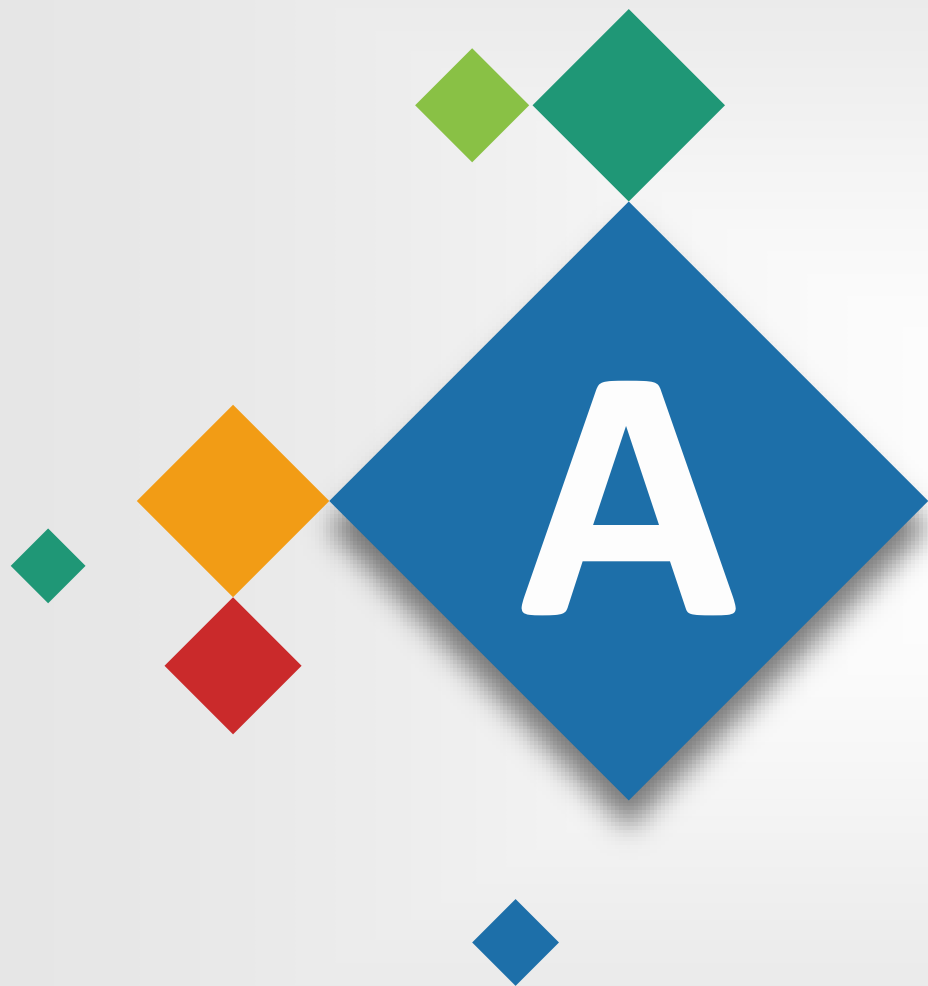
Costco change management research proposal personal statement



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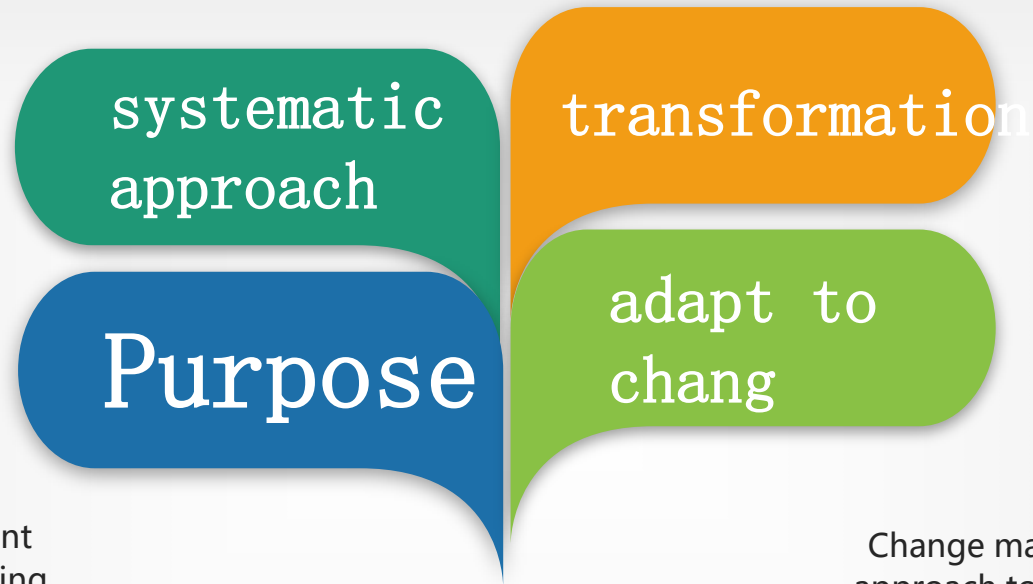
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Introduction

Change management



The purpose of change management is to implement strategies for effecting change, controlling change and helping people to adapt to change.

