



## Philip Clarke, Group CEO: A business for a new decade May 2011

I know just how ready Tesco is for future growth. We've a great company, built around customers, with great staff and great stores, wherever we trade. Now that I'm the chief executive, there won't be any changes of direction, but there will be a slight change of emphasis.

Tesco has always had a good relationship with customers at the store level. That relationship now has got to be a multi-channel relationship. We've got to use all the media that's available to us to allow us to build a dialogue, so Tesco goes from being a business which is respected by many, to one which is admired.

The core purpose of Tesco is **to create value for customers to earn their lifetime loyalty**, and I want Tesco to put that at the heart of everything that it does.

Our success depends on people, the people who work with us and the people who shop with us, and our Values let our people know what kind of business we are, and our customers what to expect from us, and by living the Values, we create a great place to work and one where great service is delivered.

So, our core purpose and our Values, they stay the same, but I do have a new vision for Tesco.

I want Tesco to be the **most highly valued** company, valued by our customers, valued by our staff, by the communities in which we work and by our shareholders. Our focus is on remaining **a growth company**. It's terrific to work in a business which every year is adding more colleagues, adding more stores, adding more customers. It has a sense of momentum; it's just an exciting place to work. Tesco is going to be a **modern and an innovative company**. Modern means using the latest technology, innovative means finding new products that solve customer's everyday needs.

I've believed for a long time that the way that you win is you **win locally**. Tesco, almost uniquely, has got an added advantage. It can apply 80 years of retailing knowledge; it can **apply its skills globally**. Together, we can leverage the skill and the scale of Tesco so that wherever we are, we win market share.

Our five part strategy has served us well for over a decade, and today I want to explain how that strategy is evolving to reflect changing consumer trends, and the increasingly global nature of Tesco. The new strategy has seven elements.

The seven part strategy is: firstly **to grow the UK core**. It's our largest business, and it needs to be looked after, it needs to be nurtured and it can grow even more.

The second element of the strategy is that we want **to be an outstanding international retailer, both in stores and online**. We used to talk about being successful, now we're talking about being outstanding. We used to talk about retailing in stores, now we're going to do it online as well, wherever we trade.



The third element of the strategy is Tesco will be **as strong in everything it sells as we are in food**. We should be great in telecoms; we should be great in our pharmacy and in our health and beauty, in our apparel, as we are in our food.

The fourth element of the strategy is about **retailing services**. By services, we mean financial service, telecommunication services. These services should be available in all of our markets, because that way, we will be able to serve more customers.

Each and every one of my colleagues, the half a million around the world, I want them to understand that they have a **responsibility to the local community** in which they work. We've had a community plan for many years, but I think the plan needs to be widened. It needs to talk about sustainability in the broadest possible sense.

Tesco is going to be **a creator of highly valued brands**. I want each of our fascia brands, Tesco Kipa, Home Plus, to be a valued brand, but I also think we can create some other ones. F&F, the clothing brand, Technika, the television brand, and these will give customers another reason to come and shop with us, another reason to be loyal to us.

I want us to **build our team so it can create more value** than any other. I believe that Tesco will succeed if it gives its staff the opportunity to learn new skills so that they can do better things for customers wherever we are. Tesco has developed fantastic assets around the world, at home and overseas, and we've now got strong market positions worldwide, but there's a lot more to come.

We've got multiple opportunities to move forward; multiple opportunities to grow, and importantly, I believe that that growth will be sustained for two reasons. Firstly, because our people guided by the values will instinctively know what is the right thing to do, and secondly, because they will be supported by our leaders wherever they are in the world.