

Can you see the
mailstream?

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Change at this pace, with such attention to detail, is not possible without a strong team on the ground. Local people know the culture and community. Of the over 160,000 in our international business, fewer than 200 are from our UK business. In the US, we've employed nearly 2,500 people in new, quality jobs, which are so important in today's tough economy.

Today's market

Together, Tesco is well placed to confront the challenges of the future – including the economic challenge. For us at Tesco, downturns are not a new experience. We forged our strategy as the UK was coming out of recession in the early 1990s. We set up our business in Asia in the 1997 Asian crisis.

I can sum it up our approach in two words: think customer. As customers' habits change, so we must reset the business to offer what customers want. Some of you may think that this means that the green agenda is dead and buried. I disagree. We have to be green to grow. Failure to act today will cost our grand-children dear.

Going green makes commercial sense. Saving energy means lower costs. And for consumers, the downturn does not mean that their wish to protect the environment has disappeared: they merely need more help in fulfilling it.

We need to ensure that green products can be bought by those on tight budgets. And we need to show that, by going green consumers can save money. So we are harnessing the power of the consumer, the buying power of Tesco, and everything that Tesco does, to create a mass movement in green consumption.

We have set the entire Tesco group tough targets to cut emissions. We're working with our suppliers to help them cut emissions. And we're making it cheaper for consumers to go green.

Lessons learnt

As Tesco has grown, we've learnt a number of things along the way. Here are six things I'd highlight.

First, whenever we approach a problem, we don't think "how can we do this better than the competition?", but "how can we serve our customers better?"

Second, make everything simple. Our business is complex, so the challenge is to make it very simple – and doing that isn't easy. If you can achieve simplicity, you will soon see its power.

Third, and consequently, implementation matters as much as strategy. You can have the best strategy in the world but if it never leaves the page and becomes a reality, it remains just that – a piece of paper.

Fourth, think local. In every sector, travel the world and you will find that each market has its own way of doing things. So be global, but act local.

Fifth, in times of change, be sure to change yourself. Think about the world as it is, not as you might want it to be – however difficult that may be. I want Tesco to be a store for all seasons, not just the spring and summer. That should be the same for every company.

Sixth, and last, trust people. Allow them to take risks, to innovate, to experiment. This builds confidence, inspires new thinking and strengthens the team. It creates a business with an enterprising culture – a culture of the small business, nimble and fleet of foot.