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Ludmi

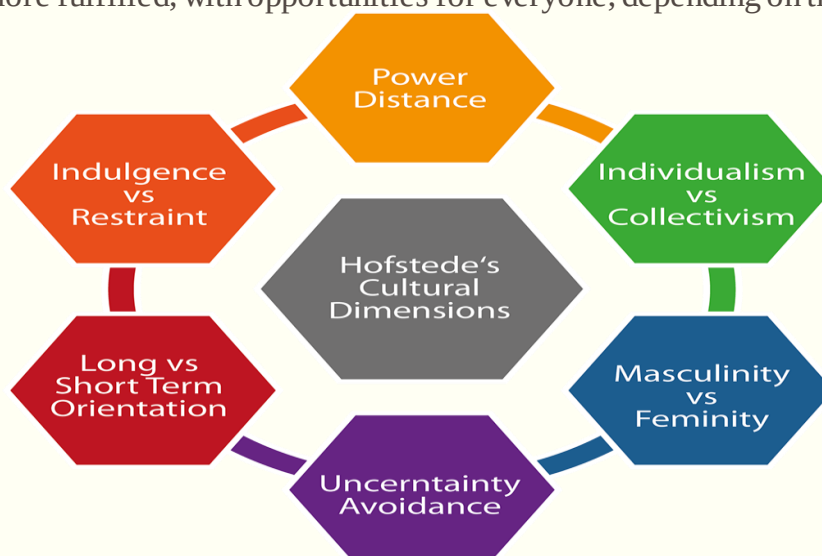


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1.Introduction

2. Business Culture in U.S

According to Johnson (2011) Modern society presents itself as a network of organizations that appears, transforms and then disappears. "We live in a world of organizations" Starting from the premise of the existence of a close connection between culture organizational and that of the society in which the organization operates activity, Hofstede (1980) defines culture as a "programming collective mental health of a group of people" and identifies four dimensions that determines, in his conception, the type of culture. Study conducted among the over 11,000 employees of the company IBM multinationals from 40 countries for highlighting cultural differences between nationalities, manifested in the way they behave at work. The study focused on the influence of national culture on existing sub-cultures within the multinational company, using survey method (using the questionnaire) and employee observation. Hofstede has identified 4 key dimensions with which it can be made distinction between the various values and attitudes of the studied cultures, in on labor issues. Businesses adopt a common sense, pragmatic approach to deal with uncertainty (Hickson and Pugh, 2001: 50) And "American dreams" the dream of a territory where everyone's life is much better, richer and more fulfilled, with opportunities for everyone, depending on their abilities



Geert Hofstede's 5 dimensions of U.S culture



2.HEB Grocery Company LP

2.1Mission

The mission of the H-E-B is to be the main supplier of high-end organic groceries products, but also of daily products in Northern Mexico, more precisely in Texas.

Wishing to offer products at a low price, but of superior quality and a wonderful experience for customers.

1.2 History

The HEB web site presents that (n.d) "The story of H-E-B begins more than 100 years ago in a small, family-owned store in the Texas Hill Country. Today H-E-B serves families all over Texas and Mexico in 155 communities, with more than 340 stores and over 100,000 employees."

2.3 Company snapshot



Founded in 1905



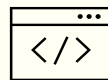
10000+ employees



10+bn



San Antonio, United States



<http://www.heb.com>

Chairman and CEO Charles Butt (2010) said: "Craig, with his collaborative leadership style and keen insight into our customers' needs, is well-suited to lead H-E-B in the new decade,"

2.3 Products

This company operates several production units in Texas. In the southwest it has the largest milk and bread processing factory. Respectively HEB produces many of the products it sells as being produced by its own brand.

