

Learning Aim A: Explore the features of different businesses and analyse what makes them successful

Explain the features of two contrasting businesses to include ownership and liability, purpose, sector, scope of activities and size

Mascolo Limited

Hairdressers and brothers, Toni and the late Guy Mascolo, founded **Mascolo**, a holding company that launched the world's first chain of unisex hair salons in 1963. Mascolo Limited (previously Mascolo PLC) is registered in the UK as a private limited company.

As a private limited company Mascolo Limited has a type of legal business structure that is privately owned by shareholders or guarantors and managed by directors. It was incorporated (registered) with Companies House on 8th August 1963. The company is a legal entity in its own right, completely separate from its owners, and is responsible for its own finances and liabilities. The owners have limited liability, that is are only liable up to a certain amount.

The following information is taken from the webcheck at Companies House:

Name & Registered Office:

MASCOLO LIMITED
58-60 STAMFORD STREET
LONDON
SE1 9LX
Company No. 00770236

Directors are appointed by shareholders to manage day-to-day business activities and finances. Mascolo Ltd. has four directors:

Director Name

[Mr Christian Francesco Mascolo](#)

[Mr Giuseppe Toni Mascolo](#)

[Mrs Pauline Rose Mascolo](#)

[Mrs Sacha Maria Mascolo-Tarback](#)

Mascolo Ltd., through its subsidiaries, owns and operates hair salons under the name **TONI&GUY** and **essentials**.

The first TONI&GUY salon opened in Clapham, London when Toni was only 21. At the time a shampoo, set and cut cost 3 shillings and sixpence (17.5p). Today a haircut costs more than £50. Within a few years of opening their younger brother Bruno had joined the brothers in the business, and the family had opened two further salons in South London. TONI&GUY (www.toniandguy.com) is now an international hairdressing business.

Essentials (www.essentials.com) began in 1997 when Toni, Sacha and brother Christian saw a gap in the market for a 'diffusion line' of TONI&GUY. Toni and Guy Mascolo were amongst the first to begin the franchising boom, with the first Essentials franchised salon opening in Brighton in 1988. The essentials concept, being closely related to the TONI&GUY salon group, uses all the resources and experience of its mother company, yet maintains and promotes its own unique image and identity.

By the late 1990s, the company had grown from a single salon to over 100 in 20 countries worldwide. The company continues to grow under the TONI&GUY and Essentials banners, and the group now spans more than 40 countries. Most salons are in the UK, with some franchised or partially owned by the company. TONI&GUY hair salons are spread widely around the globe in places such as Australia, the USA and Europe, and there are more than 480 hair salons worldwide. There are salons in countries as unlikely as Cambodia, Saudi Arabia, Kazakhstan, Sri Lanka and Mongolia. Nepal will open its first salon in 2016.

Mascolo Ltd. also markets hair care products such as shampoos, hair gels, and grooming appliance lines, sold under brands **label.m**, **TONI & GUY**, and others. All essentials salons use and retail TONI&GUY and label.m haircare products.

The four Mascolo brothers previously owned the successful **Tigi** brand of haircare products, established in 1986 to provide hair care and styling products for the TONI&GUY salons. As the popularity of the Tigi brands grew, they became available from other retail sources as well as being sold through the salons. A decision was made to sell the brand, and Tigi was bought by Unilever for £295.2 million in 2009. This purchase includes all the Tigi hair salon brands such as Bed Head, Catwalk and S Factor.

The company also runs 20 hairdressing schools in the UK, Europe, and the Asia/Pacific region, and is a sponsor of the UK's London Fashion Week.

Recently the business has diversified as it has launched its own optician service (www.toniandguy-opticians.com).

TONI&GUY employs 8,000 staff and has an annual turnover of £175 million generated by 480 salons worldwide, including more than 265 in the UK.

The company has one overall purpose, to make a profit. It supplies both services and products and is in the tertiary sector.

