

Q1. When examining two key external factors which are likely to affect the acquisition of Emrosu by BPE, there are two that stand out, which are; market competition and evolving consumer expectations. I've taken these examples from Porter's five forces. The five forces is a model used to analyse competitive intensity and attractiveness of an industry. These five forces are: Threats of new entrants, threat of substitutes, bargaining power of buyers, bargaining powers of suppliers and rivalry among existing competitors. ([cips.org](https://www.cips.org), 2025)



An economic factor includes inflation, interest rates and consumer spending power which will significantly influence the acquisition's success. The UK has experienced ongoing economic uncertainty with rising costs of goods, energy and wages impacting retail and healthcare sectors. These pressures may increase operational costs for the newly acquiesced businesses. In addition, interest rate fluctuations could affect borrowing costs. According to the CIPD, people professionals must consider how economic pressures influence pay expectations, recruitment and workforce

planning. Effective financial and HR strategies such as reviewing pay structures and improving workforce efficiency will be essential to maintain profitability and staff morale.

A social and demographic factor is an ageing population, growing health awareness and changing consumer preferences which are reshaping their pharmacy market. The UK's ageing demographic increases demand for long term medication management, vaccinations and health advice - which both organisations provide. Meanwhile, customers increasingly expect convenience through online ordering and local accessibility. Understanding these expectations will help BPE tailor its service model and workforce skills to meet diverse customer needs.

In summary by anticipating the impacts of economic and social change both businesses can adapt strategies to strengthen resilience, sustain profitability and continue to deliver exceptional community focused pharmacy services.

Q2. BPE must set a clear target to integrate the two organisational cultures - ensuring that the personal, community focused reputation of BPE is preserved while also embedding the structure of Emrosu. This goal is vital so that the companies don't culturally misalign, which can cause underperformance in the company. Research shows that friction between acquirer and target are major drivers of integration failure. The CIPD emphasises that culture change is not just about values but about how decisions are made, how people are engaged and rewarded. (CIPD, 2025) By planning and measuring cultural integration, BPE can reduce employee turnover, maintain service quality and safeguard the customer relationships that create the brand.

Post-acquisition, BPE should set a goal to build and roll out a digital platform where they offer online prescription ordering, home delivery and digital consultations, which could be available in all stores and via Emrosu's internet pharmacy. This goal is essential because the pharmacy market is moving quickly. For example, digital access, convenience, and remote

services which are increasingly in demand. By setting these goals, BPE can safeguard its competitiveness, access new customer segments and spread the cost base across a larger group.

In summary, setting these two goals - cultural integration and digital servicing scaling - is a crucial realisation of the value of acquisition, preserving BPE's heritage and positioning the merged business for future growth.

Q3. BPE has developed a strong reputation as a local, community focused pharmacy. Its core services include private prescription dispensing, health and beauty products, person centred pharmacy services such as health advice, blood pressure checks, vaccinations etc. BPE delivers these services through a flat structure and close staff - customer relationships, which creates loyalty and trust. This reflects the CIPD's principles of good work, particularly around customer service being built on engaged, trusted employees who understand the needs of their local communities.

In contrast, Emrosu, a national pharmacy chain, offers a broader and more standardised range of services at scale. They offer, in branch prescriptions, an internet pharmacy allowing ordering and home delivery, centralised warehouse and distribution systems, corporate support functions (e.g marketing, HR, finance) enabling consistent service delivery, and access to national initiatives. The dual model, physical and digital, allows Emrosu to reach a wider audience.

BPE primarily serves local residents including elderly patients and families. Their customers value the personal relationships and continuity of care. However, Emrosu's customers are more diverse, including digitally diverse individuals who prefer online prescriptions, younger consumers and people in urban areas who prioritise speed and convenience. According to CIPD's guidance on service quality, understanding different customer expectations is key to delivering inclusive, accessible healthcare services that meet changing societal needs.

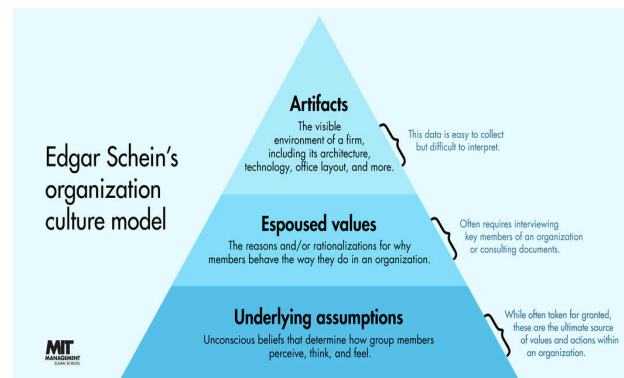
Q4. Following the acquisition of Emrosu, people professionals at BPE will have access to a wider range of digital technologies to support the integration of both businesses. According to the CIPD 2023 'People Profession 2030 Report' technology should be used to enhance people's experience, data driven decisions and collaborative working across dispersed teams.

