

Leading questions:

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- What is external environment Tesco is facing?
- What competencies does Group Food gain for Tesco?
- How could sustainability and corporate social responsibility (CSR) help Tesco achieve sustainable comparative advantages?

Tesco's Three Strategic Priorities

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- Continuing to invest in a strong UK business.
- Establishing multichannel leadership in all their markets.
- Pursuing disciplined international growth. (Tesco annual report, 2013)

External Environment of Tesco

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Tesco



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- Largest retailer in the UK
- Third largest in the world

Economics Rationale of Group Food

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- Information sharing: requires and requires pay information about consumer demand.
- Group economies: knowledge about product and production.

Tesco's Group Food



Thecasesolutions.com

- Group Food division was established in 2010.
- Group Sourcing operations headquartered in Hong Kong.
- Better products
- Cheaper costs
- Competitive advantage
- Knowledge sharing

Group Food Approaches

Thecasesolutions.com

- Introducing Buying Specialists
- Leveraging Group Scale
- Partnering with suppliers
- Applying Skill in Sourcing
- End-to-End Supply/Demand Planning

Future Development of Group Food

- Localize, Globalize and Responsible (CSR) products
- Partner relationship with producers
- Develop relationship with suppliers

Cost Competence Group Food gain for Tesco



Tesco Group Food, Chinese Version

Thecasesolutions.com

Josh Bateman
Jiaping Fan
Debo He
Ming Hong

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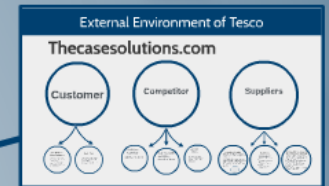
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Economics Rationale of Group Food

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- Information sharing
- Suppliers and producers get information about consumers demand
- Tesco gain expertise knowledge about product and pricing

Market Power

- Control the supply chain
- Define the supply chain
- Control the supply chain
- Control the supply chain
- Control the supply chain

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Tesco

TESCO
Every little helps

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Future Development of Group Food

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- Develop Sustainable and Responsible CSR strategies
- Develop relationship with producers
- Develop relationship with suppliers

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Tesco's Group Food

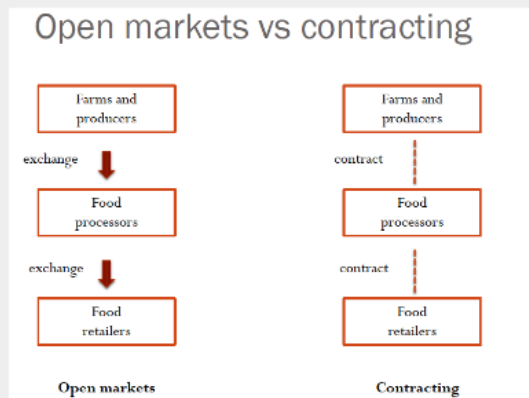


INTERNATIONAL SOURCING
Acquired from Tesco annual report, 2011

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Economics Rationale of Group Food



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- **Information Sharing**
 - Suppliers and Producers get information about consumers' demand.
 - Tesco gets expertise knowledge about produce and process
- **Market Power**
 - Centralizing Sourcing Activity
 - End-to-End Supply Chain
 - Develop sustainable production and take Corporate Social Responsibility (CSR).

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