

CIPD May 2019 Advanced Level Awarded Examinations Human Resource Management in Context

SECTION A - Case Study

Note: In your responses, you are allowed to improvise or add to the case study details provided below. However, the case study should not be changed or compromised in any way.

Coolco is a UK owned business operating in the food-retailing sector. Established in 1978, Coolco specialised in pre-prepared food – both single items and meals, later branching out into boxes of ingredients prepared to recipe, requiring minimum effort in their final preparation.

The company's low-priced, easily managed meals thrived on the changing socio-economic climate of the country; which saw a rise in the number of single households and working parents and latterly, rising unemployment and the subsequent growth of precarious work.

Coolco maintained a strong focus on its original vision, with a strap-line that read 'feeding families for less' (later revised to 'prepared and priced for busy people'). The vision was underpinned by a clear set of values and informed by market knowledge which strongly informed its strategy. The business grew to £1.5 billion sales by 2000, with over 20,000 employees and 600 stores.

The core values of Coolco are: to serve its customers by providing convenience food at low cost, without compromising on quality; to be an equal opportunity employer and provide pay and conditions above the industry norm; to serve its local communities; to support charities; to care for the environment.

In the early 2000s the company succumbed to a combination of internal and external pressures. It lost sight of its core business in a bid to compete with the high-end of retailing. At odds with this fundamental change in the business, the founder-owner stood down, and a business that, until now, described itself as 'family-run' was taken over by share-venture capitalists who brought in their own financial and market experts.

A revised Board of Directors, under a new chairperson, struggled to develop a clear organisational strategy. Its product portfolio was pulled in different directions and profits fell.

Company culture suffered as employees felt insecure. New product lines came and went as market share continued to fall. After five years of turmoil company finances reached a crisis point and a rescue plan had to be put in place.

The rescue plan involved new investors and, most crucially, the founding owner returned to the business. Coolco was re-engineered to take it back to its original strategic product, market and customer mix and by 2012 it was back under the ownership of its founder.

Coolco steadily regained its reputation for plain, low-cost food that was reliable in quality and easy to prepare. Its market share returned to its previous high, and the company embarked on a series

CIPD May 2019 Advanced Level Awarded Examinations Human Resource Management in Context

of initiatives to consolidate its position in response to a growth in competition in the preceding 20 years.

It continued to offer pre-prepared single items and ready-made meals, and now this was supplemented by a range of 'special occasion' foods. This comprised a range of 'starters', 'mains', puddings and specialist pastries, which was, most crucially still aimed at the budget of low-income families.

In 2013 a succession plan was developed and, amongst a range of initiatives, the company launched a Graduate Trainee Scheme. The plan was to develop a new generation of motivated, knowledgeable people who understood the core business, its market and customer-base. Accordingly the graduates were selected for their specialist qualifications (such as HRM, Accountancy and Marketing) with a strong contingent of MBA (Master in Business Administration) graduates who were selected for their all-round 'business-savvy' qualities.

In 2016 the founder-owner retired, confident that the business was in the hands of managers who could enliven the business and take it forward without compromising its core values or neglecting its core customer base.