

# Operations management strategy of hard rock cafe commerce



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It is undeniable that Hard Rock Cafe has become one of the most successful internationally recognized trade names anywhere in the universe. The first cardinal success of HRC is its mission which is to distribute the spirit of rock'n roll by making reliable experiences that stand the test of time. This mission statement is represented by the core value which HRC is willing to convey to clients and love music people over the universe. With its unwavering commitment and slogan " Love all - Serve all - Take care to be safe - All is one - Save the planet " , HRC has built differentiated cultural value worldwide. The meaningful motto has not merely been a slogan but has also made positive influences to alter people ' s head and behaviour. Actually, HRC has created a fantastic atmosphere welcoming everyone regardless of age, sex or societal background.

The 2nd cardinal success is implementing effectively and flexibly corporate strategy and business model. With the end of spreading the company ' s activities, growing strategy is the most effective corporate strategy for HRC. Indeed, it provides an opportunity for HRC to accomplish growing in gross revenues, assets and opportunity to take advantage of experience curve to cut down the cost of production thereby increasing net income ( Wheelen & Hunger, 2004, p. 138 ) . HRC has utilized successfully international entry options in a horizontal growing to spread out in international market. By spreading out its merchandises into other geographic locations through franchising, HRC has achieved higher market share and established its presence in many states.

In terms of business model - degree strategy which is about how to vie successfully in peculiar markets ( Gerry Johnson, 2010, p. 7 ) , HRC ' s public presentation is <https://assignbuster.com/operations-management-strategy-of-hard-rock-cafe-commerce/>

driven by distinction scheme to take at wide mass market and involves the creative activity of a merchandise or service that is perceived throughout its industry as alone ( Wheelen & A ; Hunger, 2004, p. 119 ) . In peculiar, in the service sector, HRC has extended their merchandise distinction through experience distinction which engages a client with a merchandise through inventive usage of the five senses, so the client “ experiences ” the merchandise ( Heizer & A ; Render, 2010, p. 68 ) .

The 3rd cardinal success is operation direction scheme particularly in term of merchandise design, human resource and location. It is widely accepted that merchandise design in service sector is challenge because they have alone characteristic and high client engagement. Therefore, in order to implement concern scheme, HRC has created invention in fabrication by mass customization which requires that people, procedure, units and engineering reconfigure themselves to give clients precisely what they want, when they want it ( Heizer & A ; Render, 2010, p. 83 ) . This makes flexibleness and speedy reactivity for of all time altering environment. In fact, HRC does non merely supply a usage repast but besides a dining event. The consequence is low cost, high quality and doing legion parts to merchandise development. However, under the control of mass customization, no staff knows what the following client will desire. Therefore, it is going progressively hard to foretell the existent client demand and make a long term vision of the company ‘ s merchandise.

Furthermore, HR offers their clients with “ differentiated experience ” through quality and alone nutrient, music memorabilia-packed ambiance, big-screen picture, and active staffs who can state narrative. The study has <https://assignbuster.com/operations-management-strategy-of-hard-rock-cafe-commerce/>

indicated that mark of quality nutrient and service is non 7 in the rank from 1 to 7, the nutrient and service is failure ( Heizer & A ; Render, 2010, p. 56 ) . It implies that quality of good and service in HRC is really good. Furthermore, HRC is world-wide stone ' n ' axial rotation symbol with important function as aggregator hive awaying of import grade in this music flow like " populating museum " because of its alone memorabilia aggregation of authoritative guitars and other instruments, postings, costumes, lyric sheets, exposures and more. The consequence is a " dining experience " instead than a repast. In add-on to this, clients besides experience some tweaking of bill of fare for local gustatory sensation therefore appealing many tourers from over the universe ( Heizer & A ; Render, 2010, p. 83 ) .

In term of merchandise packaging, it is apparent that boxing for service will supply a touchable reminder of the merchandise though logo. The logos contribute to cut down the sensed hazard of purchase and can move as a signifier of support, thereby increasing the opportunity of repeat purchase in the hereafter ( Quester, 2006, p. 282 ) . HRC ' s Son are displayed high on metropolis centre commercial edifices in order to construct prestigiousness and public visibleness. For illustration, HRC in Vietnam is located in edifices Kumho Plaza in HCM City.

" In the new economic system, competition is planetary, capital is abundant, thoughts are developed rapidly and cheaply, and people are willing to alter occupations frequently. In that sort of environment all that affairs is talent. Endowment wins. " ( Fishman, 1998, p. 104 ) . The citation indicates an of import function of human resource in the cognition economic system. In

other words, human resources are regarded as the most of import plus doing <https://assignbuster.com/operations-management-strategy-of-hard-rock-cafe-commerce/>

the distinction for endeavors. Indeed, by success in HMR scheme in term of enlisting, T & A ; D, and compensation, HRC has achieved competency advantages.