Platforms such as Teams or Zoom can connect managers and head office teams across locations. For BPE - previously reliant on informal communication- these tools will allow real time updates, virtual meetings, and cross branch collaboration, supporting the CIPD's principle of 'building connection and inclusion' in hybrid organisations. According to Deloitte (2023) organisations using collaborative digital tools report a 20% improvement in team productivity and engagement.

Learning management tools which are integrated within HR systems can provide insights into turnover, diversity and engagement needs. As CIPD (2023) notes, the use of people analytics allows HR professionals to ensure that their workforce strategies and business goals align effectively. Overall, adopting a coherent digital people strategy will help BPE and

Emrosu blend their policies, enhance collaboration and sustain high levels of service quality throughout the expanded organisation.

Q5. Organisational culture refers to the shared values, beliefs, assumptions and behaviours that shape how people within an organisation interact and make decisions. Schein's model defines culture as a "pattern of shared basic assumptions" learned by a group as they solve problems of external adaptation and internal integrations. Schein's model describes three levels of organisational culture in his model.



- Artefacts that may reflect culture are the visible, tangible and audible elements of an organisation. For example, dress code, office layout, logos and technology.
- Norms and values about appropriate attitudes and behaviours (espoused or real). These are stated beliefs and norms such as an official code of conduct, mission statement and the principles announced by its leaders.
- Basic underlying assumptions are deep unconscious beliefs and the most powerful drivers of behaviour. For example, assumptions about human nature, relationships between people and the nature of truth and reality.

At BPE, Shiva has created a close knit, family orientated culture built on personal service, trust and strong community relationships. Contrasting is Emrosu's larger, hierarchical structure which promotes a more formal process. Following the acquisition, creating an appropriate and effective workplace culture will be essential to integrating these environments. If the culture is well managed it will help to align the values and behaviours of the employees across the business ensuring the customer service and high quality experience from BPE is maintained. This will also help employee engagement and retention; according to the CIPD organisations with strong, inclusive cultures report higher morale, lower turnover and improved performance. If they foster a unified and effective culture this will enable the merged organisation to operate cohesively and deliver constant value to both employees and customers during and after the acquisition.

Q6. Organisations function as whole systems meaning that they can operate as interconnected networks of people, processes and structures that collectively work towards shared objectives throughout the company. The systems theory (Katz and Khan, 1978) emphasises that every department throughout an organisation influences each other. Effective organisations recognise the interdependence of functions such as operations, finance, HR and customer service ensuring each sector aligns with the overall strategic goals.

Following the acquisition of Emrosu, BPE will expand into a national network of over 100 stores. A result of this will be people professionals playing a critical role in aligning the systems, structures and cultures of both organisations. Their actions in areas such as talent management, communication and leadership will directly affect how effectively the merged organisation functions as a whole. Change management and employee engagement

strategies will be vital in maintaining morale and preventing cultural fragmentation during integration. The CIPD highlights that people professionals act as “system connectors” ensuring alignments between business strategy and people practices. At BPE their work will therefore have a strategic impact, for example shaping culture, enabling collaboration and supporting the effectiveness of the operations across all levels. By taking a holistic view of the organisation, people professionals can help ensure that BPE’s expansion strengthens both its community ethos and long term business performance.

Q7. Effective change management is essential to ensure that the integration of BPE and Emrosu is smooth, sustainable and aligned with strategic objectives. Change - if not carefully planned and managed can lead to confusion, resistance and reduced morale. According to Kotter (2012) around 70% of organisational change initiatives fail due to poor planning and lack of communication. This demonstrates the importance of a structured approach.

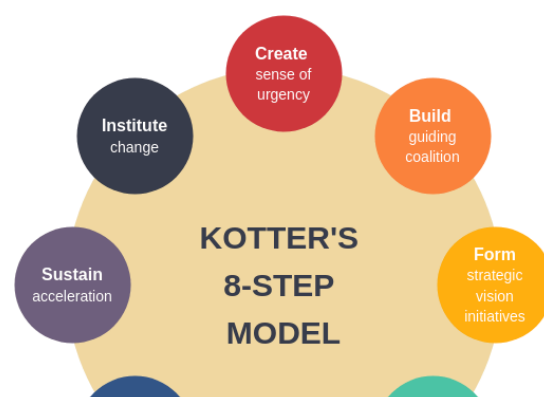
One key reason for planning change effectively is to ensure strategic alignment. The acquisition will expand BPE from a small, family run organisation to a national chain with 100 stores. Without clear planning, differences in structure, systems and culture could lead to inefficiencies, duplication of work and a loss of the customer focused credibility that defines BPE. A well managed process allows leadership to set clear goals, communicate a shared vision and prioritise integration. Secondly, managing change effectively supports employee engagement and retention. Employees at both businesses may feel uncertain about their roles or the future of the organisation. Transparent communication, consultation and involvement in decision making will help build trust, reduce anxiety and sustain motivation. The CIPD (2023) emphasises that involving employees could change processes improves buy in and performance outcomes.

In summary, planned and well managed change enables BPE to integrate Emrosu successfully by aligning people, systems and culture with strategic goals which maintains service quality and a positive organisation.

