
Managing Food Safety A Global Retailer Approach

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November 2010



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Tesco History

History & Development

- 1919 Started as a market stall in London
- 1929 First Tesco store opened in London
- 1980's Superstores and centralised distribution system in the UK
- 1990's New strategy to focus on customers
- 1995 Moved from No 3 to No 1 in UK
- 1997 Launch of Tesco Personal Finance
- 2000 Launch of Tesco.com
- 2007 Launch of Tesco Mobile
- 2010 Launch of Tesco Bank



Tesco Strategy

- To be a successful **international** retailer
- To grow the **core UK** business
- To be as strong in **non-food** as in food
- To develop **retailing services** - such as Tesco Personal Finance, Telecoms and Tesco.com
- To put **community** at the heart of what we do

Tesco International Strategy

- **Be flexible** - each market is unique and requires a different approach
- **Act local** - local customers, local cultures, local supply chains and local regulations require a tailored offer delivered by local staff
- **Maintain focus** – to become established as the leading local brand is a long term effort and is not about planting flags on a map
- **Develop capability** – build skills through people, processes and systems
- **Build brands** - brands enable the building of important lasting relationships with customers

Tesco Values

To Create Value for Customers to Earn Their Lifetime Loyalty

No-One Tries Harder for Customers

Treat People As We Like to Be Treated



Tesco a Global Business

Group

- Sales £62.5bn
- Operating Profit £3.4bn
- Over 4300 stores worldwide
- Over 470,000 staff worldwide

Asia

- 1300 stores in China, Japan, Malaysia, South Korea and Thailand

Europe

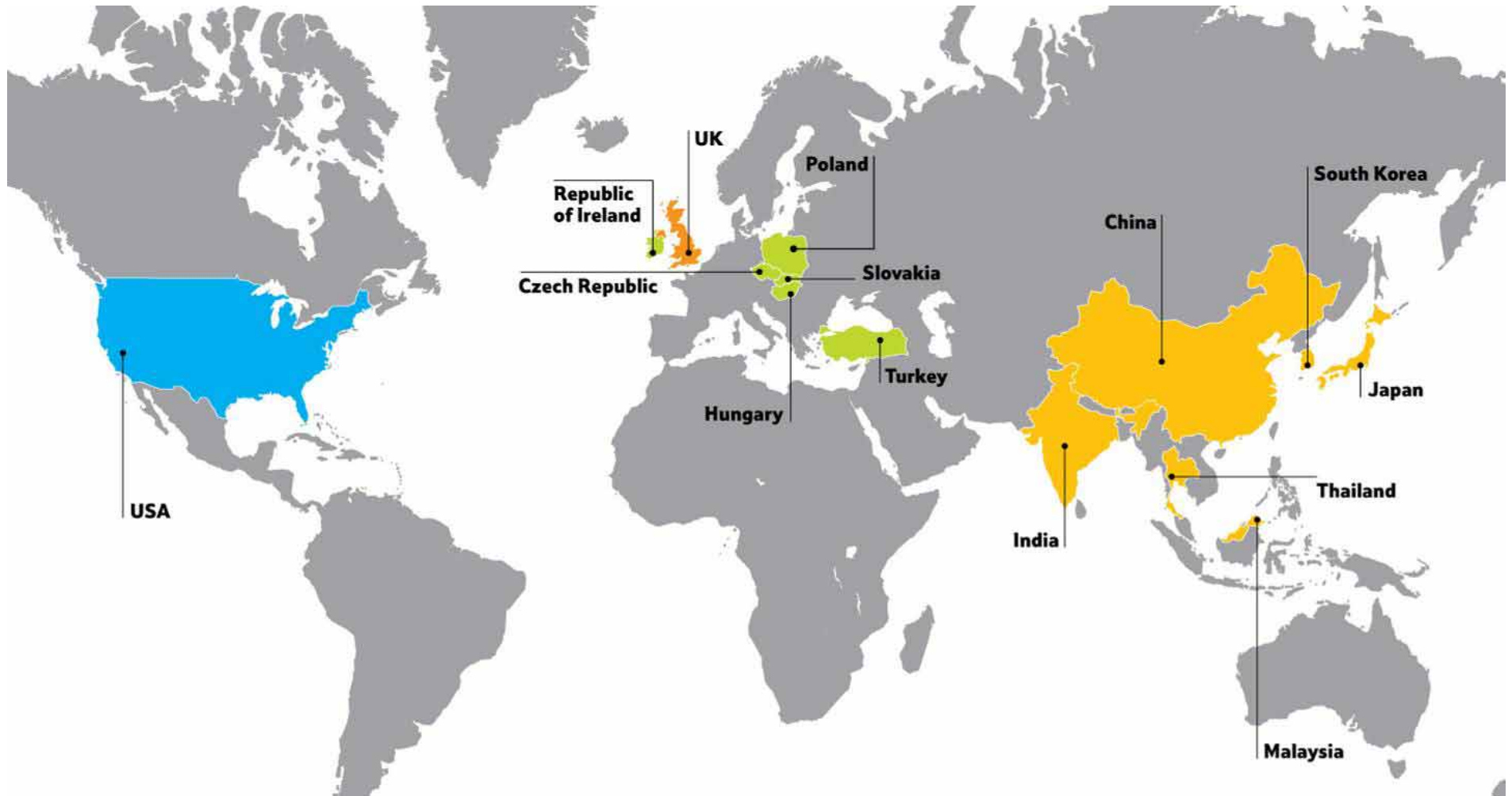
- 1004 stores in Czech Republic, Hungary, Poland, Slovakia, Turkey and Ireland

