

Business Strategy - TNT

TNT is the market leader in the provision of **business-to-business (B2B)** express delivery services. It delivers documents, parcels and freight securely between businesses, using road or air transport. Organisations do not become market leaders by chance. It takes vision, careful planning, outstanding quality and a committed, highly trained staff. This organisation-wide planning is known as business strategy. Business strategies are the means by which businesses achieve objectives. They usually take the form of long-term plans relating to the chosen markets, products and environment. A competitive strategy can be based on:

- having a distinctive position in the market. TNT's market position is based on differentiating itself from rivals through its speed, reliability and service.
- building core strengths (known as core competencies). TNT's strengths are based on attracting and developing high-calibre staff.

TNT's strategies need to take into account a number of important areas:

- what goods and services to produce, e.g. an integrated delivery service
- which trading areas in the world will deliver best return on investment. TNT operates in Europe, Asia, North America and South America.
- how to build a competitive advantage e.g. through customer-focused services.

TNT's Strategy Map puts the customer at the heart of everything that the business does. It communicates to everyone involved with the business how the company will meet its goals. Specifically, it acts both as a



practical guide and as a framework to achieve the business objective of growing profits. A strategy map also serves as a reference point to align the whole firm. This is vital to ensure everyone is focused on the aims and objectives and understands their role in the delivery of them.

Businesses deliver their strategies through a series of tactics. TNT's practical measures are set out under three main headings - Operational Excellence, Customer Relationship Management and Innovation. The map describes the journey that TNT is taking towards achieving the long-term aims. For example:

- The map shows that Operational Excellence will be achieved through a solid foundation of fast, reliable and quality services.
- From there, the Customer Relationship is improved by understanding what different customers want. This builds a stronger allegiance and loyalty.



THE TIMES 100

BUSINESS CASE STUDIES

Questions

1. Define business strategy?

2. Describe the things that TNT takes into account when developing strategies?

3. Explain how SWOT analysis can be used when developing business strategies.

4. Analyse why organisations may use a strategy map.

Task

For a small to medium sized organisation with which you are familiar, create a strategy map. Firstly, find or write a suitable aim for the organisation. Then show how the organisation and its people can help to achieve that aim. The organisation may be profit-making or non-profit making. Use TNT's strategy map to guide you.

What have you learned?

Create a review pyramid. In the lower third of the pyramid write three things you knew before but now know better. In the middle, write two new things you learned in this session. In the top third write one thing you need to find more about.