At the cutting border, the tendency in the usage of the web site and home page as recruiting devices has developed dramatically. By Internet enlisting method, HRC perchance derive an border of pulling endowment campaigners through corporate website [www.hardrock.com](http://www.hardrock.com). In the web site, HRC provides a topographic point to post information of the company including history, human resource information and others. Particularly, enrolling advertizement “ This topographic point is radical... Why? Because you can be who you are – because who you are defines youa^! This is n’t merely a occupation ; it ‘ s a manner of life. ” in the home page make non merely represented evidently HRC ‘ s mission statement, but besides impact positively on campaigners ‘ head and promote them to show and esteem themselves in HRC.

In add-on to an effectual enlisting method, based on corporate growing scheme, HRC has generated a high grade of labour diverseness in term of ages and cultural background as a consequence of higher productiveness and doing competency advantage for the company. This besides enlarges the pool of appliers every bit good as contributes to construct HRC ‘ s civilization.

From the house ‘ s several, service staff is crucially of import portion as cardinal determiner of client trueness because they are a core portion of the merchandise stand foring the house ‘ s trade name. Therefore, it is

necessary for the houses to enroll right staffs. The old proverb “ people are your most of import plus ” is incorrect. The right people are your most of import plus. ” Jim Collins commented. Furthermore, bulk of HRC ‘ s staffs are front-line staff who play a cardinal function in expecting client ‘ s demands, custom-making the service deliver and edifice close relationships with clients therefore making client trueness. Hence, HRC has selected their staffs harmonizing to critical accomplishments in occupation analysis including involvement in music and ability to state a narrative, bright and positive attitude ( Heizer & A ; Render, 2010, p. 445 ) .

After enlisting, HRC has implemented preparation and development which are the bosom of a uninterrupted attempt designed to better employee competence and organisational public presentation ( R. Wayne Mondy, 2006, p. 214 ) . New employees have participated in an orientation plan with 2- twenty-four hours developing category for new employees. The intent of this plan is explicating the employment state of affairs including the occupation, company history, policies and regulations, compensation and benefits, corporate civilization, covering with alteration and socialisation. Furthermore, it is admitted that one site pre- gap preparation in HRC is different and originative because they has utilized Cadmium covering kitchen, retail, and forepart of the house service ( Heizer & A ; Render, 2010, p. 445 ) . These consequences in stimulating ability of geting cognition and better analyzing spirit for new employees. In add-on to orientation plan, HRC ‘ s staffs have participated in go oning employee developing encompassing 12-week corporate director and ongoing preparation and development to broaden their accomplishments viz. interpersonal and proficient accomplishments,

merchandises and service cognition and develop both personality and professionalism. Therefore, there is no uncertainty that HRC employees are non merely HRC has trained experience and professional work force with competent in their occupation accomplishments and passionate about music.

Furthermore, HRC has provided a broad scope of chances for employees to develop their calling way by high degree of internal publicities. Actually, 60 % of the directors are promoted from hourly employee ranks. Additionally, HRC has created a discovery in constructing self-motivated staffs with employee measure of rights and significant employee authorization. It is acknowledged that the scheme of authorization is the most utile manner for HRC because the company ' s concern scheme is based on competitory distinction in unpredictable environment. It implies that the employees can be internally motivated to execute efficaciously and increase the capableness of self-denial and autonomy to do good determinations and bring forth good thoughts for operating concern. Indeed, the staffs perchance find solution to service job and do appropriate determinations about custom-making service bringing and salvage clip to seek permission from supervisor as a consequence of increasing client satisfaction.

Another basic activity that leads HRC to successfully pull off its people is compensation. HRC takes all of its attempt to do employees experience like they are portion of the company because they are beginnings of new thought for HRC to develop. Compensation and benefit are alive through all degrees of places at HRC. The company motivates employees in many different ways in order to turn out that it does non merely care about net income but besides employees ' satisfaction. To get down with, HRC ever <https://assignbuster.com/operations-management-strategy-of-hard-rock-cafe-commerce/>

concentrate on payment policies for employees. Outstanding wage and benefit and payment equality for both parttime and full-time employees are singular features in HRC ' s direct fiscal compensation. What ' s more, outside voluntary workers is encouraged to further a bond between the workers and their community ( Heizer & A ; Render, 2010, p. 445 ) .