USA

- We opened our 159th store in the USA this year



Tesco Worldwide



Tesco India



- India is a significant investment opportunity for Tesco.
- Hindustan Service Centre in Bangalore.
- We source over £270 million worth of products from Indian suppliers each year.
- We are developing a wholesale cash-and-carry outlet and will be opening our first store by summer next year.
- Franchise agreement with Trent the retail arm of the Tata Group.

How Tesco Delivers for Customers in the UK



- Multiple store formats
 - Extra, Superstores, Metro, Express
- Stores supported by network of 30 Distribution Centres
- Clubcard loyalty scheme with over 11 million active households
- Own label brands: In reaction to customer needs we developed our Value range in 1993 and Finest in 1998 giving customers a variety of choices across price and quality.



Tesco Group Technical Strategy

“Giving Customers more reasons to trust the Tesco Brand everyday”

Our Vision

- A first class supplier base.
- The right product first time, every time for customers.
- The safest and cleanest stores and distribution centres in the industry for our customers and our people.
- A team that is the envy of the industry.
- Pride in our responsible sourcing programmes.

What do Technical Standards deliver for Tesco?

- Customer want to be confident about the products they buy.
- Retailers have a responsibility to protect their reputation and brand.
- Suppliers know what is required.



What happens when Standards are not met?

Cadburys

“Cadbury faces £20m salmonella hit”

“Cadbury's recall over 1 million chocolate bars over salmonella fears”



Peanut Corporation of America

“FDA Investigating Peanut Company Behind Recall”

“Salmonella-hit peanut company files for bankruptcy ”



Delivery of Technical Standards within Tesco

Supplier Management



APPROVAL

- Technical Audit
- Capability
- Ethical Audit

FACTORY MANAGEMENT

- Continued adherence to TFMS
- Foreign Body Control
- Metal Control
- Hygiene
- Pest Control
- Record Keeping

REVIEW

- Maintenance audits
- Performance Monitoring
- KPI's
- Visits & Meeting based on performance
- Continuous development

Delivery of Technical Standards within Tesco

What Good Looks Like

- What Good Looks Like – Tesco Food Manufacturing Web-site
- Joined up approach and sharing knowledge and experience
- Gold Standard Specifications
- Training
- Technical Library



Delivery of Technical Standards within Tesco

Product Management



DEVELOPMENT

- Product Development
- HACCP
- Specification
- Labelling
- Nutrition
- Shelf Life
- Quality Attributes



CONSUMER PANEL

- Consumer Panels
- Benchmarking
- Acceptable Quality



PRODUCTION

- 1st Production trials
- Right product/right packaging
- Sampling



REVIEW

- Surveillance Testing Program
- Spec Check
- Market Review/benchmarking
- Complaint
- Withdrawal & Recalls

World Class Training and Career Development for our Technical Teams



Stores and Distribution

- Safety, Quality and Legality assured throughout the supply chain
- The Safest and Cleanest stores in the Industry



Success



I can get the product I want
at the right price. Nobody
tries harder for me

“ To succeed we must compete on price, on quality, on service, on innovation... it is the relentless drive underpinning this competition which helps improve and transforms our products, our offer and the lives of our customers”

ฉันสามารถรับผลิตภัณฑ์ฉัน
ต้องการใช้ในราคาเหมาะสม
ไม่มีใครพยายามที่ยาก
สำหรับฉัน



Można uzyskać chęć po
prawej cenie produktu.
Nikt nie próbuje trudniejsza
do mnie



The Journey on Technical

- Recognise not everybody starts at the same level.
- We continue to invest in training and coaching.
- We work shoulder to shoulder with suppliers.
- Their success is our success.



Question & Answers?

