

# Operations strategy with focus on growth



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Briefly describe your understanding of the concept of Operations Strategy, its importance and its main constructs. A huge number of companies asserted that operations strategy is one of the best approaches to differentiate themselves from their competitors. Waller [5] asserted that the strategic which should relate to operation's performance objectives is important of its operations and supply chain. Hill [4] also suggested that strategy include the perspective of both direction and implementation.

Operation strategy is a long term plan which is designed to achieve its desired objectives [5]. Chase et al. [3] claimed that operations strategy is to plan a wide and complete guidelines or approaches which is the best support for companies' long term goal. Chase et al. [3] also mention four levels of perspective in operations strategy including learning and growth, internal, customer and financial perspective. Slack et al. [2] addressed that operations strategy is the pattern of decisions and actions that shapes the long term vision, objective and capabilities of the operation and its contribution to overall strategy. Slack et al. [6] also point out that operations strategy should concerns four perspectives as following:

### **(1) Top down**

Operation strategy is a top down reflection of what the business wants to do.

### **(2) Bottom up**

Operation strategy is a bottom up activity where operations improvements cumulatively build strategy.

### **(3) Market requirements**

Operations strategy involves translating market requirement into operations decisions.

### **(4) Capabilities of operations resources**

Operation strategy involves exploiting the capabilities of operations resources in chosen markets.

According to above, it can be concluded that operations strategy which is the way in which operations resources are developed over the long term to create sustainable competitive advantage for the business concerns investments and developments to support the order winners and qualifiers (such as on time delivery, quality conformance and price) for which it has both individual and cooperative responsibility.

2. What do you consider to be the main operations performance objectives in the context of Yo! Sushi? How these objectives reflect the structure and expectations of the company's market? How do you assess the relative importance of these objectives?

#### **Answer:**

An operations strategy should define operations performance objectives which will adds value for customers and contributes to competitiveness by being able to satisfy the requirements of its customers. Slack et al. [2] suggested that there are five aspects of operations performance, all of which to a greater or lesser extent will affect customer satisfaction and business competitiveness.

- (1) Quality: doing things right.
- (2) Speed: doing things fast.
- (3) Dependability: doing things on time.
- (4) Flexibility: changing what you do or how you do it.
- (5) Cost: doing things cheaply.

Chase et al. [3] also claimed that the major competitive dimensions that form the competitive position of a company include the following:

- (1) Cost: make it cheap.
- (2) Product quality and Reliability: make it good.
- (3) Delivery speed: make it fast.
- (4) Delivery reliability: deliver it when promised.
- (5) Coping with changes in demand: change its volume.
- (6) Flexibility and new product introduction speed: change it.
- (7) Other product specific criteria: support it.

According to above, the main operations performance objectives in the context of Yo! Sushi are quality( food and service), speed, flexibility and cost.

## **(1) Quality**

Quality is very important index or part in the restaurant industry. According to the article, firstly, the quality of food must manage and control very

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carefully including food standards and hygiene. Secondly, the quality of service also is a vital fact which not only relates to the person to person interaction, but also to the general cleanliness of the restaurant. In addition, in order to improve service quality, Yo! Sushi use questionnaires to make some communication and feedback from their customers. It not only let them understand their drawbacks but also found a way to make the customer a repeat visitor in the future.

## **(2) Speed**

With regard to speed, food stock management is a very important part which is related to it. On one hand, if the food has sold off the belt, the same item of food will to be filled in shortly. On the other hand, if the food has not been sold off the belt in two hours, it must be discarded. To achieve the performance objective of speed not only ensure fresh of food, but also improve the restaurant's service quality.

## **(3) Flexibility**

Customers who want to see a variety of dishes displayed need some different and special menus to make them returning. Variety dishes include seasonal menus and meal promotions which can encourage customers' expecting.

## **(4) Cost**

How to make a reasonable rang of price for their food is also a critical object in Yo! Sushi. According to the article, the author mentioned that there are three different level customer groups including “ symbols of success”, “ urban intelligence” and “ welfare borderline” have been eaten in the

restaurant. Because of this, how to set price of meals are a vital issue in their business.

There are four structure and expectations of company's market. First of all, to achieve the object of quality can create a chance of customers' returning. Secondly, to achieve the object of speed not only ensure fresh of food, but also improve the restaurant's service quality. Thirdly, to achieve the object of flexibility could encourage customer's motivation to taste special and also make them returning. Lastly, to achieve the object of cost could create much business in many different level customers. It can be concluded from above, different operations will have different views of what each of the performance objectives actually means. In other words, the relative importance of four performance objectives above which can provide competitive advantages depends on how the business competes in its market.