Change management is a systematic approach to dealing with the transition or transformation of an organization's goals, processes or technologies. These include leadership alignment, communication, training, stakeholder engagement, and organizational design.



Costco



big-box
retail stores

01

Costco Corporation is an American multinational corporation which operates a chain of membership-only big-box retail stores.

first warehouse
in Seattle in 1983

02

Costco's worldwide headquarters are in Issaquah, Washington, an eastern suburb of Seattle. The company opened its first warehouse in Seattle in 1983.

848 warehouses
worldwide

03

As of February 2023, Costco has 848 warehouses worldwide: 584 in the United States, 107 in Canada, 40 in Mexico, 31 in Japan, 29 in the United Kingdom, 18 in Korea, 14 in Taiwan

Experienced change

The company has achieved success using its membership model and continues to attract new customers with ultra-low prices.



The low quality of customer service at Costco is its major vulnerability, and with several other warehouse chains copying Costco's business model



Costco is currently operating at very low gross margins, and its ability to further lower its prices is limited.



Costco has to consider improving its business processes to remain competitive.



PESTLE framework



Change area



customer service quality

Online reviews suggest that the quality of customer service is unsatisfactory and many areas need improvement.



job satisfaction

Costco has to focus on improving the job satisfaction of its frontline employees in addition to improving business processes

Kotter management model



Create
urgency

01

A scenario can be developed to showcase what exactly will happen if the company ignores customer service quality.



Build
coalition

02

A coalition should be formed and include representatives of all departments.



Create a
strategic vision

03

A strategic vision is a company with high customer loyalty, employee job satisfaction, and consistent quality of customer service.



Communicate
the vision

04

The vision and the strategy should be presented to stakeholders who have an impact on the process of change.

Kotter management model



Remove
barriers

05

proposed compensation system should be based on pay at risk concept, which suggests reducing the fixed component



Generate
short-term
wins

06

.Short-term targets should be established to facilitate change.



Sustain
acceleratio

07

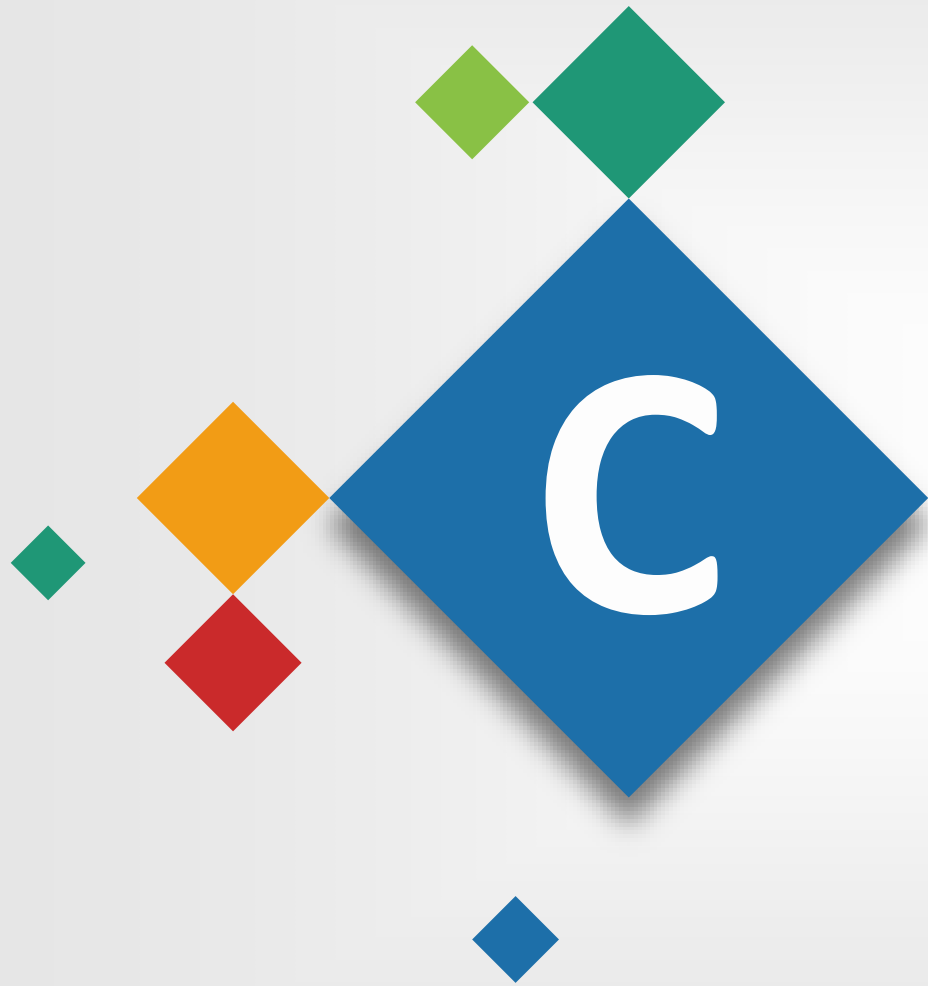
.The momentum can be maintained by continuously establishing new objectives after the last one was achieved.



