

Organisational analysis Report

IKEA UK

University of Wales Trinity Saint David

MODULE: COMMUNITY ENGAGEMENT

Year 1, Term 1

Assignment 1

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Introduction

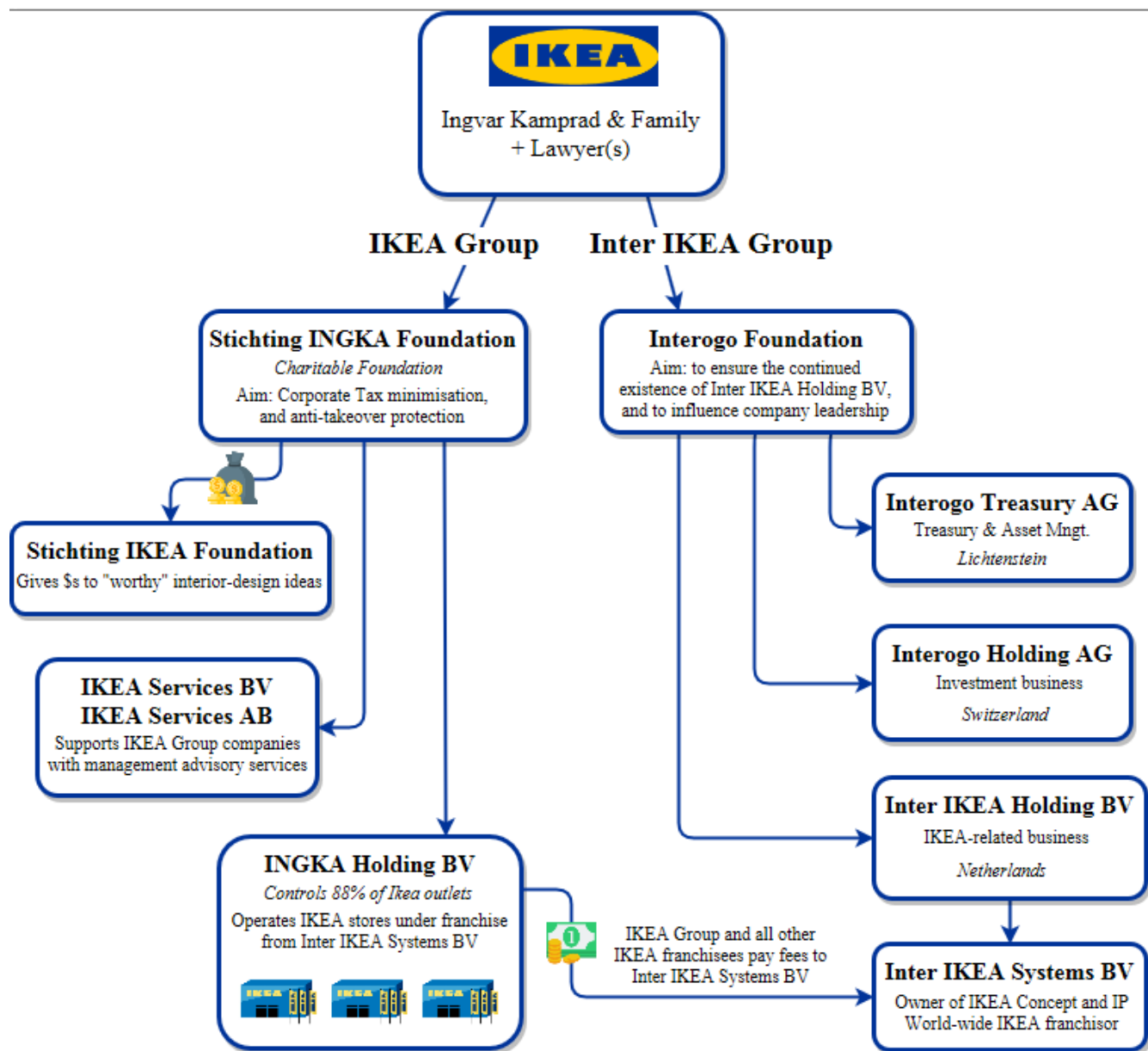
IKEA is one of the largest home furnishing brands in the world. The internationally known company has become one of the most prominent within the global ready-to-assemble furniture market. Recognised for its Scandinavian style, the concept is that most of its furniture is delivered in a flat-pack, ready to be assembled by the clients.