- Milk
- Ice cream
- Bread
- Snacks
- Cooked
- Meat
- Meals

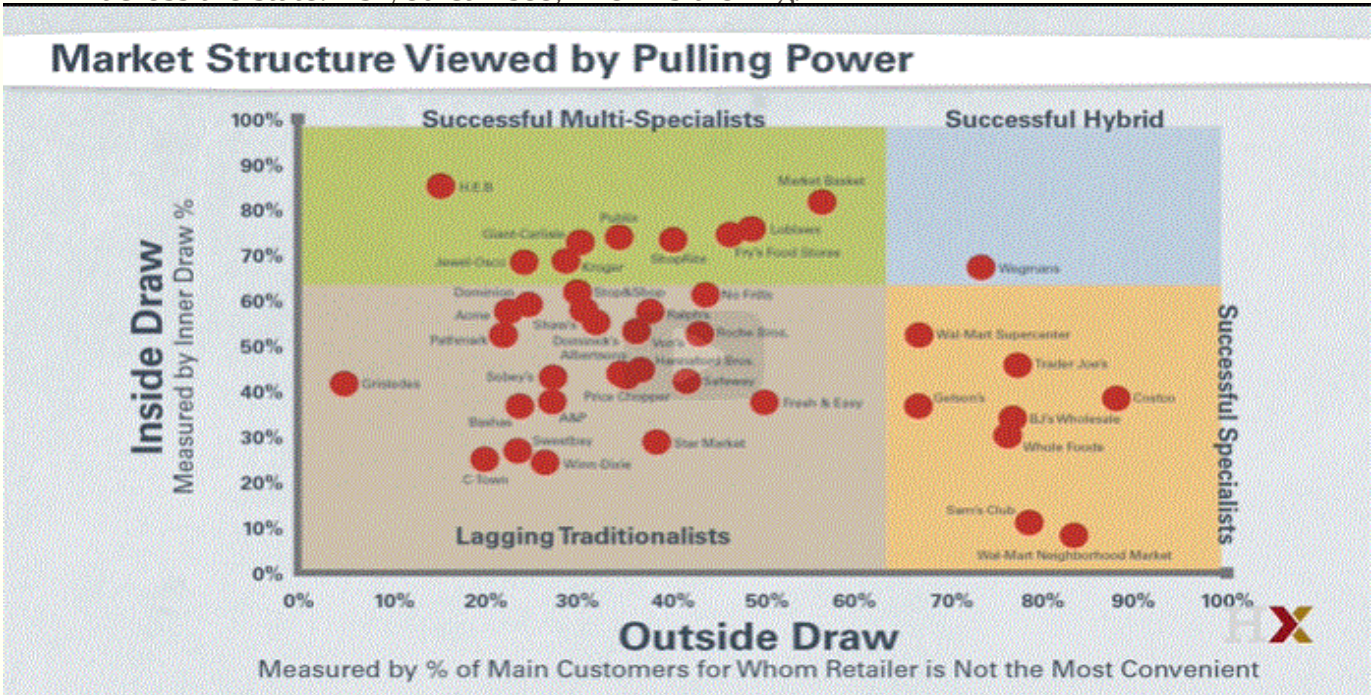


3.Culture of Health in H-E-B Company

The business leaders are in the health business. Whether it's through the impact of our products, our production methods, working conditions, or our value chains, every business can have a helpful or hurtful impact on health.

Being conscious of this roles as leaders in the promotion of a culture of health is the first step. As business leaders, they are focused on what we believe are shareholders hired to do - maximize shareholder value.

The largest grocery store chain in that state. Founded in 1905 and headquartered in San Antonio, HEB is a Texas icon-- one of the most trusted institutions in that state. The company is known for how it caters to local tastes and for its community orientation. HEB has been involved in promoting education and reducing hunger in the state from the early days of the company. It's philanthropic work is well-known across the state, as are its low prices, phenomenal quality, and selection. HEB has some of the highest volume supermarkets in the nation and competes with hundreds of Walmart Supercenters across the state. As you can see, in exhibit of fig.1