Additionally, HRC has besides provided nonfinancial compensation policies for employees by occupation environment that is considered as a cardinal component in a entire wages system. The most noticeable point in working environment in HRC is flexible clip. HR General Manager Ken Hoffman has made efficaciously a flexible agenda for all employees ( Heizer & A ; Render, 2010, p. 647 ) . It does non merely let employees to pass more clip on taking attention of their household and community but besides expand their chances. For case, parttime employees such as pupils get likely go oning and higher instruction. Hence, employees are ever by and large happy and thankful as a effect of employees ' satisfaction, low turnover and higher productiveness. The 2nd is alone civilization which has contributed tremendously to accomplish high employee committedness. In fact, the HRC civilization brings a merriment, healthy, nurturing environment for employees and allows for credence of significant diverseness and individualism ( Heizer & A ; Render, 2010, p. 445 ) . Furthermore, HRC has given feedbacks for their employees through " ranking " system based on their senior status ( Heizer & A ; Render, 2010, p. 647 ) . Therefore, the staffs would experience their importance to HRC and HRC ' s regard to them therefore cut downing turnover and increasing productiveness.



In term of location determination, because mark clients of HRC ' s clients are tourers, HRC has elected multi-domestic scheme which operating determinations are decentralized to each state to heighten local reactivity ( Heizer & A ; Render, 2010, p79 ) . Presently, HRC has expanded globally in finish metropoliss in Europe, Latin America and Asia by franchising which is a popular manner to spread out bringing to multiple sites without the degree of investing capital that would be needed for rapid enlargement of company owned and managed sites ( Lovelock & A ; Wirtz, 2004, p. 194 ) . It is an appealing scheme for HRC ' s growth-oriented scheme because franchising is extremely motivated to guarantee client orientation and high-quality service operation. Franchising helps HRC achieve a larger graduated table with a more recognizable trade name name, offer franchisees fewer supports but long-run contracts. Furthermore, franchising is an effectual manner to cut down cost, avoid political hazard and cultural differences and connect local cognition. However, possibly, HRC has to confront with some challenges such as losing control of bringing system or break-down contract with franchisees because franchisees gain experience and believe that they could run the concern without HRC ' s support.

Furthermore, location determination besides depends on many of import external factors such as political, economic, social-cultural, technological, legal and environmental factors. For illustration, site location tends to concentrate on metropolis centre in finish metropoliss because they are place pulling a plentifulness of tourers with heavy population, dynamic economic system, legion athletics, festival events, hotel and amusement, convenient transit ( Heizer & A ; Render, 2010, p. 369, 370 ) .

To sum up, it is admitted that HRC is one of the most celebrated trade name in the universe. In recent old ages, based on successful schemes, it has obtained a broad scope of accomplishments such as high client satisfaction, low turnover, and alone civilization. However, it perchance faces with few hazards such as break-down contract with franchisees, troubles in showing merchandise guarantees and foretelling existent client demands.

## Question 2: OPERATION MANAGEMENT CHALLENGES AND OPPORTUNITIES FOR HARD ROCK CAFE IN HANOI

With planetary enlargement scheme, it is inevitable for Hard Rock Cafe to be after to look in “ gateway metropolis ” Hanoi following old ages. In order to construct concern program in Hanoi, HRC identifies needfully chances and challenges in operation direction in Hanoi. Hence, HRC need to get down with analysing external factors act uponing significantly on its operation. PEST analysis which focuses on four cardinal facets of external environment: political, economic, societal and technological is considered as the best method ( Harrison, 2009, p. 14 ) .

To get down with, it is acknowledged that Vietnam is developing in political stableness under control merely party, Vietnam Communist party.

Furthermore, Government ever encourages foreign investing in domestic market.

As for economic factor, harmonizing to General Statistic Office, Vietnam has experienced measure by measure economic recovery period with singular accomplishments. Economic state of affairs in nine months of 2010 shows a instead stable and positive growing. Economic growing rate was presented in <https://assignbuster.com/operations-management-strategy-of-hard-rock-cafe-commerce/>

GDP in nine months of 2010 increasing by 6.52 % as compared to nine months in 2009.

To see with service sector, the sum retailed gross revenues of consumer goods and services in first nine months of 2010 increased by 25.4 % against in the same period last twelvemonth. The most impressive sector was found by touristry lifting by 37.4 % . International visitants in first nine months of 2010 rose by 34.2 % .

However, Vietnam besides has confronted with the dismaying job in relation to rising prices and involvement rate. This consequences in increasing in material monetary value. What ' s more, mean CPI for first nine months of 2010 increased by 8.64 % compared to the same period of 2009 harmonizing to GSO.

In add-on to high rising prices and involvement rate, it is going progressively that high competition in Hanoi cafe market will be tremendous challenge to HRC. Many companies will be negatively affected by increasing competitory force per unit areas. At the present, HRC has two chief rivals: My Way and Highlands.

