

35 GREGGS' VISION AND VALUES

The company says that its **vision** is "to be the number one for sandwiches and savouries from a united team that is passionate about being the best in the bakery trade".

For the customer Greggs states that "we offer a wide range of fresh, great tasting food, made with quality ingredients. Every single sandwich we sell is hand-made in the shops each day by our highly trained staff. All of our savouries are sold fresh from the ovens from our shops every day. All our bread is delivered to our shops every morning from our regional bakeries or baked fresh in store at one of our in-store bakeries. Our combination of regional bakeries serving local shops, in-store bakeries and a first-class savoury production centre means we can give our customers unrivalled daily-freshness at great value prices".

For its employees Greggs say that it aims "to provide a Great Place to Work, where our people feel valued, are looked after, and where each individual is recognised as integral to the success of our business".

The company has the following to say about its **values**: "we will be enthusiastic and supportive in all we do, open, honest and appreciative, treating everyone with fairness, consideration and respect."

For the community Greggs "promises to continue to help make a difference to people's lives. Through our award winning Greggs Breakfast Club scheme for primary schools, the Greggs Foundation, Children's Cancer Runs and other fund-raising activities, we strive to make a positive impact on people's lives, building a strong community reputation in the areas where we operate".

For shareholders Greggs state that it has "a proven track record of success and return on investment. Importantly, in today's economic climate more than ever, we offer the assurance and commitment that our business is run with integrity and that we are a responsible company. We are proud that Greggs is a trusted, valued and respected business".

60 AN ARTICLE FROM THE TIMES NEWSPAPER

Under the headline "a British baker that caters to the average bloke", a recent article by Sathnam Sanghera in the Times newspaper had the following to say:

"Lunch, for me, is usually a solitary affair but last Friday I broke with the habit, walked past my local patisserie and joined the long queue trailing into the Kentish Town branch of Greggs. Why? To work out why it is doing so well.

And Greggs really is doing very, very well. As banks teeter and entire nations inch towards bankruptcy, the baker is thriving in the UK. It has twice the number of outlets as Starbucks and 200 more outlets than McDonald's in the UK, and it recently announced plans to open 600 new stores at more than double its historic rate of new shop openings — between 50 and 60 new stores next year, and 70 a year from 2011 onwards.

The conventional wisdom is, of course, that Greggs' success comes down to price: in a recession, people buy more cheap comfort food, and price is certainly a factor: for example Greggs' current "meal deal" offer, which allows you to get a sandwich, Walkers crisps and bottle of water for £1.99, is incredibly cheap.

But you would be mistaken to assume that the success of Greggs is just about good value: the company also has a very good understanding of its core customer, the average bloke. It has realised that, for all the recent trends in food for healthy eating, blokes basically want good value grub they can buy quickly and eat on the go.

1. Explain the benefits to Greggs plc of its vision and values. (Page 3) [8]
2. Explain the advantages **and** disadvantages to Greggs plc of growing **both** organically and by acquisition. (Line 16.) [12]
3. Analyse and evaluate the financial performance of Greggs plc. [14]
4. Analyse the ways in which Greggs plc might be affected by changes in macro-economic factors such as changes in taxation, interest rates and the business cycle. [13]
5. Advise Greggs plc on the desirability of expanding internationally. [13]