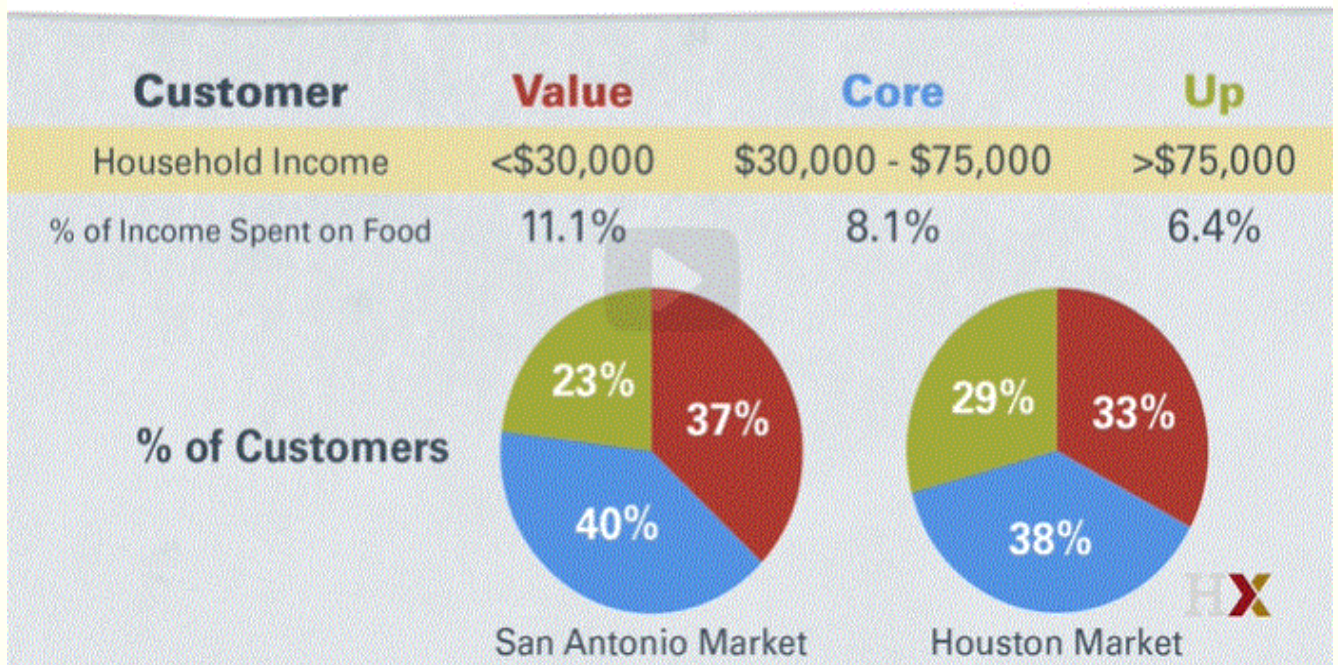


HEB does a great job of attracting local customers to its stores, with over 80% of people in the local trade area shopping the average store. Their store network is also very dense.

In exhibit of the case study, we see that the company also caters to customers from all income levels, with its customer basespread fairly evenly between what they term value, core, and up customers. If you examine the company's business model as laid out in the case, you will see that selling high volumes through each store is critical to the company's success, especially because HEB prices are often below those of Walmart.

Customer Segmentation by Jose B. Alvarez

Customer Segmentation



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If you examine the company's business model as laid out in the case, you will see that selling high volumes through each store is critical to the company's success, especially because HEB prices are often below those of Walmart. For HEB to succeed, it needs happy customers that spend a large percentage of their grocery dollars at their stores.

Mitchell et al.(2012) says:"Despite growing recognition of the problem, the obesity epidemic continues in the U.S., and obesity rates are increasing around the world. The latest estimates are that approximately 34% of adults and 15–20% of children and adolescents in the U.S. are obese.

Now, obesity prevalence in the United States has risen dramatically over the last 20 years, and Texas is one of the nation's most obese states.