A mission statement can assist the management team to focus on the main purpose of the business. It summarises the aim(s) of the business, enables the management team to develop long-term plans, allows the management team to communicate to relevant stakeholders the goals of the business, can motivate staff and can act as a useful device in order to attract publicity for the business in a positive manner.

The mission statement of TONI&GUY is *'to grow the best, most profitable and most creative hairdressing company on the planet where people love to work and clients love to be'*¹. Their philosophy and vision is to push the boundaries of hairdressing and deliver creativity, quality and consistency to every client.

The mission for essentials is *'to offer expert hairdressing from highly skilled stylists in a relaxed and friendly environment. To create easy-maintenance styles and up-to-the-minute colour techniques to suit the individual and their lifestyle, whilst advising on easy-maintenance between salon visits'*.²

Their philosophy is *'to provide clients with 'life's essentials... superb haircuts, beautiful hair colour, nail and beauty solutions in a relaxed, fashionable, yet welcoming environment.'*

Aims and Objectives of TONI&GUY

The aims of TONI&GUY are as follows:

- Making a profit
- Providing goods and services for the local/wider community
- Surviving as a business
- Maximising sales and improving quality
- Providing an highly competitive service
- Being environmentally friendly
- Increase market share
- To support charities (TONI&GUY Charitable Foundation was founded in 2003 by Toni Mascolo and his wife).

The objectives are:

- Provide more services than the previous year
- Improve all products
- Best possible advertising/marketing campaigns
- Reduce waste
- Gain/retain customers (e.g. through loyalty cards)

Reasons for success

Marscolo Ltd. is very successful. It's TONI&GUY brand is a renowned. It has won numerous awards in recognition of its outstanding work e.g. 'Hair Magazine' has awarded TONI&GUY

¹ www.toniandguy.com

² <http://www.essentials.com/salon-ownership.html>

Best National Salon Group; Best High Street Straightening Iron (Sacha Mascolo) and Best All Round Brush. This shows that TONI&GUY have won not only outstanding hairdresser awards but also awards for excellent quality products. Not only has it won awards in the United Kingdom but further afield as well, in places such as Australia, where it won 'Best Hair Care Brand of the Year'. Overall, Toni & Guy has won 85 awards, 47 of which are British Hairdressing Awards. This helps meet an aim of the business, which is to maximise sales and improve quality.

TONI&GUY is the only hairdressing company to be awarded 'SuperBrand' and 'CoolBrand' status and is said to truly represent the catwalk-to-client philosophy.

As TONI&GUY have a large customer base, then it is hard to keep all existing customers coming back to the business. However they try their best to do this through a variety of different methods. TONI&GUY have a special loyalty card scheme in which customers gain a stamp for each trip to any of their salons. After a certain amount of stamps are collected they are then awarded with either money off their next haircut or products for free. Through this method I feel that TONI&GUY are not only retaining customers but may also attract more customers, as if people are aware of this promotion through word-of-mouth, advertising etc. then they feel that they are getting better value for their money. So, this method not only retains customers, but attracts new ones as well.

Overall TONI&GUY feel that the best way to be successful is through simply treating and respecting each and every individual that passes through the door. Every single customer who is given a service wants the best for their money so polite, kind, friendly and well-mannered staff is a necessity for any and every business.

Stakeholders of TONI & GUY

A stakeholder is anyone who has an interest in an organisation/business and who is affected by what it does and the way it operates. TONI&GUY have stakeholders both internally and externally within the business. Each stakeholder has an important role to play in the running of the business. The key to building a strong stakeholder relationship is communicating effectively with all stakeholders.

External stakeholders

Customers

These are the most important stakeholders in any business. Customers are very powerful and as the saying goes '*the customer is always right*'. Customers always want low prices but with good quality goods/services. They have the choice whether to use Mascolo Ltd.'s services or buy their products, and if they are satisfied by what they have been provided with, then they would spread this on by word of mouth to friends, family etc. and in return would bring in more customers to the company, increasing money, profit, revenue and dividends. This then leads to Mascolo Ltd. being as successful as they possibly can. Without customers any business on any scale would fail, as they would not be able to gain a profit.

