

Group Presentation

Problem-Solving

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Introduction



The aim of this presentation is to identify and provide solutions that can help Wilko recover from administration. The presentation will also recommend a strategy to implement and review these solutions and will recommend communication strategies that Wilko can use to implement solutions efficiently.



Wilko is a hardware retailer founded in 1930 by James Kemsey Wilkinson and his wife, Marie Wilkinson (Wilko, 2024).



Since its foundation Wilko opened around 408 stores in the UK and since 2000s Wilko also entered the e-commerce market by establishing its own website to sell products online (Wilko, 2024).



The retailer has registered success for many consecutive years. However, during the last five years the company started to lose profits, leading to the biggest loss in the history of the organisation when Wilko reported a loss of almost 42,000,000 British pounds (Statista, 2023).



In 2023, Wilko collapsed into administration, leaving 12,000 people unemployed. The CEO of Wilko, Mark Jackson, declared that Wilko did everything possible to avoid business closure. However, no solution has proved successful for the retailer (Sillars, 2023).



Causes of failure



Nick Drewe, who is a retail expert, argued that Wilko failed because it became a victim of the ongoing cost of living, crisis, and economic uncertainty. The expert also argues that Wilko could not recover from the losses suffered during the pandemic (Sensi, 2023).



It is worth to mention here that during the lockdown Wilko was Classed. As an essential store, therefore, the retailer kept its doors open for customers. However, during this time its sales dropped by 7.7% in comparison with its competitor BNM, who reported a 24% increase in its sales during the same period April to December 2020 (Sensi, 2023).



Others claimed that Wilko went into administration because managers did not recognise changes in consumer behaviour (Kollewe, 2023).



For example, Wilko locations are in traditional town centres and customers prefer retail parks where they can find everything, they need in one place. Keeping Wilko shops in town centres also led to higher rent costs, which significantly impacted the profitability of the business (Labiak, 2023).

Causes of failure



The product line offered by Wilko also did not match the changing preferences of consumers. Its competitor B&M, for example, changed product assortment and offerings and registered positive financial profits in return (Sensi, 2023).



However, one of the biggest problems that cost will cause failure was its management. Both Lisa Wilkinson. The chairman of the organisation in Mark Jackson, the CEO of the organisation, became greedy, took short term decisions, and did not act strategically for the long-term sustainability of the organisation. For example, in 2022, when the company lost £32 million, owners of Wilko took £3m in dividends (Kollewe, 2023)..



Managers play a key role in the success of a company because the decisions they make can improve or damage the financial performance of an organisation. The current business environment requires for strategic thinking, adaptability, sustainability, and flexibility and will cost management team failed to meet these requirements (Boddy, 2017).