IKEA was established in Älmhult, Sweden in 1943. Created by Ingvar Kamprad, at the age of 17, selling household goods such as pens, wallets and picture frames.

IKEA is an acronym based on its founder name, house and home town, where Ingvar Kamprad grew up in Elmtaryd (Kamprad's farm) which was in Agunnaryd, Sweden. IKEA began as a mail-order business and five years later, added furniture to its catalogue. The company extends to - 422 stores around the world in 50 markets. The first store in the United Kingdom was opened in Warrington in 1987 and there are now 18 IKEA's stores across the UK to date.ⁱ

Structure

Ikea has a very interesting organizational structure and can be considered as hierarchical. Specifically, the company is split into two legally distinct corporate groups (see the figure below). However, Kamprad's family, together with lawyers, managers both corporate groups. IKEA operates by a franchise system.ⁱⁱ



IKEA's vision is: "To create a better everyday life for the many people." (IKEA, 2014). The company's goal is to produce well-designed, affordable and function furniture. IKEA's mission is to work towards creating a better everyday furniture experience for its customers all over the world.ⁱⁱⁱ

Ikea customers

IKEA believes in developing a strong relationship with their customers by directly communicating with them and also learning about their requirements.

Most clients shopping at IKEA expect that the company will communicate effectively with them thus making sure that the type of information offered is consistent, honest and clear. Clients expect clarity during communication and consider it as an important concern that has a negative effect on their experience. As a result, clients shopping at IKEA expect that the information provided on the company website is consistent, complete, up-to-date and accurate. Clients shopping at IKEA further expect that social media communications to be timely and responsive considering that most of them engage the company through the available social media platforms.

Individuals shopping at IKEA further expect honesty in terms of the quality of goods available in the market. Customers do not expect the company to attract their attention using false information about the products offered. Clients shopping at IKEA expect that the company provides them with high quality products which meet their expectations. Their expectations are that apart from the company producing high-quality products, it should also have recognized experts who are proficient in what they do and the services they provide.(Fredman and Nilson,2015)^{iv}

SWOT Analysis

Strengths

IKEA is on top of the furniture market. The company is known to produce Do It Yourself products, which can be easily assembled by customers themselves, also the company products are flat packed, that guarantee keeping low costs. This innovation assures a huge reduction in cost and the best value is transferred to the customer. The firm has a strong financial position.

IKEA has a popular choice when it comes to furnishing homes it is a well-known and recognised brand. The company has developed cost efficient and innovative strategies to target as many customers possible.

Weaknesses

Minimizing the cost and providing good quality products is not always possible. The brand's image has negatively affected and neglected the quality of the items by their low cost obsession. The quality of the products is not the firm's only weakness, services are also a factor for customer dissatisfaction. Ikea's main rule is to keep the costs low. The constant increase in cost of raw materials makes it hard for the company to keep the products cheap.

Opportunities

Cost-conscious Consumers: Through producing and promoting eco-friendly products IKEA attracts even more customers. Clients are attracted by the affordable costs and are cost conscious leading to them changing their furnishing often. The company's cost leadership is the biggest opportunity, which means IKEA's main role is on keeping the cost as affordable as possible at the expense of everything else.

Threats

IKEA has to constantly upgrade and enhance their offerings in order to stay ahead of the competitors, which constantly copy its products. Higher Income: growth of disposable income has led consumers to trade higher in the market chain. Another threat that IKEA is faced with is the increase in cash. Growing income might become a challenge for the company. As most of the clients gain access to excess cash, there is likelihood that the clients may access the items at a low cost. Unfortunately, IKEA uses this structure in its operations. Since the company's quality is considered to be on the lower end, most of the consumers have the tendency of looking for high-quality items regardless of the fact that they might cost them a bit more.^v

Ikea employees

The IKEA employees are significant in many ways to help customers, delivering the best services they can through determination, team work and reliability. The IKEA team is based on key factors such as togetherness, diversity and loyalty that take up almost impossible challenges and find solutions. The employees skills help bring success to the company and as a result developing it. IKEA gives everyone the opportunity to grow and by doing so it increases their growth as a business. Ikea has formed a training system for each job position. Through training, IKEA develops specific knowledge and skills that assist the employees in carrying out their functions.

IKEA has formed a Development Centre for selecting and recruiting staff. The company also designed own Management Development Program, this program is made for the staff who want to proceed and grow within the organisation.^{vi}

Role of Customer Support Centre Specialist within IKEA

The role of Customer Support Centre Specialist is to provide every customer fast and easy solutions to their enquiries.