Mascolo Ltd. attracts new customers to every one of their TONI&GUY salons worldwide everyday through many different ways and methods. These customers then need to be retained in order for the business to survive.

Advertising is one way in which the company communicates with customers, and this is done through a variety of methods including posters, leaflets, flyers, television adverts, word-of-mouth, promotional offers and billboards. They also use the Internet and social media. As staff at TONI&GUY speak to their clients word-of mouth may be the most effective method of communication as if someone is treated correctly by the employees/managers within the salon, then they will promote the business by telling family and friends of the service at TONI&GUY salons therefore making more people aware of the salon. Hopefully this will then bring more customers to the business, achieving greater revenue and profits for Mascolo Ltd.

Government

The more revenue that Mascolo Ltd. makes, they more tax that it must pay, by law, to the Government. On the other hand, if Mascolo Ltd. were to fail, employees in their salon would be made unemployed and then the Government would suffer, as they would have to pay benefits to those who are out of work. The Government also influences the business as it passes laws such as the Health and Safety at Work and various regulations that protect all employees, and give them a right to work in a safe environment. This also protects visitors to the salon as well as customers and contactors and suppliers. Health and safety plays a vital part in TONI&GUY salons, and therefore have many safety regulations in place within the workplace.

Firstly, both employees and customers are protected against any harm that they might be caused by due to electrical appliances such as:

- Hairdryers
- Hair Irons
- Curling Irons
- Razor

If any injury is sustained due to any of the above, the customer/employee is fully covered and is awarded with compensation. Also the hairdressing tools and equipment like scissors may also cause injury in rare circumstances; then again they are, under the HASAW Act, fully insured. If a customer/employee has a fall within the salon on wires/wet flooring/cut hair etc. then this is covered by the same act. Nowadays, any hairdressing salon gives customers a precautionary skin test 24 hours before an appointment to ensure that the customer does not have a reaction to any hair dye that is about to be used on them and therefore cannot sue the business. As any TONI&GUY salon has more than 5 employees then a written copy of the Health and Safety Act on display within the shop on each floor.

The Local Community

The local community has a very influential role as a stakeholder in Mascolo Ltd. even though they do not necessarily have a financial investment in the business. The community want local jobs to bring more wealth into the area. They also want support for local projects. Mascolo Ltd. do this by raising money for local charities and sponsors. This attracts more

people to the area and can effectively increase the profit of Mascolo Ltd. The community want to bring in wealth to the area and want the business to do well.

Suppliers

The suppliers assist the business by providing TONI&GUY salons with the necessary products/equipment in order for the business to operate as effectively and efficiently as possible. The suppliers will then be kept happy if the business is gaining money as Mascolo Ltd. can then repeat their orders as long as they have a definite reliability of payment for the stock that they have purchased. The stockists that supply Mascolo Ltd. play an imperative role in any TONI&GUY salon as these are known for all of high quality products as well as its hairdressing so the delivery of stock promptly and correctly is crucial.

Pressure Groups

Pressure groups are a group of people outside of the business (externally) who influence Mascolo Ltd. by making them aware of social and environmental issues within the community and wider a field. They want to make sure that the customer is satisfied with their product, workers and customers are kept safe, employees are being treated fairly and are paid at least minimum wage. They would like Mascolo Ltd. to be as 'green' as they can. One of the things this business does to implement this is only giving plastic bags to the customer in it's hair salons with haircare products purchased if they are required and at a small fee to warn the community of the damage this is doing to their area therefore keeping the pressure groups as happy as possible.

