

Inside Tesco: Finance supports all of following different business areas...

Commercial

The Commercial department ensures that Tesco have the best range of goods at the best prices and encompasses buying, merchandising, stock management, and product development where trends are identified and new lines are introduced. Commercial's job is to make sure Tesco offer the best range of goods, at the best possible prices.

The Commercial Finance team support the Commercial department in all aspects of their operations; they are key in forecasting and reporting sales and margins, reviewing the financial impact of price cuts and promotions and understanding trends in product sales.

Corporate Purchasing

Uniforms, Fridges, Tills, Lorries, Carrier bags. If Tesco needs to buy goods and services which we do not re-sell to customers, Corporate Purchasing is where it happens. Corporate Purchasing spend over £3bn per year ensuring that the rest of the business can get on with the job of selling in a clean fit for purpose environment. Like every other department they focus on the Customer and do this by tracking down every penny they have saved, allowing re-investment into product quality and price cuts.

- Property Corporate Purchasing purchase all the material and services needed to build and maintain Tesco shops and depots.
- Distribution Corporate Purchasing looks after areas such as lorries, forklift trucks and temporary labour.
- Retail and IT Corporate Purchasing looks after IT, packaging, security, uniforms and cleaning.
- Head Office Corporate Purchasing procures everything from cars and print services to staff benefits and professional services.
- Revenue Generation manages everything from putting the National Lottery at tills, to children's rides and car washes. Recycling is also an important section within this department.

Distribution

Tesco Distribution centres are responsible for ensuring that the products get to stores at the right time. There are two types of distribution areas at Tesco. Primary Distribution is concerned with getting the suppliers goods to the Tesco depots. Secondary Distribution is focused on delivering goods from the depots to Tesco stores.

The Distribution team is critical to the business and strive to ensure that the operation is better, simpler and cheaper for Tesco and the stores receive the right products at the right time in the right condition. Distribution are also fundamental in strategic decision making around opening new depots, and supporting the operators throughout the whole process from business case concept, through to build and opening.

Information Technology

At Tesco IT is used to improve the shopping experience for customers. IT develops the complex systems that enable the offering of insurance, banking and lottery tickets at the till. Behind the scenes, IT also works to improve communications between business areas, to improve stock availability and streamline processes. By constantly challenging the status quo we aim to make a difference that delivers tangible lasting value and influences and supports key decisions across the business.

Property

The property Department is the key to how Tesco obtain stores in the first place and how we manager the property they own. This includes:

- Understanding where the company want to open stores
- Acquiring land and working to get planning permission to build a site
- Building new stores, extensions and mezzanines
- Financing the Tesco estate - e.g. do we own the store outright or have a sale and leaseback strategy
- Maintaining and refitting existing shops
- Managing the sites where we get other income - i.e. where we are a landlord of flats/shopping centres etc

Formats

Retailing is what Tesco do best which is demonstrated across each of the Formats; Extras, Superstores, Metros, Express and Homeplus. Each of the Formats is led by an Operational Director who is accountable for stores that range in annual turnover of a few million to in excess of £100 million. Each format team includes a number of Store Directors who are accountable for anything between 10-25 stores each and must deliver on a number of Key Performance Indicators.

Marketing

The role of Marketing is to understand the customer better than anyone else and to influence business decisions to meet customer's needs. The Marketing department consists of a number of areas. Direct communication with customers is via the Tesco Advertising campaigns which aim to build trust in the brand and customer loyalty. Clubcard is Tesco's way of saying thank you to its customers and is a key tool used by Customer Insight who champion the voice of the customer, guide business decisions and measure business performance from a customer perspective. The Price & Promotions team set the pricing strategy for the company and track our price performance relative to competitors.

Tesco.com

Tesco.com hosts many different non-food sites, including Direct, Digital, Property, Telecoms, Diets, Travel, Wine Club, as well as the Grocery Home Shopping site which serves over 280,000 customers every week.

Tesco.com is its own business with the following business functions: Commercial, Marketing, IT, Operations Development, Operations, Supply Chain, Media Publishing, Tesco Media, Tesco Diets and Finance.

Grocery Home Shopping

Quite simply, www.tesco.com is the largest, most profitable grocery home shopping site in the UK

Tesco Direct

Tesco Direct is a new initiative within Tesco which will offer customers an extended non-food range and flexibility for customers in terms of how they order and how they receive their products.

As part of Tesco Dot com, Tesco Direct is a web and catalogue business. Please log onto Tesco Dot com and access the Direct website to see for yourself! There are over 11,000 non food lines in the range which vary from TVs to fridges to sheds to Ipods, toys and furniture. See for yourself at <http://direct.tesco.com/>