At the minute, My Way is regarded as the highest-class and most luxury trade name with five stores located in the most convenient and beautiful streets in Hanoi metropolis. It is undeniable that the most attractive characteristics in May Way are the European modern interior ornament, superb water-drop visible radiation system and diverseness of installations designed by the top Vietnamese designers. Furthermore, it provides assorted good quality grocery and soft drinks and aggregation of 100 sorts of beers  
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from 60 states in over the universe. Second, Highlands Coffee is a fashionable trade name that ever brings delicate java experience to clients. Highlands Coffee is the combination between modern and authoritative Eastern and Western manner. Customers have undergone the feeling of a portion of dynamic life and Vietnamese alone cultural-traditional value through cafe civilization, service civilization and merchandise underdeveloped civilization.

In term of societal factor, the first point in societal construction is the alteration in population rate which was estimated being 86. 97 million in 2010. However, in existent fact, bulk of high and average income people concentrate on large metropoliss such as Hanoi, Ho Chi Minh, and more. Furthermore, the research workers said that 77 % people at the age of 15 participate in work force in April 2010.

The 2nd high spot point was represented by instruction. Vietnamese people tend to acquire higher instruction more than of all time. Entire figure of pupils go throughing for entryway tests of all three stages in the school twelvemonth 2010-2011 was 1, 589, 000, rose by 7. 2 % against the last school twelvemonth. This implies that endeavors would enroll better skilled employees in the hereafter.

Furthermore, the criterion of life of employees has been improved because of higher wage from a minimal degree of 650, 000 dongs to 730, 000 dong per month. Consumers besides tend to recognize a greater grade of trade name consciousness. Additionally, there is a singular alteration in people life manner particularly immature people. For illustration, immature people and

adolescents presents tend to traveling to the cafe in free clip or prefer uniqueness to common thing. Another point is an addition in the tendency of parttime occupations in pupil life.

The concluding factor, engineering has played an of import function in this sector because extended coverage of Internet has generated constitution of many Wi-Fi cafe stores in recent old ages. Furthermore, enlisting by Internet has become popular manner to use a plentifulness of campaigners.

In the visible radiation of PEST analysis, it is obvious that HRC would hold a broad scope of operations direction chances and challenges for its enlargement into Hanoi. Initially, Hanoi external environment brings a batch of chances to HRC. To get down with merchandise design, compared to local rivals such as My Way and Highlands Coffee, HRC would make “ differentiated experience ” to clients. Furthermore, the alteration in immature people ‘ s music penchant would assist HRC to do a new moving ridge appealing many clients. Finally, HRC besides bring to clients a alone local bill of fare with assorted Vietnamese and American culinary arts.

As for human resource, there is no uncertainty that Vietnamese social-cultural background is the most attractive characteristic for HRC to implement its human resource scheme. First, heavy population with rich labour force would make big the pool of appliers and diverseness of employees in term of age, geographics and societal position. Furthermore, tendency of higher instruction has created chances for HRC to enroll a plentifulness of better skilled employees. In add-on, popularity of Internet

enlisting would do part to cut down human resource cost and enlarge campaigners.

In term of location, political stableness will make many spirit conditions for HRC to implement franchising scheme in Hanoi metropolis. Apparently, Hanoi metropolis is one of the celebrated tourer finishes therefore measure of international and regional tourers has increased dramatically yearly particularly in festival and sport events. In peculiar, Hanoi centre is ideal topographic point for HRC to construct a new java store. There are many grounds for this. First, Hanoi immature people frequently gather in the Centre in vacations and festivals. Second, good transit system would take into history HRC ' s future growing. Furthermore, employment and educational chances are the chief attractive force of Hanoi Centre.

On the other manus, HRC is under the menaces from many different things. To see with merchandise design, high rising prices and involvement rate cause negative impact on pay and stuffs such as java, agricultural merchandises therefore taking to increase in production cost. It besides makes trouble for HRC to make competitory monetary value compared to My Way and Highlands Coffee.

In term of human resource, high competition has caused many troubles for enlisting and employee committedness and increase turnover. New employment jurisprudence such as addition in basic wage besides impacts HRC ' s compensation policies.

Finally, HRC should set attempt into its location analysis because it would face with some challenges. High denseness of eating houses and cabarets  
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and high monetary value in existent estate market put tremendous strain on HRC ' s location determination. What ' s more, traffic jams is ever Hanoi metropolis ' s serious job therefore impact negatively client ' s head. Finally, rivals ' distribution web is a important component act uponing straight to location determination. Because HRC is start-up concern in the hereafter, the most convenient topographic points in Hanoi belong to Highlands, My Way and more.

All things considered, I believe smartly that HRC would go successful java store in Hanoi City. By multi-domestic scheme, Hard Rock Cafe is considered as a cultural span between world-wide civilizations.

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