Obesity can lead to serious health problems such as diabetes, hypertension, cardiovascular disease, and renal disease. Given the huge economic and emotional costs of obesity, HEB had been trying to work with its employees to reduce obesity levels in the workplace. After seeing a modicum of success with its employees, the company decided to embark on an ambitious and risky journey to promote a culture of health across all of Texas.

This decision was fraught with potential landmines. Texans are known for their independence, and HEB had to avoid being seen as interfering with consumer choice. One obvious target might have been to reduce the consumption of sugar-sweetened beverages in their stores.

The company chose not to go that way, in order to avoid becoming a judgmental retailer, but HEB was determined to help create a culture of health in the state in a way that made sense to Texans.

It approached the challenge by making it easier to make healthy choices, rather than restricting choice. Given the public's confusion about what healthy means, HEB partnered with the renowned Cooper Clinic to better understand what the key elements of a healthy life might be. They created a book called Food, Body, and Life.

Armed with better knowledge about what it takes to be healthy, HEB then created a series of consumer programs to promote better health among its employees, customers, and communities.

As described in the case, HEB launched health screenings in its in-store pharmacies to encourage customers to know their numbers for serum cholesterol, blood pressure, and sugar. The company lowered prices for produce to make it more affordable for consumers to buy fresh fruits and vegetables. They created healthy meal deals that bundled the required ingredients for a healthy meal at a discount price. And they created shelf-edge labels to help consumers with special dietary needs to easily find products that fit those needs. HEB also created weekly dietitians picks to help these customers. And the company began, what they call, a Slim Down Showdown for selected customers. These customers became social media sensations as people followed their weight loss journeys.

The Slim Down Showdown allowed customers to follow contestants as they changed their diet and exercise routines to become healthier. The contest spread awareness of what healthy living look like across the state.

The company worked with mayors, state government officials, and nonprofit organizations to develop community-based interventions for diet, fitness, and health. HEB used its position as a model citizen to forge a statewide coalition to curb the rise of obesity in Texas.

4. The importance of PESTEL Analysis in Strategy Management

The H-E-B strategy and planning process was classified into five steps

- Choosing the existence for H-E-B

1. Vision

2. Mission

3. Reason

- Strengths and weaknesses
- Identification of opportunities and threats by analyzing the external competitive environment. It is important to analyze the pestle to understand the external threats and opportunities that may arise as a cause of macro-environmental developments.
- The impact of macro-environmental threats can be prevented if strategic strengths are developed
- Building a feedback loop and executing the strategy helps managers create new possible strategies According to Michael Porter(2006) organizational performance is to large extent determined by various industry forces.

5.H-E-B PESTEL Analysis

5.1 Political factors

Government policy influences the economic environment, the legal framework, the structure of the industry and certain operational aspects. Political instability is a cause of risk. They play an important role in the investment decisions of transnational corporations. Because this factor influences the cost of running the business and its long-term sustainability.

The main political factors:

1. Democracy & institutions
2. Governance system
3. Law and order in market

5.2 Economic Factors

A number of regulatory acts affect most companies. In this industry it is subject to regulations. They influence access to market, competition and pricing policy..

- The implication for B's Brands is that it can boost sales of its product in short run but also expose B's Brands to medium term forex and currency depreciation risks.
- Employment Rate – If the employment rate is high then it will impact B's Brands strategies in two ways – it will provide enough customers for B's Brands products, and secondly it will make it expensive for B's Brands to hire talented & skillful employees.
- Foreign Exchange Rate – Number of companies have incurred losses in past few years because of forex risk in – Venezuela, Brazil, and Argentina.
- Fiscal and Monetary Policies – The Republican government tax break culture has increased the deficit and it can lead to fiscal trouble for the economy in coming years.
- B's Brands should be careful about the history of forex

5.3 Social Factors

Affects the supply of labor to an organization and therefore its human resources recruitment and management policies. However, in sociological terms, a social class is more than a group of people who have various characteristics in common. Classes belong to a structure social in which some classes have advantages over others.