Q8. During the acquisition of Emrosu by BPE, people professionals will play a crucial role in ensuring the transition is effectively managed, culturally sensitive and aligned with strategic business goals. As experts in people and culture their contribution will be central to maintaining employee engagement, productivity and service quality throughout the changing process.

Firstly, people professionals may act as strategic partners, helping leaders use their business objectives into effective people strategies. They can assess workforce implications, design new structures and ensure that policies, contracts and reward systems are aligned across both organisations. This alignment is key to create consistency and fairness across the newly integrated business.

They also serve as change facilitators. By applying recognised models such as Kotter's eight steps people professionals can guide the organisation through each stage of transformation - from communication and engagement to implementation and



consolidation. They will also identify potential areas of resistance to develop strategies to support employees emotionally and practically through the acquisition.

Kotter's 8 step model includes:

1. Creating a sense of urgency - Convincing people that the change is necessary and the time to act is now.
2. Building a guiding coalition - Assembling a group with enough power and influence to lead the change effort
3. Form a strategic vision and initiatives - Develop a clear vision and strategy that outlines where you are going and how to get there.
4. Communicate and change vision - Spreading a new vision widely and consistently to help people understand it and buy into it.
5. Enlist a volunteer army - Empower a large group of people to act on the vision by enlisting their support and commitment.
6. Generate short term wins - Planning and creating a visible short term success to build momentum and prove the change is working.
7. Sustain acceleration - This is by not declaring wins prematurely. Continuing to push forward by using momentum from wins to drive more change.
8. Institute change - Making the new approaches the new normal by embedding them into the company's culture.

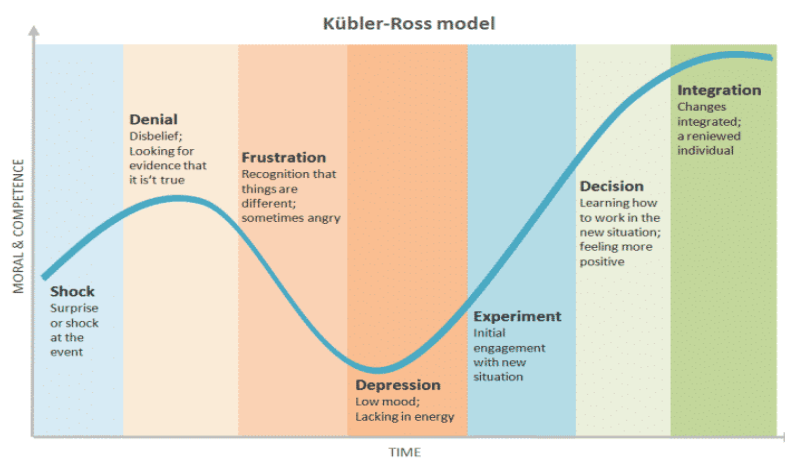
Additionally, they play a communication and engagement role ensuring that the messages about change are clear and timely. They also act as champions of culture and wellbeing ensuring the merged organisation maintains a personal, community focused value while embracing the scalability and professionalism of Emrosu. To summarise, people professionals are instrumental in balancing operational needs with human considerations, ensuring the acquisition achieves both business and cultural success.

Q9. For BPE a shift from a small, family run organisation to part of a large national network may feel like a loss of the personal culture that has been built which is central to BPE's identity. They may experience changes to their reporting lines, new policies or more formalised procedures which may initially reduce their sense of autonomy and familiarity. However, the integration may also offer benefits such as improved career pathways, access to more professional development and technologies that streamline work.

For Emrosu employees the acquisition may bring an easier type of adjustment. Coming from a large hierarchical organisation, they may need to adapt to BPE's more informal and community orientated approach. Some may feel uncertain about their job security, particularly in roles that BPE may already have, for example administration or management. Others may benefit from a rewarded sense of purpose and connection with customers, reflecting BPE's strong family-like connections with customers.

Across both workforces, changes may impact morale, engagement and performance. According to the CIPD, poorly managed change is a leading cause of employee disengagement and turnover. Clear communication and consultation in the change process will be vital to maintaining trust within the employees.

Ultimately, while the acquisition may create challenges it creates an opportunity to build an inclusive culture that combines both organisations values which strengthens employee experience and long term success. A model that supports this is the Kubler Ross change curve. This theory suggests that people take on an emotional journey when facing significant change. Ross states that the change curve is non linear which can be seen in employees going through acquisition. The first stage is shock or denial, which is the refusal to acknowledge the change happening within the company. Stage 2 is the stage where anger or frustration may be displayed. This is where the realisation sets in and resentment and frustration is visibly seen. The next stage is the bargaining stage where attempts to negotiate, or ways to revert to the old situation are being thought of. Stage 4 is where emotions of depression or anger are seen. There is a loss of motivation and feeling overwhelmed as the reality of the new change hits. The final stage of Kubler's theory is the acceptance and integration stage. This stage is a gradual 'coming to terms' stage where employees begin to adapt to their new way forward. (HRCoursesOnline, Youtube, 2024)



Above is a diagram showing the non linear curve of the Kubler Ross model (Cleverism, 2022)