

## Carbon Footprint

Stuart Rose, the chief executive of *Marks and Spencer*, is quite an innovative person. Instead of increasing the market share by taking conventional measures he has mapped out a new strategy to win the hearts and minds of the customers. He was the initiator of incorporation of corporate social responsibility in the strategic vision of the company. Two years back, the company has been announced as the one holding a high rank on the market; CSR implementation was expected to attract more British shoppers. What was initially suggested was a plan A. It is a set of measures that help to maintain the highest standard of excellence in comparison with other companies, who also put in effort corporate social responsibility. Going by *Marks and Spencer* company, 'based on our strong heritage as a responsible retailer, in January 2007, we launched a series of ambitious plans for the future' (*Marks and Spencer* Interesting Information 2001, para. 4). The 5 year plan has been created to tackle some of the biggest challenges their business is facing. 'In *Marks & Spencer* we are working with our customers and suppliers to combat climate change, reduce waste, conserve natural resources, business ethics and build a healthier nation' (*Marks and Spencer* Interesting Information 2001, para. 4).

The plan has several fundamental principles which influence its future ultimate objectives. It is designed to make *Marks and Spencer* more and more eco-compatible. It's a huge plan which can minimize the energy use and reduce waste products; it presupposes the use of materials that bring down the pollution of harmful substances or products into the environment. All these measures will enable the company to become a leading retailer carrying out the corporate social responsibility strategy. It is the most

comprehensive plan undertaken by giant business company and is more than just a private philosophy of a businessman. It is a strategic resolution which deeply affects the company's decision making process in relation to its fundamental commercial profile. CSR is aimed at assisting the employees and the customers opt for healthier lifestyle and make *Marks and Spencer* a company to be reckoned with.

No one had announced a big initiative up until then, and we wanted to be the first, we were the first out of the pack. I'm not crowing, but it's important. It does, I'm not going to deny, if you get it right, give you a competitive advantage (Linssen 2008, para. 4).

All the key points of this plan should be completed by 2012 though its implementation is extremely expensive; its cost is estimated as £200 millions. These calculations do not include the extensive marketing program required to make the mentioned plan A successful. This strategy appeared to be represented at the time when British retail industry was in recession and the stock value of the company has been going down because of the worst in the history holiday season.

Stuart Rose has made a decision to retain the prices for company's products, and thus the plan is doubted to be infused. To his point of view, *Marks and Spencer* should convenience the buyer that the prices did not become more expensive, and everybody is welcome to visit their stores to settle all doubts. However, this point of view is ambiguous. To implement the plan A, the supervisors should forecast the impact of price drop, and how corporate social responsibility can become fulfilled in this aspect. Finally, *Marks and Spencer* is a commercial organization with business interests and its aim is to comply with shareholders equity. Yet, despite of financial issue, the plan still remains an integral part of the company's prime concern.

It seems that the cost of the plan will make up for all the expectations as it has been evaluated by the company. To be more precise, the company ensures itself that

the plan has no lack of strength, and its implementation is a feasible task. Owing to the anniversary of the plan implementation, the company has issued a report that says that it shifts all expectations due to positive developments of its major aspects. The main elements of the plan are the following: climate change, waste, sustainable raw materials, fair partner and health. These five components underline its main concept. *Marks and Spencer* has achieved a public recognition thanks to the positive influence made on climate change research. The emission of carbon dioxide has been reduced by several thousand tons; it makes this fact a tremendous achievement in the environmental protection. It is well known fact that when the customer purchases some product in a store, he/she gets the wrapping paper free, and in UK and Ireland, the company discourages the trend of using bags or wrapping paper by charging a particular amount for them. Thus, the waste associated with them has drastically been cut down. The profit gained was invested to local charity organizations that cater the local environmental initiatives. Another venture of the same line has been launched in the southwest England, and if the previous experience happens to be fruitful, many other stores would take over this example.

An approach to CSR is becoming widely accepted in community-based development projects, such as the *Shell* Foundation's involvement in the Flower valley, South Africa. Here they have set up an Early Learning Centre to help educate the community's children, as well as to develop new skills for the adults (Maignan, et al. 1999, p. 458).

Being an eco friendly and responsible business company on the international arena, *Marks and Spencer* is considered to be a decently practicing ethical practice. Many people who are concerned with the corporate social responsibility have hailed the measures undertaken by this big business company. These actions cannot be regarded as trivial. In 2007 the *Look behind the Label Marketing Campaign* was introduced. The

aim of this campaign was to highlight to customers various ethical and environmentally friendly aspects related to production and sourcing methods fulfilled by the company. They include fair trade products, sustainable fishing and environmentally friendly textile dyes and many others (Linssen 2008, para. 9). Eco stores have been constructed on trial basis to determine the sustainability of the program. The company is persistently endeavoring to make a *Sustainable Construction Manual* on the basis of the data gained from this experience.