Solutions proposed

Relocate

Relocate stores to retail parks

Change

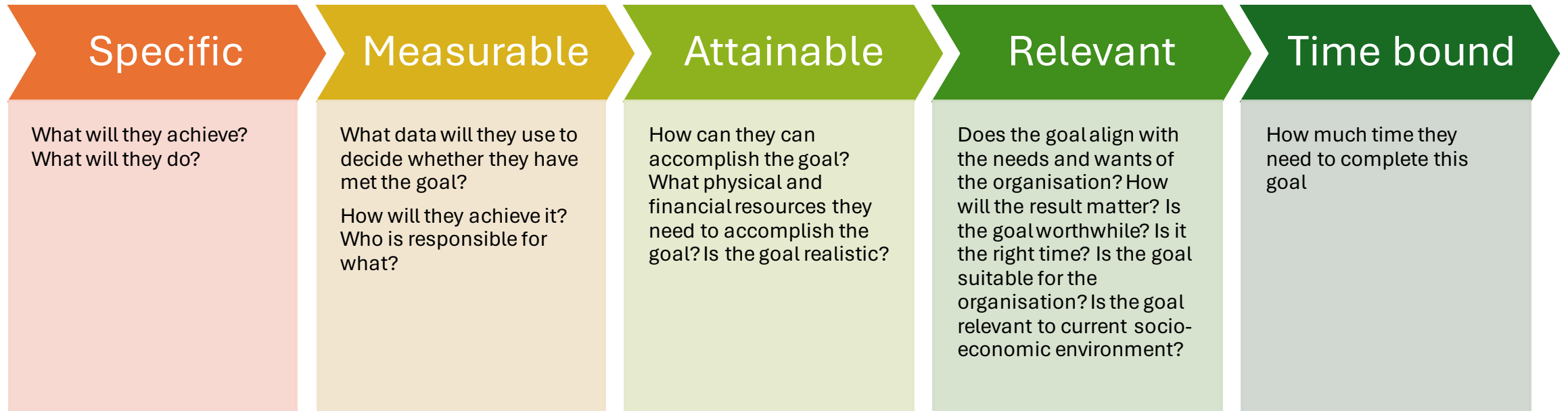
Change management

Invest in

Invest in Research and Development, such as Artificial Intelligence to

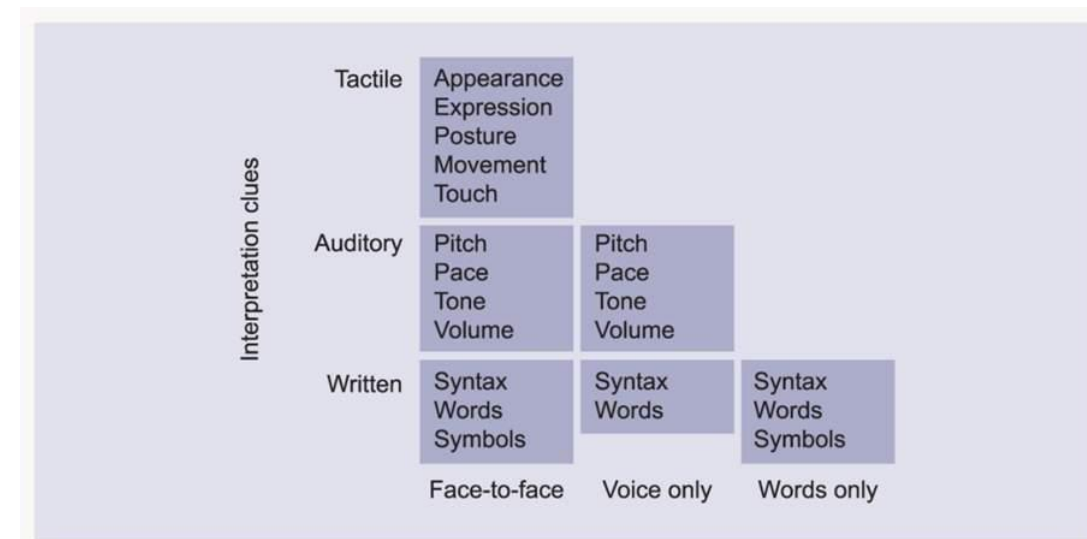
- forecast demand, make recommendations, automate the checkout process, automate inventory, and conduct customer sentiment analysis.

SMART Goal Strategy



Communication Strategy

- Effective communication plays a key role in the successful implementation of solutions, goals or change because it can impact the attitudes of those involved in the process (Boddy, 2017).
- Studies show that the implementation of a new initiative fails if internal communication is not done in an efficient manner (Boddy, 2017).
- To ensure everyone in the organisation understands what needs to be done, why and by whom and to reduce communication faults or mistakes happening because of poor communication, the following three types of communication channels are recommended (APM, 2024)
 - Written communication
 - Auditory communication
 - Tactile communication.
- Any communication between members of the organisation should consider these channels when communicating with each other throughout each stage of the implementation process (APM, 2024).

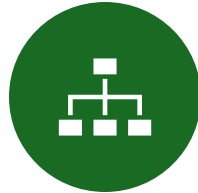


(APM, 2024)

Conclusion



Considering the analysis developed for this presentation, it can be concluded that to recover from administration, Wilko must consider relocating its stores to retail business parks that are more accessible for customers.



Wilko should also change its management team and hire leaders that act as agents of change and adapt the business to the current and future needs of the business environment.



Wilko should also consider investment in Artificial Intelligence because it can help the business to optimize organisational performance and increase financial revenues.



To implement these solutions efficiently, Wilko can use the SMART goal strategy because this model can help the company to identify their success criteria, monitor implementation process and review performance.



Communication play a crucial role in the implementation process; therefore, Wilko must pay attention to all communication channels and use them efficiently to make sure everyone involved in the process understand his role and the value of his contribution to organisational success.

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