3. What do you see to be the most important challenge for the company and its director?

**Answer:**

According to the article, the most important challenge for the company is how to motivate the ' virgin' category customers and how to create the best chances of this customer returning. ' Virgin' customers who mean the people who have not been to the restaurant before will not know how the conveyer belt system works and how to order different Japanese dishes.

We can also see from the article that the most important challenge for the company's director is how to get right performance measures of the

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restaurants. In the article, Robin asserted that given the right set of metrics not only encourage manager's performance but also servers performance outperform their current roles.

There are also two main reasons why the company's director should to get right performance measures. Firstly, it will bring free up cash to invest in new opening. This reason is refer to CEO's objective which is to have over 100 restaurants open at 2011. Secondly, it will keep company's loyal band of 'lovers' coming back for more. This reason is a vital strategy which make company sustainable operations.

It can be concluded from above that if the company can motivate the 'virgin' category customers and make them returning, it will bring much benefits for the company; if the company's director could to get right performance measures of the restaurants, it not only bring free up cash to invest in new opening but also keep company's loyal band of 'lovers' coming back for more in the future.

4. How the identified performance objectives would impact the company's resources and processes (quality, capacity and planning)? And what your suggestions would be to the CEO in selecting measures of performance to improve the restaurant's position? Compare your answer with what may be the current approach and solutions of the company's management.

### **Answer:**

According to the figure1 above, Slack et al. [1] claimed that the market requirement and the operations resource perspectives on operations

strategy represent two sides of a strategic equation that all operations managers have to reconcile.

According to the figure2 above, Slack et al. [2] also asserted that building operations capabilities means understanding the existing resources and processes within the operation.

Different product groups require different performance objective which might related to their position. In case of Yo! Sushi, quality and flexibility are the most important performance objective which should be measured more carefully. First of all, food quality and service quality are a vital index related to customers' satisfaction which not only improve restaurant's position but also create brand loyalty of their customers. In addition, the flexibility of food is also approach to attract customers successful.

In order to identify my suggestion of performance measure, I will compare with another food restaurant called Burger king which is also set some performance objective to make their business excellent.

### **(1) Quality**

Burger king not only proud the quality of its food but also focus more on their service quality [1]. Compare with Yo! Sushi, quality of food and service are an important points of its business.

### **(2) Speed of service**

This is a main different between Burger king and Yo! Sushi. Burger king is type of fast food which is important in its speed of service, especially take



away. Whereas, more customers of Yo! Sushi choose eat in which more focus on enjoy the process of meal than speed.

### **(3) Flexibility**

Flexibility is another vital index in restaurant industry. Both Burger king and Yo! Sushi are attach importance to it. Variety meals can attract customers more success than unchanged meals.

### **(4) Cost**

Burger king is not very cheapest in the fast food market [1]. As a result, how to make a reasonable rang of price which can bring more wide rang customer groups for their business is also a critical object in Burger king and Yo! Sushi. Whilst, using raw materials more effectively and avoid excessive wastage are also a method to decrease its operation cost.

## **5. How do you describe Yo! Sushi's position in the market and the state of their operations and performance, and how do you relate it with the operations strategy the company has adopted and implemented?**

### **Answer:**

An operations strategy should identify the broad decisions that will help the operation achieve its objectives [2]. In general, Yo! Sushi's position in the market and the state of their operations and performance are good. First of all, Yo! Sushi very care about their quality of food and service because they know it is a critical fact in restaurant industry and service industry. Secondly, in order to make variety dishes, Yo! Sushi create seasonal menus and meal promotions to encourage their customers returning. Thirdly, Yo! Sushi control their food stock management very well which related to services quality.

Fourthly, in order to run their business well and improve their brand visibility, Yo! Sushi choose open restaurants in marketplace. Location selection of Yo! Sushi is also a very vital decision in their operation strategy. Fifthly, Yo! Sushi franchise the concept to overseas partners which makes Yo! Sushi from small company to multinational company. Sixthly, Yo! Sushi use questionnaire to measure restaurants performance and communicate with their customers. It not only acquires some advice from their customers, but also let them make a reasonable measure of performance. Lastly, Yo! Sushi create a new dining experience which include informal, edge and self-paced quick service eatery.

In summary, it is clear that the operations strategy of Yo! Sushi is very successful. It not only reflects the business's market requirements, but also achieve company's performance objective.