Financiers/Banks

Without a bank/financier, Mascolo Ltd. wouldn't have been able to start up initially however now, as they are an established business, they would now only use they bank for any advice and for accounts within the business. The bank also helps Mascolo Ltd. to organise its money as best as they can as well as offering them help and giving them advice. They also helped to initially start their business up

Communication with external stakeholders

Mascolo Ltd. uses a range of media to communicate with external stakeholders. These include face-to-face meetings and events as well as sharing marketing materials such as brochures, case studies and e-mail newsletters. It operates a proactive programme of communications to share information with the media and ensure it provides timely, accurate information about achievements and successes on its websites and social media channels such as Facebook and Twitter.

Internal shareholders

Employees

Employees are essential in the running of any business and are internal stakeholders. Employees want job satisfaction, a good wage, suitable working hours and a secure future, as well as to be appropriately trained, to be equally treated, provided with a safe working environment, permitted to join a union/staff association and to be allowed to access any

confidential files that are kept on them. All of these help to make the employee happy and therefore help Mascolo Ltd. operate successfully. Also a successful business increases the chance of promotion and a larger salary. However, a failing company could threaten their jobs, freeze pay and increase the chances of demotion and redundancy. Employees influence the business as they help to run the business efficiently and a well-trained, well-mannered staff base help to keep customers happy therefore making more money for Mascolo Ltd.

Managers

Overall, the manager of each TONI&GUY salon wants the business to make as much profit/revenue as possible and is responsible for the everyday running and organisation of the business. They influence the business as they try to make sure that the TONI&GUY salon is running correctly and effectively. This can then benefit the manager greatly as the more money the company is making the better chance of a promotion and fringe benefits (e.g. company car, laptop, mobile phone etc.) The managers have a huge responsibility as they must organise the whole salon and so without them any TONI&GUY salon would be unstructured.

Communication with internal stakeholders

Mascolo Ltd. communicates with all colleagues worldwide through informal and formal communication channels, with a particular focus to ensure there are feedback mechanisms in place to promote open and active dialogue between colleagues. These communication channels include intranet sites, webinars, staff notices, newsletters, posters, roadshows and conferences, to ensure colleagues understand Mascolo Ltd's aims and objectives and know where they fit in to help achieve these.

Organisational Structure of TONI&GUY

I used the website www.toniandguy.co.uk and found the below information on the international business of TONI&GUY.

Toni Mascolo

Chairman & Chief Executive

Sacha Mascolo

Global Creative Director

James Tarbuck

Global Brand Director

Mascolo Ltd. has a very large hierarchical structure with a long chain of command. As a large, international business, it is necessary for them to have a large hierarchical structure as this allows them to make sure that everyone knows what they are required to do, although it does slow down communications. Each individual TONI&GUY salon has its own organisation structure with a manager, receptionist, stylists, colour technicians and beauticians.

All of its 480 salons worldwide report to the main Head Office. The hierarchy has a tall structure due to the large number of salons and employees.

A hierarchical structure is an essential way of organising this business, even though it has a very long chain of command from the top to the bottom when passing information along, it keeps the business functioning in the correct way as everyone in the structure knows their duty and job and tasks can be allocated accordingly. The communication can be horizontal (to people within or between different functional areas) or vertical (to people above or below in the chain of command). People in the chain of command also know who are above them; to report to and below them; to designate the appropriate tasks to. Although information can become distorted as the communication from the top of the structure to the bottom has to be carried a long way to the appropriate department.

The company has many functional areas at its head office to include the Human Resources, Sales, Marketing and PR, IT, Research and Development, Purchasing, Finance, Customer Service, and Administration.



WaterAid is a British charity WaterAid that co-operates with communities and non-governmental organisations to install and maintain simple water systems in developing countries. It began working with Ethiopian organisations in 1991 to devise water-provision schemes for areas of the country worst affected by shortages. It works with hundreds of partners in civil society, government and the private sector to deliver water, sanitation and hygiene to those most in need and make transformational change happen so that governments across the world provide all of their citizens with affordable, sustainable services. Through its partners it reached 2 million people with safe water and 3 million people with sanitation last year.