The plan presupposes that the company will be engaged in fair cotton and crop trades on the UK market. It is dynamic and adaptable to some extent. When noticed that something does not work properly, it accommodates itself to the changing situations, but the pace to meet the targets remains unaffected. The company earlier thought of exploiting bio-fuels but quickly learnt that would yield loss of habitats along with other problems. Consequently, the company has given up this option until sustainable sources are found. These accomplishments are impressive and the list given here is, by no means, very exhaustive. For the purpose of achieving the targets the company has sacrificed to some extent - has tightened the needs for getting a company car. These initiatives have reduced the number of auto fleet. When fitted against the other attainable targets, this one should have been detached out of the spotlight. What seems to be a milestone is that every realm of the *Marks and Spencer* business is heading to be more in line with green vision. However, for such a big company two small partners, enrolled on the website, tend to hesitate to go along with it. The company is sending lavishly to make the plan successful, while others keep the

meaningful silence. What is the fate when one firm changes the business profile so drastically? It would be seen in the perspective of the bottom line of the giant company.

We consider corporate social responsibility and corporate governance as mutually reinforcing concepts, and such aspects draw attention to the potential impact of a change in investors' attitude towards CSR and the need for innovation in the area of financial modeling to incorporate CSR (Habisch 2005, p. 20).

The plan has certain shortcomings or the hindrances which are instrumental in choking the successful path of the plan. The two most ambitious targets of the plan, which the chief executive would like to see as the ones to be met, are to save the earth and recuperate the potential of the company to generate more capital. The company needs the British shoppers to be commensurate to the above mentioned idea. To save the planet is a part of the plan; most of the company's products are tagged to make sure the consumers know that the article is consigned. This makes it easy for the shopper to make his decision whether to buy the goods or not. On the other hand, the chief executive expects that it will help to reduce the refrigerated articles in the stores. At this juncture, customers have to determine themselves with integrity that they are environment friendly. They avoid buying things for sale at a reduced price in other stores. Both parties, the customers and *Marks and Spencer*, which is a bit more expensive compared to *Tesco* and *H&M*, might benefit from this experience. Though the company stresses on its intension not to raise the prices, the customers are forced to pay more for the eco friendly measures undertaken by the company. It is the Achilles heel of the plan - a potential scare for its ensured success.

One thing that should be properly weighed is British loyalty to the established UK franchise names. The company maintains that by persuading its customers to conserve energy by washing laundry at 30 degrees Celsius instead of 40 or more. It is more than

intended by the original plan. The company also cares about the carbon footnotes. A special web site is designed for the customers to invite them to take a survey for evaluation of their personal carbon footprint. Things are not optimistic on the financial front. The plan has worked out perfectly for the first five months; however, since then there has been a rapid fall.

I think if you were to look at any British retailer, you would see its stock going down. It's a tough regional environment, along with the lines of what you're seeing in the U.S. That's fairly heavily indebted consumers who are kind of tapped out, and the economy is slowing down so retailers are taking a hit (Linszen 2008, para. 19).

The company itself has realized that the consumer outlook in 2008 may be absurd. The stock prices that have gone down have nothing to do with the plan. It is very impressive that the company is not concerned about any downfall and is totally committed to the complete execution of the program at all hazards. Despite the gloomy financial scenario, the company has taken a risk to comply with all requirements of its implementation. It is a living beacon to emulate the competitors.

As a simple device to enable busy people to visualize quickly what practical issues are covered by the responsible business agenda, the approach of the food technology division of *Marks and Spencer* is hard to beat (Grayson & Hodges 2004, p. 63).

The final goals of the company in the future are quite immense. For example, some stores and companies carbon label their products; it shows the amount of CO<sub>2</sub> emitted while manufacturing this particular product. *Marks and Spencer* has no intention to undertake such measures. The company opts to search for the appropriateness of the development of a national plan for the carbon labeling of the products. A clear apprehension of this idea is essential to a right understanding. First of all, it gives an insight into the main aims of the company. *Marks and Spencer* strives not to simply improve the prospects of the company but it also wants to see the entire country

changed. Their philosophy is to help others in order to help themselves (Anon. 2005). The company knows that it would take extraordinary efforts to meet the targets, yet it maintains its determination to undertake things of this magnitude.

The chief executives long to defy the nature. He also wants to invest money in the programs planned for increasing the tenure of growing season in the country's agriculture and cut down the emissions of transporting from overseas. The company has completed work with the Carbon Trust to develop a unique carbon footprint of its entire food business, covering all the food they sell. This reveals that *Marks & Spencer* is trying to reduce the emission of CO<sub>2</sub> during the production of raw materials, manufacturing, transport, sale, use and final disposal of the food we sell (Linssen 2008).

This would greatly help to decrease the emission of CO<sub>2</sub> abroad. It can serve to witness declining revenues in the foreign coffers which have raised alarm bells in their circles. However, for the chief executive of the company it is very significant to cut drastically the carbon emissions, and the world must undertake the appropriate measures in this regards. From his side, he has provided a layout, and the modality offered is definitely fitting for a particular purpose. Will Mr. Rose come up with flying colors and be able to beat past his competitors in the retail industry? Unfortunately, it is very early to judge the true indicator of the situation. What endows this plan with the unparalleled features is that *Marks and Spencer* is not the market leader. It has been knocked out by its well established competitors.

Nevertheless, the company has been ranked high due to its corporate social reasonability. What is more important is that the expenditures are not meant for advertisements only. *Marks and Spencer* is aimed at wider end to gain some edge on

the market. The plan envisions the entire Britain to be eco friendly; by taking such measures all the consumers will be 'on board'. It would serve the Britain and also make the company the leading one to be pride of. We are obliged to the model put forward and pray for its success, as it seems that it can mutually benefit the consumers and manufacturers and also cater not only in Great Britain but also all over the world.



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