- Gender Composition in Labor Market
B's Brands can use gender composition of labor market to understand the level of liberal nature of the society, women rights, and women's say in matter of societal issues and consumption decisions.



- Societal Norms and Hierarchy –
What sort of hierarchy and norms are acceptable in society also influence the types and level of consumption in a society. For example it has been extremely difficult for US companies to enter UK health market as UK health system is a nationalized system and everything goes through contracts at national level.
- - Education Level in Society –
Education level of the society impacts both the quality of jobs and level of income.
- For example the power structure in US economy is slowly moving towards the older generation as that generation has higher disposable income compare to the younger generation.

5.4 Technological Factors

Information systems and information technology have played a significant role in developing the modern business environment, including by encouraging flattening hierarchies of organizations and by broadening their field of control. For example, modern communication technology makes decentralization possible, allowing decision-making at lower hierarchical levels and 'outsourcing.

- B's Brands should assess what are preferred choice of mobile payments in local economy and chose the business model based on it.
- E-Commerce & Related Infrastructure Development – As E-Commerce is critical for B's Brands business model.
- B's Brands should build a strategy that can integrate societal values, infrastructure, and B's Brands business model.
- Research and Development Investment Levels – If there is high level of investment in technology development sector then there are high chances of building a self sustaining ecosystem that drives innovation.
- Integration of Technology into Society & Business Processes – Uber failed in China because it tried to enter before smartphone were widespread in China.
- This can help B's Brands to bring in more transparency and make supply chain more flexible.
- B's Brands can leverage such a situation to hire the best people in business.
- It should evaluate the e-commerce infrastructure, technology infrastructure etc before entering a new market.

5.5 Environmental Factors

- Level of Consumer Activism Regarding Environmental Concerns – B's Brands needs to know the level of consumer activism regarding environmental concerns is.
- Recycle Policies – What are the recycle policies in prospective market and how B's Brands can adhere to those policies.
- This can help B's Brands in numerous decisions such as plant location, product development, and pricing strategy.
- This will help in better predicting the environment policy of the country.
- It will help B's Brands in both developing environmentally friendly products and thwarting PR stumble blocks.

5.6 Legal Factors

- Consumer Protection Laws – B's Brands needs to know what are the consumer laws, what is the rate of enforcement, what is the attitude of authorities towards consumer protection laws, and what is the role activist groups in enforcement of consumer protection laws.
- Data Protection Laws – B's Brands needs to assess what are the data laws in the country and what it needs to do to comply with them.
- Health & Safety Laws – What are the health and safety laws in the country and what B's Brands needs to do to comply with them.

These factors include all the factors with direct and short-term action with which the company enters into relations, influencing its activity and performance.

Usually, companies strengthen their relationships as they know each other, becoming traditional partners, long-term correlations. -labor providers, represented by educational units, labor offices, intermediaries in the form of companies specialized in staff recruitment and selection and even individuals looking for a job. The ability to attract, motivate and retain the human resources needed to produce competitive goods is obviously important for any enterprise, at least for two reasons: □ human resources are creators of scientific and spiritual values; of the enterprise (material, financial, informational) depends on the quality of human resources, on the way they act

■ External

External factors influence the activity of the enterprise in two ways: - directly, (purchase of equipment or equipment with certain technical-economic performances) - indirectly, by creating the economic, technological, social, political, demographic and cultural framework of the enterprise

- The company's relations with the market are also reflected by the flow of supply, production, sales. Also, this relationship is reflected in the orientation of the company's activity towards priority objectives such as satisfying the superior condition of consumers' needs through the products created and offered, creating profitability and economic efficiency based on increasing total sales and unit profit. The company's relations with the market target 3 major components, namely: commodity market, capital market and labor market. In conclusion

Factors that affect

1. Internal

- Interruptions caused by pandemics
- On a large scale it affects everyone, including employees, customers, suppliers, competitors
- Speeds are spreading rapidly in the form of market contagion in a certain geographical region or even globally, with severe cascading effects
- Extended duration and longer duration; they can last up to several years
- Infrastructure availability, may impose constraints or restrictions on the availability of public infrastructure as the size and severity of the event evolve, in particular due to the fact that other companies are affected by the same problem.