They should provide high quality service or product information and appropriate details to customers. They should be with the ability to provide professional and clear answers to different customer's demands through phone, e-mail, chat, etcetera in timely and precise manner. Customer Support Centre Specialist should solve all customers questions and complaints about a company's service or product. This is a key role for the company in making every customer feel special and ensuring positive customer experience within IKEA.^{vii}

Skills and Knowledge to carry out Customer Support Centre Specialist

People who can easily make a clear communication with anyone make great customer service specialists. A friendly, actively listening, outgoing person increases customer retention, satisfaction and loyalty, thus reflects well directly on the employer. Customer Support Centre Specialists need to have a high level of patience and maintain professionalism at all times. Here are some customer service skills that are necessary for success in this key role: ability to communicate clearly, knowledge of the products and services provided, attentiveness, use of positive language.^{viii}

Training and Development of Customer Support Centre Specialist in IKEA

IKEA recognizes training and development of customer support in IKEA because of its provision of high employee engagement and motivation. Provision of training on customer services facilitates workers to attain better understanding of their roles on the organization. Training of these employees improves their efficiency and makes them better equipped in dealing with challenges facing clients. Training of customer support by IKEA also ensures that customer service techniques are improved by improving listening, communication, organizational and problem-solving techniques. IKEA trains customer support employees thus improving their competencies which gives them a standard way of dealing with clients and fosters the team spirit.

IKEA requires creating a more effective program for its customer support centre. The program can be developed first by analysing the organization's present challenges and successes.

IKEA should appraise their present levels of client satisfaction from shopping exercises, surveys and complaints from customers. The organization should capture the nature and volume of every aspect thus ensuring that it focuses on the important features first by measuring the effects of the training. Another requirement for IKEA's customer support centre is that there is need to focus on the behaviours, skills and attitudes of customers. IKEA should ensure that within the training there is efficient use of activities and exercises where members of staff can practically get involved. (Fredman and Nilsson, 2015) ^{ix}
In the Appendices has attached an example of Training plan (page 12).

Conclusion

IKEA is a company that deals with sale of furniture in the UK and has attained significant progress in its business. The firm has been able to create different tastes, plans, and ideas which have ensured that clients experience a variety of furnishing to choose from. IKEA wishes to offer services and products to its international customers. To accomplish this objective, the company should develop specific strategies aimed at improving delivery of services in the UK and across the globe. IKEA should also improve its customer support services as a way of making sure that clients attain satisfaction in service delivery and help with their shopping. IKEA has so far been able to breed new business opportunities thus sustaining the current marketplace strategy for merchandise of low quality as it moves into the coming years. IKEA has a strong prospective ability of increasing its business strategies in other countries apart from the UK by limiting its expenditure and elevating the market share. In order to put this in place this strategy can only be effective if the company establishes a good background, which might eventually lead to improvement of the influence it has in the furniture industry. There is need to put extra energy in the business operation through sourcing and supplies which might eventually minimize expenses. The company should focus on reaching out to clients who are conscious about cost as a way of improving their sales and competitiveness in the market.

References

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Appendix

Training and Development Plan for Customer Support Centre

**Training Name: Customer Support Centre Specialist Classroom training
1Day**

Training Goals

- 1. Improving Solving Customer Problems- Modul1**
- 2. Improving communication skills- Modul2**
- 3. Improving Personal skills – Module 3**

Results: TRAINING PLAN TEMPLATE

Training Plan Template

Training Name: **Time:** min **Training Type:**

Customer Support Centre 6 hours One day classroom training
Specialist (9:30am - 10:30pm) Instructor - led

Training Goals

1. Solving Customer Problems - Module 1 - improve
2. Communication skills for Great Customer Service - Module 2 - improve
3. Personal Skills for Great Customer Service - Module 3 - improve

Results

- Learning how to solve very different problems, complaints and conflicts
- Use communication skills effectively and overcome barriers

Certificate Skills Covered

- Strengthen Customer Service techniques

Time / Length	Section Goals/Results	Description	Equipment and Material (Room Lay)	Comments
9:30am	Module 1-improve	Resolving Conflict, Answering Questions, Handling Complaints	Books, learning material learnt well	
11:30am	Module 2-improve	Listening Quiz, About Communication, Active Listening	audio materials	interesting
1:30pm	Module 3-improve	Managing Stress, Time management, Positive Mental Attitude	books, screen	support to the issues discussed
			presentation	