

2015291

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Submission date: 19-Jun-2023 12:58PM (UTC+0100)

Submission ID: 209154772

File name: 27224_Anamaria_-_Gabriela_Duman_2015291_504408_1196988683.pdf (340.89K)

Word count: 3161

Character count: 17686

STRATEGIC MANAGEMENT AND SUSTAINABILITY

STUDENT ID:2015291

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Executive Summary

The study is based on the analysis of John Lewis' organisation's overall functioning procedure. The critical discussion on the factors that are associated with its annual business reports and performance have been thoroughly presented in the study. Thereafter, a detailed on the organisation's past while stressing its present position in the competitive landscape have also been presented in the study. Additionally, a thorough discussion of corporate capabilities, competitive environment, strategic purpose, and present performance has taken place in the study. This resulted to the formulation of business strategies and tactics that can be formulated by the organisation to manage its business operations more effectively in the constantly competitive market. Thus, according to the research, it has been analysed that the organisation's partnership business model placed a strong emphasis on digital transformation and ethical behaviour. Moreover, the report has an appropriate conclusion since the need for a new strategic plan has been identified and discussed in connection with the main findings.

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Introduction

One of the fundamental components for impacting the association's drawn-out security and supportability is strategic management. In this regard, Ketchen and Craighead, (2020, p.1331) noticed that strategic management envelops creating and carrying out long-haul procedures to assist the business with accomplishing its objectives while thriving in a cutthroat climate. In this present circumstance, Svatosova, (2020, p.143) states that vital administration is critical on the grounds that it presents a characterised interaction that empowers assets to be lined up with hierarchical targets and choices to be made without trouble while adjusting to the new typical situation. Effective strategies can help an organisation obtain a major competitive edge while enhancing its operational effectiveness and capacity for innovation so that long-term goals can be accomplished methodically.

The report's fundamental goal is to assess the John Lewis Organisation's current exhibition and propose a masterful course of action in accordance with its interior capacities, including qualities, shortcomings, open doors, and dangers. The regions for development will be inspected by enlightening the association's essential points. Furthermore, the serious scene will be consistently examined to take into consideration an organised suggestion of a proper key choice for its administrations and items. In this specific range, it is significant to see that the report will be legitimately coordinated. The association's set of experiences will be shrouded in the main area, alongside some data about its initial years.

The report will then, at that point, continue on toward frame the association's essential plan while illustrating its motivation, vision, and goals. The association's ongoing exhibition will be examined to draw examples of monetary strength, market share, staff commitment rate, and different things from it. The report will then, at that point, present a vivid image of the serious scene that will delineate different parts of the association's market elements and customer inclinations. Moreover, a proficient assessment of the association's inside limits will also take place. Thereafter, a new strategy will be created based on the findings, recapitulating the crucial initiatives, action plans, and their integration to effectively manoeuvre the organisation's long-term existence.

Background of the firm

John Lewis is a well-known British association that has numerous administrations under the care of its as John Lewis and Accomplices (departmental stores), Waitrose and Accomplices (Stores), banking and monetary administrations and different retail-related tasks. The association was laid out in 1864 by John Lewis and in those days the association used to work in an extraordinary style with the end goal that the benefit has been divided between the "representative proprietors" prominently known as accomplices (John Lewis Partnership.co.uk, 2023a). The association from that point forward has developed a long way working in 28 John Lewis departmental stores, north of 240 Waitrose Store chains, Corner shops, and different at-home shops in the range of the UK.

It tends to be found from the data given in the yearly report and site data that the association gives a different scope of items and administrations to flourish in the serious market. It incorporates clothing items, adornments, beauty care products, housewares, furniture, watches, food, direct administrations, monetary administrations and other retail-related exercises (John Lewis Partnership.co.uk, 2023, a).

