

Supermarket problems and business flexibility solutions

By Simon Leicester, June 2019

Key: CSR=corporate social responsibility. Flexitype = type of business flexibility. Flexiscribe = mechanisms that code for business flexibility.

Political

- **Brexit outcome uncertainty (no deal WTO rules, interim Brexit deal, enduring Brexit deal) making strategic & operational planning and pricing more complex.** Likely to be a concern for all the supermarkets trading in the UK e.g. Sainsburys, Tesco, M&S, Waitrose, Asda, Morrisons, ASDA, Iceland, Aldi & Lidl.

Business flexibility (BFL) solutions; invest in flexiscribes of 'internal integrated systems', 'workload capacity outsourcing', 'supplier system linking', 'effective recruitment', 'multi-skilled staff' and 'supply contract clauses'. Also 'tolerance of ambiguity & opposing concepts' and 'staff incentives for flexibility.' Also revisit the flexitypes of process FL, system FL, channel FL, contract FL, management FL and business model FL.

Economic

- **Brexit uncertainty causing supply-chain uncertainty.** Government level trade deals impact forward prices and shipping arrangements. Likely to be a concern for all the supermarkets trading in the UK e.g. Sainsburys, Tesco, M&S, Waitrose, Asda, Morrisons, ASDA, Iceland, Aldi & Lidl.

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- **Brexit & political uncertainty has caused a GBP devaluation,** raising the cost of imports and making it less attractive for foreign workers to work in the UK and send money home. Likely to be a concern for all the supermarkets trading in the UK e.g. Sainsburys, Tesco, M&S, Waitrose, Asda, Morrisons, ASDA, Iceland, Aldi & Lidl.

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- **Brexit uncertainty causing the supply of European workers in supermarket stores and related supply chains to reduce.** Has raised uncertainty over where replacement staff will be sourced from. Has knock-on effects on wages and training costs. Likely to be a concern for all the supermarkets trading in the UK e.g. Sainsburys, Tesco, M&S, Waitrose, Asda, Morrisons, ASDA, Iceland, Aldi & Lidl.

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- **Disruptors like Amazon & the German discount chains like Aldi and Lidl continue to take market share from traditional UK supermarket chains.** Likely to be a concern for all the supermarkets trading in the UK e.g. Sainsburys, Tesco, M&S, Waitrose, Asda, Morrisons, ASDA & Iceland.

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Social

- **Increased online shopping generally has boosted demand for online supermarket shopping also?** Likely to be a concern for all the supermarkets trading in the UK that don't offer online shopping. Or have large physical store investments UK-wide e.g. Sainsburys, Tesco, M&S, Waitrose, Asda, Morrisons, ASDA, Iceland, Aldi & Lidl.

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- **Consumer concerns about environmental pollution have prompted a rethink on packaging and supply chain carbon footprint.** Likely to be a concern for all the supermarkets trading in the UK e.g. Sainsburys, Tesco, M&S, Waitrose, Asda, Morrisons, ASDA, Iceland, Aldi & Lidl.

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- **Self-service check outs are proving less popular than forecast.** The delay in switching over to comprehensive self service checkouts is delayed. Likely to be a concern for all the supermarkets trading and offering self-service checkouts e.g. Sainsburys, Tesco, M&S, Waitrose, Asda, Morrisons, & ASDA.

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Technical

- **Scan & Go product readers. Keep a running tally of your shopping spend and streamline the checkout part of the process.** Asda & Waitrose use it already.

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