

Knowledge and Understanding

Stakeholders

Analysis

Stakeholder	Interest
Customers	<p>Quality/price/range /availability of products, customer service</p> 
Employees	Wages, holidays, working conditions
Suppliers	Size of order, payment
Bank	<p>Can afford to pay loan/overdraft back, amount of finance, amount of savings</p> 
Owners/shareholders	<p>Profit, growth, dividends</p> 

Conflicting Objectives



How would the interests of each stakeholder conflict:

1. Customers and owners

Customers will want the cheapest price and the highest quality. Whereas owners want to set a high price to ensure a higher profit.

2. Owners and employees

Employees will want high pay and good working conditions. This will increase business costs. Owners want to make as much profit as possible which means paying lower wages.

Analysis

Tesco are buying one of their major suppliers of food and drink. Analyse how 2 stakeholders will be effected. Remember U/APP/AN

Stakeholder 1: *Customers* ✓

Effect: *will potentially have cheaper food and drink ✓ APP products to buy which saves them money ✓*

Stakeholder 2: *Tesco* ✓

Effect: *will be able to secure food and drink ✓ APP supplies at a cheaper price which lowers costs. ✓*

Knowledge/Understanding

1. Define Stakeholder
2. What are the interests of:
 - Customers
 - Employees
 - Suppliers
 - Owners/shareholders
 - Local community

Application

Tesco PLC are the largest grocery supermarket in the UK. They are considering closing down 50 of their Express stores which are small convenience stores.

1. State one stakeholder of Tesco who will be effected by the closure of the Express stores and explain why they will be affected.

2. Explain what the impact of the closure of the stores on the local community

3. Explain what the impact of the closure of the stores on the shareholders.

Analysis

JLR are not giving their employees a pay rise for the 3rd consecutive year. JLR say this is due to an increase in the cost of supplies and a lack of demand. Employees have been in contact with their trade union and negotiations are taking place.

1. Analyse how the objectives of employees and the objectives of shareholders will conflict.

2. Analyse how the objectives of customers and he objectives of employees will conflict