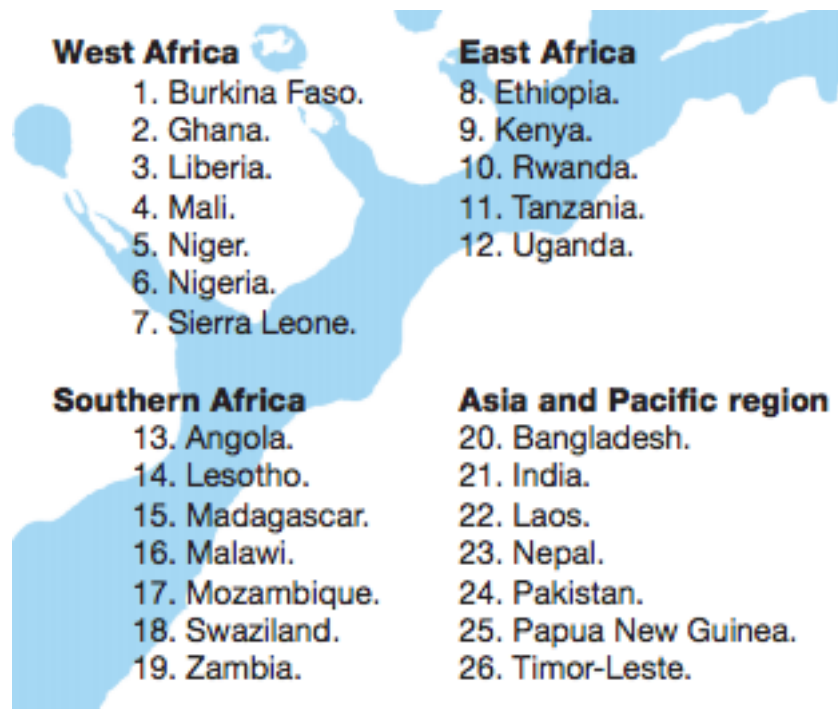
WaterAid is part of the WaterAid federation governed by WaterAid international. WaterAid was established by trust deed as a **charitable trust** on 21 July 1981 by the UK water industry as a response to the UN Decade of Drinking Water and Sanitation. It was incorporated on 30 January 1984 (company number 1787329) and registered as a **charity** on 22 February 1984 (numbers 288701 (England and Wales) and SC039479 (Scotland)). It employs 820 staff (200 of these work full time in the UK), has 590 volunteers plus 577,000 individual supporters.

Projects in Zambia and Sri Lanka became the first of many thousands to receive support from the charity. Throughout the 1980s regional WaterAid fundraising committees were formed, based in many of the UK water industry's organisations. This enabled more and more organised fundraising events to take place. In 1991, HRH Prince Charles, the Prince

of Wales, became WaterAid's first president and was taken to see WaterAid projects in Nepal. He continues to offer his support in this role to this day.

WaterAid is an international, non-governmental organisation (NGO) that transforms lives by improving access to safe water, effective sanitation and hygiene education in the world's poorest communities. WaterAid works at all levels to influence decision makers to prioritise water and sanitation, alongside health and education, in plans to reduce poverty. It helps partner organisations in the countries where it works to understand and promote the right to water and lobby their governments to allocate further resources to these basic services, ensuring that water and sanitation are prominent on national and international agendas. Its activities involve providing people with clean water, safe toilets and hygiene education.

WaterAid has reached 13.44 million people with safe water and 8.16 million people with sanitation. It works in 26 countries in Africa, Asia and the Pacific region to help communities improve their quality of life, through lasting improvements to water, sanitation and hygiene education, using local skills and practical, sustainable technologies.