2

External

It involves greater coordination with public, government, law enforcement and health authorities and may involve coordination with more regional jurisdictions.

H-E-B culture during COVID-19

The spread of infection with the new coronavirus, SARS-CoV-2, and the disease caused by it, COVID-19, have led to serious changes in our daily lives, especially since STAY HOME.

People who are already in various forms of therapy, but also the vulnerable, the chronically ill, or those who have already gone through a complicated intervention, which has endangered their lives, are more severely affected by anxiety and even depression in this period.

However, they are not the only ones affected, because, on the one hand, isolation, on the other hand, the confrontation with the danger given by the possible complications of the infection or even the daily exposure to the risk of infection, lead to the increase of anxiety. The first thing we need to know, experts say, is that fear is normal in this context of the pandemic we are all experiencing with education and healthy cultural and managerial support is reported to be more effective than health risk appraisals or educational programs alone (Goetzel & Pronk, 2010)

During this period the representatives from H-E-B's teamwork together strategically to build a culture of health within each of the company's locations for the benefit of employees (called Partners), families, and communities — because it's the right thing to do. H-E-B is a large employer in Texas that offers a full spectrum of employee benefits, from health promotion to health care plans to disability coverage. Like many large employers, H-E-B has a benefits team that carefully evaluates and manages the company's health care and disability costs. The continuity of this distinctive work culture involves carefully crafted communications, as well as programs, benefits, and training that emphasize total health and well-being. H-E-B emphasizes organizational effectiveness and involves employees in recognizing operational problems early and maximizing operational processes.

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- Increasing evidence suggests exercise is an effective treatment for depression, as well as an adjunct to enhance effectiveness of antidepressant treatment (Blumenthal, 2008; Toups et al., 2011)



6.Conclusion

So what do you think about HEB's decision to take on this risk?

Should corporations get involved in community health in this way?

Are corporations responsible to address issues in the communities that they serve?

The HEB program has grown over a number of years and is a point of pride for the company. It is very much in keeping with the company's mission.

It's also in keeping with sound business principles. The company knew that it needed to help its partners and customers reduce

the suffering caused by obesity, but they also understood that unhealthy customers with serious disease had to spend huge amounts of their disposable incomes on prescription drugs and other health care needs.

As the obesity epidemic continues to play out, many customers, especially those in its value segment, confront a stark choice-- buying medicines or buying food. HEB wanted to help its customers and had a strategic imperative to improve the health of their customers. Are there long term business consequences to ignoring consumer health that your company is missing?

Are there ways your business can become a recognized leader by advocating for better health for your consumers?

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8. Appendix

Case Study

H-E-B: Creating a Movement to Reduce Obesity in Texas

In January 2012, H-E-B Grocery Co., a private retail chain with stores located in Texas and Mexico, was introducing its Healthy at H-E-B program to its customers. The program, which started with the company's employees a few years earlier, was an effort to educate and inform customers on how to lead a healthier lifestyle. What CEO Craig Boyan had in mind was creating a state-wide healthy living movement in Texas, where obesity was high relative to other states in the U.S. But how far to go with its employees and customers was a question that President and COO Craig Boyan and his team struggled with. On one hand Boyan believed that H-E-B, long recognized for its community involvement, had a role to play in Texans' health and well-being. On the other hand, he recognized that H-E-B was first and foremost a retailer that had to compete against the likes of Walmart. He needed to make sure that H-E-B was serving its customers what they wanted while also trying to influence their buying behavior toward healthier foods. Some would say that H-E-B had no role in changing the lifestyle and food choices of its employees or customers. But Boyan and his team thought differently.

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