

McDonald's is managing stock

Business



Every country in the world.

It has more than 30, 000 restaurants in over 119 countries, serving around 50 million people every day. All businesses face challenges every day. One of the major challenges facing McDonald's is managing stock. Stock management involves creating a balance between meeting customers' needs whilst at the same time minimizing waste. Waste is reduced by: Accurate forecasting of demand so that products do not have to be thrown away as often. Accurate stock intro of the raw materials.

Stock management involves creating a balance between meeting customers' needs whilst at the same time minimizing waste. This is an increasingly tough balancing act. As customer tastes change, McDonald's needs to increase the range of new products it offers, so the challenge of reducing waste becomes even greater. Why change was needed In the past, stock ordering was the responsibility of individual restaurant managers. They ordered stock using their local knowledge, as well as data on what the store sold the previous day, week and month.

For example, if last week's sales figures showed they sold 100 units of coffee and net sales were rising at 10%, they would expect to sell 110 units this week.

However, this was a simple method and involved no calculations to take account of factors such as national promotions or school holidays. It took up a lot of the Restaurant Manager's time, leaving them less time to concentrate on delivering quality food, service and cleanliness in the restaurants. The new system

In 2004, McDonald's introduced a specialist central stock management function known as the Restaurant Supply Planning Department. This team communicates with restaurant managers on a regular basis to find out local events. The team builds these factors into the new planning and forecasting system (called Numismatics) to forecast likely demand of finished menu items (e. G.

Big Macs). This case study looks at how McDonald's manages its stock through its management systems and what benefits this brings.