WaterAid's vision is of a world where everyone has access to safe water and sanitation. The following is taken from the Annual Report 2014-15 (<http://www.wateraid.org/uk/who-we-are/annual-reports>)

***Our vision** is a world where everyone everywhere has safe water, sanitation and hygiene.*

***Our mission** is to transform the lives of the poorest and most marginalised people by improving access to safe water, sanitation and hygiene.*

Our values define our culture and unite us across the many countries in which we work.

They are at the very heart of WaterAid – who we are, what we do and how we do it’.

Everything it does is shaped by six values:

- Respect
- Accountability
- Courage
- Collaboration
- Innovation
- Integrity

Aims and Objectives

The company has published its aims in its annual report 2014³. These are as follows:

Aim one: To promote and secure poor people’s rights and access to safe water, improved hygiene and sanitation.

Key objectives:

- To invest in and work with partners in 22 countries to reach 2 million people with water (71% in rural, 20% in urban, 9% in small towns) and 3.6 million people with sanitation (73% in rural, 15% in urban, 12% in small towns).
- To improve sustainability by conducting post-implementation studies in Bangladesh, Malawi and Mali and ten other countries.
- To promote menstrual hygiene management in 15 of our country programmes.

Aim two: To support governments and service providers in developing their capacity to deliver safe water, improved hygiene and sanitation.

Key objectives:

- To improve city-wide planning for services that reaches poor communities as well as the better off; and conduct studies in Maputo, Lagos, Kinshasa and Lusaka.
- To promote better investment for water, sanitation and hygiene by effective influencing work at the African Conference on Sanitation and Hygiene resulting in a specific commitment to accelerate progress.
- To support the work of the Sanitation and Water for All partnership.

Aim three: To advocate for the essential role of safe water, improved hygiene and sanitation in human development.

Key objectives:

- To advocate for universal access to clean water and sanitation by 2030 as a specific post-2015 SDG

³ www.wateraid.org/annualreportUK

- To position water, sanitation and hygiene as a key determinant of child health, measured by their integration into national health policies and practices.

Aim four: To further develop as an effective global organisation.

Key objectives:

- To design a programme management information system to ensure effective monitoring of our work and to allow systematic capture of data and to develop a new supporter relation
- To ensure our organisational plan is funded and effectively financed, we aim to raise £4.70 for every £1 we spend raising funds. We also aim to grow our supporter base of active regular givers to over 330,000.
- Our financial targets: gross income £76-£84 million, expenditure £79-£84 million, operational reserve £12-£15 million, restricted income no greater than 40% of income, central support costs no greater than 10% of expenditure, and fundraising costs no greater than 25p in each £1 spent.

Reasons for Success

WaterAid is a very successful organisation. It has reached a total of 9.6 million people with safe water and 13.1 million people with sanitation through local partners. It has expanded from working in 22 to 37 countries and increased the staff numbers from 620 to 820. It grew its supporter community by 300,000 to more than 570,000 people in 2014, and raised £400 million to help improve poor people's access to water, sanitation and hygiene services.

I think that one of the reasons for this is its website, which has been praised for having an excellent donations landing page that makes it very easy for people to donate.

The CEO, Barbara Frost says *'I believe WaterAid's is a success as it has engaged and committed staff and volunteers with positive "can do" attitudes and influential leadership skills. We have a culture of optimism and action that keeps colleagues motivated to achieve great things. We want to inspire support for our work, as well as to influence and inspire action in decision-makers'.*

Stakeholders of WaterAid

WaterAid's goal is to provide a charitable service. A variety of people and groups have an interest in seeing this non-profit organisation succeed. These individuals, groups and organisations are called stakeholders and are vital to the development and sustainment of WaterAid.

Internal stakeholders are people who are already committed to serving WaterAid such as board members, staff, volunteers, and/or donors. These influence the organisation, as without them it could not operate.

Employees

As with Toni and Guy, employees are essential in the running of the business. Employees want job satisfaction, a good wage, suitable working hours and a secure future, as well as