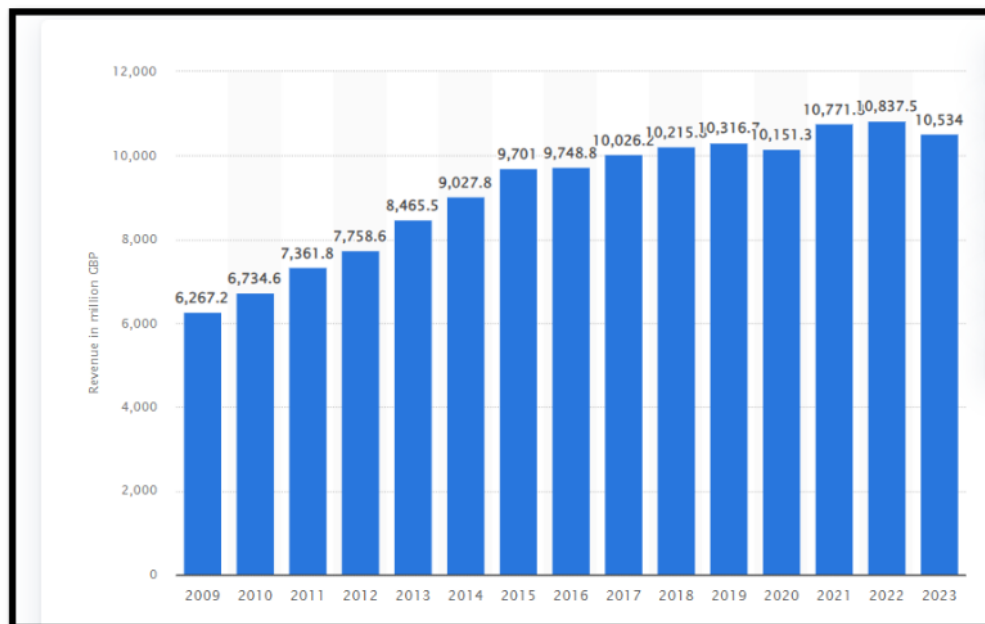


Figure 1: Annual revenue of John Lewis Partnership plc

(Source: Statista.com, 2023)

Moreover, the association additionally has an internet-based commercial centre named "johnlewis.com" where the association gives shipments to the north of thirty worldwide nations. The association saw huge monetary development gathering £10.5 billion in income according to the information of 2023, January (Statista.com, 2023). The Waitrose contributed essentially to the income, enlisting £7.3 billion in deals. The association has given work to around 80000 individuals overall who are driven by the commitment of "Working in Partnership for a Happier World". Also, the association is driven by the guarantee to create solid benefits to move economic organisations for its financial backers, accomplices and networks (John Lewis Partnership.co.uk, 2023b).

Strategic Intent

Directed by the beliefs of sympathy, fairness, and natural mindfulness, The John Lewis Organization has serious areas of strength for a pledge to build a superior future. The business' central goal guarantee, "Collaborating for a Happier World" which is imbued in its fundamental idea, goes about as a compass, directing every choice and try (John Lewis Partnership.co.uk, 2023b). To accomplish this, an organisation should be made that advances equity and long-haul feasibility for all gatherings included, including accomplices, purchasers, providers, and the networks it works with. Producing results that are both sustainable and profitable is the ultimate goal (JohnlewisPartnership.co.uk, 2023b).

The John Lewis Partnership's goal is to build a more compassionate and just future for its partners, clients, and the community at large, hence it is entirely devoted to offering superior customer experiences. Because it recognises that accomplishing this goal depends on the commitment and expertise of its partners, the organisation focuses a great emphasis on building a feeling of commonality and developing the required skills to provide excellent service (John Lewis Partnership.co.uk, 2023b).

To define its strategic orientation, the John Lewis partnership has identified a number of important goals. By continually providing excellent customer service, superior products, and a frictionless shopping experience, the alliance puts the needs of its customers first. To sustain loyalty and contentment, they strive to comprehend and satisfy clients' changing demands.

Additionally, crucial to the collaboration are the worker's health and commitment (John Lewis Partnership.co.uk, 2023b). They seek to provide an encouraging and welcoming workplace where staff members are enabled to thrive and feel respected. The organisation strives to improve overall job satisfaction and efficiency by fostering a healthy work environment and a harmonious relationship between work and life. In addition, the collaboration seeks to achieve profitability over time and consistent company expansion. Through expansion prospects, successful advertising, and constant enhancements to their processes, they put their attention on growing their client base, gaining a competitive edge, and maximising operating efficiency. Additionally, devoted to environmental and social accountability is the collaboration. They operate their company in a way that has a little adverse effect on the surroundings, including ethical purchasing and waste minimization, while improving the community (John Lewis Partnership.co.uk, 2023b). The collaboration is aware of how important creativity and adaptability are. They promote an innovative culture, use cutting-edge technology, and modify their company strategy in response to shifting market conditions and consumer demands. The partnership wants to remain competitive and keep its position as the top retailer in the UK by remaining on top of developments and always enhancing the quality of their products.