Institute
change

08

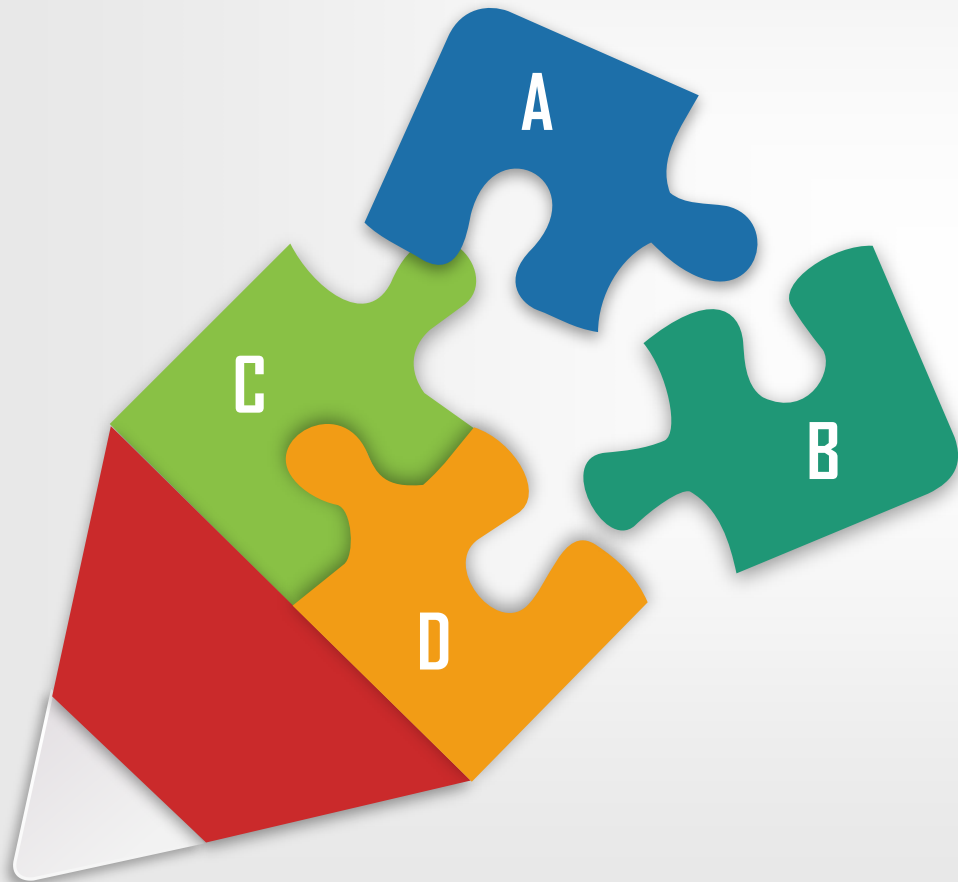
.Integrated communications can be used to facilitate cross-functional communication and align corporate messages between different departments.



Conclusion



Improvement methods



01

optimization of business operations and the implementation of new, more efficient business practices

02

several large corporations using all means possible to gain competitive advantage.

03

Costco has to commit to the idea of service quality improvement to remain competitive.

04

High-quality customer service results in higher customer satisfaction, which means that fewer customers would discontinue their membership.

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