

Ex.2

This task is designed to see if you can **summarise** ideas from course materials **in your own words**. Re-read the text 'The success of ALDI' on previous page. Now answer the following question in **your own words**: What factors contribute to ALDI's success? Write about 175 words.

In the food industry there is a big competition of one another. For example one of the shops they are very low in prices at the same time selling good quality food is Aldi. Aldi use a very simple way to offer customers good quality food. They have a way of giving customers without reducing quality of their products. Aldi products are a 1/3 lower and cheaper than offered by other challengers. Aldi are always try to lower their cost at the same time ~~to~~ ^{to} save ~~at the same time~~ ^{the same} cost as well. And also 35% of Aldi vegetable and fruits are being produced locally which reduce the cost of the journey. Employees have been offered training by Aldi so staff can do variety task. They have also lower their staff by multitask. As by doing all these things it is passed on the buyers as the prices will be lower. Aldi has try to be lower on their prices by buying their fruits and vegetable locally and minimising their staff.

Lecturer's comments:

A good attempt!
Could this be shorter?

A summary should be brief.

Lecturer's signature:



Date:

20.08.19

keep practicing!

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Time allocated: 1 hour. Please return your paper to the lecturer upon completion. It will be returned to you at the next session. You will need to include a scanned copy of this exercise in the form of an appendix together with your Task 1 (part of the Assignment for this module).

Ex.1

Read the following text and make notes on the main ideas. You can do this on a separate piece of paper which you do not have to hand in.

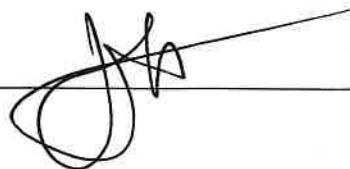
The success of ALDI

The food retail industry is a highly competitive market. Aldi understands that its customers want value for money but do not want to compromise on quality. This case study will demonstrate how Aldi uses a lean approach to its business operations to offer its customers quality products at competitive prices. What distinguishes Aldi from its competitors is its competitive pricing strategy without reducing the quality of its products. In fact, in some cases Aldi's products are 30% cheaper than those offered by its competitors. Aldi can do this because the business operates so efficiently. The three core values of Aldi are simplicity, consistency and responsibility. Lean production ties in closely with these values. For example, Aldi stores are simple in design and all stores are very similar which creates consistency.

For Aldi operating efficiently involves reducing costs in all areas of the business. Some of the key areas where Aldi is able to minimise costs are by saving time, space, effort and energy. Aldi's approach to doing this is to run its business around the principles of lean thinking. Whereas other food retailers have elaborate displays, additional services and promotions that draw customers into the business, Aldi's core purpose is to 'provide value and quality to our customers by being fair and efficient in all we do'. The principles of lean production are planned and built into everything that Aldi does. This starts within its supply chain. For example, up to 60% of Aldi's fruit and vegetables are sourced locally where possible, reducing the need for long and costly delivery journeys.

The principles of time based management are also built into the training provided for Aldi's employees. Through training staff to do a variety of tasks around store Aldi can minimise its staff requirements. Staff costs can also be reduced as fewer staff are required if they can perform a variety of duties throughout the store. Aldi's 'no-nonsense' approach to retailing therefore leads to cost saving in numerous areas. These cost savings are passed on to customers in the form of lower prices, allowing the business to differentiate itself from its competitors in terms of price, as well as the quality of the products it has on offer.

Lecturer's signature: _____



Date: 20.08.19