Discussion on the current Performance of the Organisation

It can be seen that John Lewis Partnership, an acknowledged brand in the UK retail sector, did exceptionally well in the fiscal year prior. Sales notably climbed 7% from the previous year to a total of £11.7 billion, based on the business's most recent annual report. This gain is primarily attributable to robust sales in both physical shops as well as online marketplaces, with online sales rising by an astounding 15%. A 5% rise in operating earnings to £635 million indicates that the company's efforts to minimise costs and improve its operational effectiveness have been effective (Johnlewispartnership.com, 2023, b). This illustrates the company's ability to continue operating while keeping a satisfactory margin of profit in a challenging retail environment. The John Lewis Partnership's success in expanding its customers is also shown by a 10% increase in the total amount of active customers. This unprecedented increase demonstrates how popular and widely recognised the company's offerings are. The Partnership's commitment to guaranteeing employee pleasure, as seen by the high staff approval percentage, is another important feature.

Being an employee-owned company, they genuinely care about their workers' welfare. However, it is crucial to acknowledge that the industry is in a difficult situation because of the intense rivalry the firm confronts and shifting customer perception. However, because of strategic efforts and a customer-focused attitude, The John Lewis Partnership is equipped to get past these difficulties and retain its great profitability (Johnlewispartnership.com, 2023, b). The John Lewis Partnership's current performance mirrors the broad developments in the retail industry. While Waitrose has persevered and maintains the majority of the market, the advent of e-commerce has presented challenges for the John Lewis chain of department stores. By using its strong brand awareness, investing in online capabilities, and putting strategies in place to enhance the consumer experience, the Partnership may try to regain its position as the top retailer in the UK.

	Waitrose					John Lewis				
	2022/23	2021/22	2019/20	% vs 21/22	% vs 19/20 **	2022/23	2021/22	2019/20	% vs 21/22	% vs 19/20 **
Total trading Sales (£m)	7,311.9	7,535.9	6,917.3	(3)%	+6%	4,938.3	4,925.6	4,829.9	+0.3%	+2%
Total trading Sales LFL*	7,311.8	7,530.8	6,765.0	(3)%	+8%	4,938.4	4,922.0	4,427.3	+0.3%	+12%
Revenue (£m)	6,750.1	6,983.6	6,373.3	(3)%	+6%	3,783.9	3,853.9	3,778.0	(2)%	+0%
Trading operating profit (£m)	894.3	1,019.6	1,063.2	(12)%	(16)%	675.6	757.7	733.6	(11)%	(8)%
Trading operating profit (%)	12%	14%	15%			14%	15%	15%		

Figure 2: Operating profit of the organisation

(Source: Johnlewispartnership.com, 2023b)

Analysis of the chosen company's competitive environment and strategy

Porter's Five Forces analysis of John Lewis for Evaluating its External business environment

★ ***Threat of New Entrants:*** A UK-based business named John Lewis Plc is focused on offering a wide variety of products across numerous retail locations. It is difficult for new rivals to sway customer habits when an industry leader has a solid reputation and a significant presence. Entrants to the retail sector face a considerable hurdle due to the high capital requirements. In order to offer advantages in competition like packaged goods and price reductions that new competitors find hard to match, established businesses such as John Lewis use economies of scale. Furthermore, these well-known businesses enjoy strong consumer loyalty and market acceptability, making it difficult for new competitors to match these advantages and develop successful marketing tactics (Jones and Comfort, 2020, p.57). As a result, there is still a little risk that new rivals will negatively impact John Lewis's company operations.

★ ***The threat of Substitutes:*** Offering items that are often invaluable, John Lewis offers an extensive selection of necessary goods to satisfy clients' general merchandising demands. Customers frequently give affordability priority when making judgements about these essential daily-use items. The craftsmanship of these goods is crucial, and well-known companies are required to keep their standards. John Lewis offers products that fit clients' various price ranges while also catering to their needs. This enables clients to select solutions at fair prices without sacrificing acceptable quality (Viholainen *et al.*, 2020, p.544). The brand must use powerful advertising and promotional strategies to capture consumers. Additionally, promoting consumer loyalty depends heavily on product distinctiveness. Therefore, it can be seen that the danger of replacements to the industry is viewed as moderate.

★ ***Bargaining Power of Customers:*** When making purchases, customers choose good prices above expensive items, unless they are brand-devoted (Sun *et al.*, 2021, p.29). Due to the lack of significant variations in products and the same quality of suppliers, general-purpose sales are characterised by substantial negotiating leverage. There is no considerable risk of consumer retrogression, although

Table 1: Porter's Five Forces Analysis of John Lewis

(Source: Created by the learner)

Swot Analysis of John Lewis

<i>Strength</i>	<i>Weakness</i>
Due to its recognised brand, dedication to quality, first-rate customer service, and moral business practices, The John Lewis Partnership is a significant participant in the market. Both its large client base and distinctive employee ownership structure help the business generate income. The business has made investments to strengthen its online presence, allowing it to keep up with the expanding trend of online buying (Johnlewispartnership.com, 2023b).	However, drawbacks include a modest worldwide footprint and greater costs than other competitors.
<i>Opportunity</i>	<i>Threat</i>
Growth prospects might be found in diversifying into global markets and meeting consumer demand for eco-friendly products.	The necessity for constant innovation and distinctiveness is considered a threat, as are economic crises, fierce rivalry, and other factors (Johnlewispartnership.com, 2023b).

Table 2: SWOT analysis

(Source: Created by the learner)

VRIO Analysis of John Lewis

<i>Valuable</i>	<i>Rare</i>
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• The organisation has a great brand image in terms of CSR. • High Brand image. • Reckoned Brand (Upreti <i>et al.</i>, 2022, p.647). • The company has a good relationship with its suppliers and is valued globally due to its effective distribution system. • The organisation is highly innovative in its business management and product offerings (John Lewis Partnership.co.uk, 2023a). • It has a high ability to raise capital.	• International Presence. • The organisation's problem-solving skill is effective which leads to its effective management of creativity and innovation. • The innovation in turn leads to higher competitiveness. • The organisation has risk-taking characteristics. • The organisation highly maintains the characteristics of adaptability in its entire functioning procedure.
<i>Inimitable</i>	<i>Organised</i>

• The organisation maintains quality product offering • It has effective maintenance of the location of the stores • The organisation maintains Competitive pricing • The brand tries to maintain an effective customer experience	• The organisation enjoys financial strength in its business management. • The organisation maintains technological integration and advancement (JohnLewis Partnership.co.uk, 2023a). • The organisation provides effective employee training to maintain its effective employee base. • The organisation invests in research and development. • Vast distribution Channel. • Maintains Corporate leadership and vision • Maintains an effective marketing strategy, Human resource management and organisational culture.
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Table 3: VRIO analysis of John Lewis

(Source: Created by the learner)

Strategy Formulation for the Organisation

It is obvious that John Lewis has to apply a set of strategic tactics to enhance its overall operations based on the examination of its internal and external business environment. Given that they are not currently exclusive, these strategies should concentrate largely on the company's product and service offerings. Due to the fierce competition in the market caused by their items' lack of originality, buyers are able to quickly move to other companies that provide comparable goods (Luo *et al.*, 2021, p.2387). The freedom of clients to negotiate, the availability of replacement items, and competitive competition all pose mild dangers as a result of this circumstance. Maintaining a competitive pricing strategy is essential for John Lewis to

successfully handle these risks and run its business. Since the company does not have exclusive rights to its products, keeping pricing low might help draw in and keep a sizable clientele around the globe. The company may boost future sales and successfully handle the competitors it encounters in the marketplace by making use of the advantages of customer loyalty.

Conclusion and Recommendations

It can be concluded from the explanation above that strategic management upkeep is essential to a business's operations. This is because new situations are always emerging that affect how the organisation operates. Additionally, the organisation's ongoing evolution presents a serious threat to its entire operations. Therefore, it is essential for the company to make sure that the exclusivity of its goods and services is maintained. By doing this, the business may maintain its own brand identity and uphold the distinctiveness of its products and services, luring in new clients and encouraging consumer loyalty. Given these elements, it is advised that the company create a "contingency plan" that will efficiently handle any crisis, guarantee continuity in corporate operations, and provide profits.

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