

McDonald's business process management

[Business](#), [Strategic Management](#)



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To achieve the good will from the customers McDonald's has gradually expanded the variety of food and drinks provided from the original offering of burgers, drinks and fries to include breakfast, sandwiches and salad. Furthermore, to being sold as individual items, many of the products are packaged into special offers, listed as Extra value Meals. For example a big Mac is consists on the Big Mac Meal, a drink and a portion of fries one panel exhorts customers to ' make it large-have large fries and a large soft drink with Extra value meal. To increase the business of the company some special promotion items like ribs and Mexican chicken are also added from time to time.

When the customer reaches the front of the queue of the restaurant and asked for his/her food, the counter person employs two selling techniques. The first technique is known as ' selling up', which involves augmenting the order, by either suggesting a larger portion or an additional item such as a drink. The technique is called ' suggestive selling'. Here an order for a ' Big

Mac and medium fries' would be greeted by suggesting to a customer the nearest Extra value Meal alternative that would cost a little more than the original order but give better overall value. Suggestive selling aims to increase as the alternative offered includes additional items, such as drink or fries.

The counter person delivered the order in to the till. for the standard items like Big Mac, chicken nuggets, cheeseburger, quarter pounder with cheese, Hamburger, vegetable Deluxe, Quorn premiere, Grilled chicken sandwich, the food would be available in the bins in the production area. The counter person then picks the food in a set sequence like cold drinks, hot drinks, fries, boxed burgers, wrapped burgers etc.

McDonald's becomes the successful to achieve the positive impact from the customers because of its food quality, the hygiene standards of its outlets and the speed and style of service. Processes are designed to build in quality and then standardised; company requirements complement and exceed legal minima; training focuses on customer safety; inspections take place at critical points; traceability allows rapid response to problems; and all aspects are continually reviewed with an eye to improvement. These are the marks of excellence. Quality policies also link with others related to the environment and being a good corporate citizen.

Training

To fulfil the goals and objectives of the company, McDonald's give the first priority on staff training. McDonald's realises that its employees must understand their duties in order to fulfil the goals of the company. To ensure

that all employees properly perform their assigned duties, McDonald's invests greatly in their training programme. The Company continue to receive prestigious awards for their leading, edge training. Including the 'employer of choice Award' from the restaurant Business Magazine, new crew member go through a careful orientation process consisting of several videos, followed by several days of direct one-on one training by a trainer.

To improve the made for you system, McDonald's presently introduced a strategy known as 'shift in to over drive' and this strategy focuses on helping shift managers work more efficiently. All McDonald's restaurants are required to send at least one manager to participate in the new training programme (Philips, Kenney). This training focuses on the human aspects of made for you, this ensure that the system is being used as design. Since the new system requires perfect work from several people, the entire team must work together for the system to work quickly to provide food to customers.

Level of Strategy

Corporate: Corporate strategy concerns decisions by the business as a whole in terms of the sectors in which it wishes to compete. At this level, companies decide where to invest or divest in terms of the overall business mix they wish to develop today and in the futur. The corporate strategy of McDonald's is a single business strategy because it deals in the restaurant business.

Quality management: McDonald's company integrates different quality management factors in its business process. To ensure quality McDonald's apply different strategies which include speed measurements, the five P's

(People, Product, Price, Place and promotion), employee training etc. The mission of the McDonald's Company consists of delivering operational excellence. At the heart of its effort to increase sales and profits lie policies on food and service quality designed to make the firm stand out from its competitors. While the big McDonald's is not to every one's taste, the company was cited by Fortune as the world's most well-liked food service company. It aims for zero defects, which are to serve hot, fresh, tasty food of good value to customers at every time. Nearly 45 million customers visit to the 28, 000 restaurants every day.

McDonald's sets exacting requirements for quality and safety. It will only use essentials whose source can be traced and which satisfy all regulations. To verify the supply chain Quality assurance staff carries out audits and site visits in different time. They also cooperate with suppliers to improve the quality of product. For instance, lard was replaced by vegetable oil in buns, fat levels in sauces were cut and saturated fats in the cooking oil were reduced.

To circulate its commitment to quality among its 4, 000 suppliers, the company introduced the Sweeney award in 1990. Judging takes place every two years. Criteria are based on those used for the Aldrige Award. The 2000 winner, sunny foods (Thailand), supplies chicken products to more than 200 outlets in Hong Kong.

Standardisation of the product variety plays the vital role to assure quality of different items. Staff training is simplified by the limited range and process development, including the provision of computer controlled cooking

facilities. To ensure cooking regularity Chicken Mc Nuggets are shaped into uniform sizes from breast and thigh meat. Like all meat chicken are traceable, in this case to their grandparents. Their food and water, medication and litter are also traceable to source. Fish products use cod whose origins can be matched to the vessel and day of catch. Boning is a matter great concern and 23 checks occur during fish product manufacture. Mc Donald's prefers to use free range eggs in the United Kingdom.

Food quality and safety policies are closely linked to concerns for the environment. Pressed to improve its wasteful practices in food packaging and serving, the company works on reducing its use of materials and energy. Operations, purchasing and training policies all include a strong theme of waste reduction including distribution in reusable containers, using recyclable packaging and installing heating and lighting controls.

Quality management tools and techniques to improve operations

The quality of the services and products provided by a business is an important concern to the company and its customers. While the cost of quality calamities can be high in themselves, customer's confidence in the level of quality will have a significant impact on a company's overall prosperity in terms of future levels of demand and the long term success of the business. Employees of McDonald's are well trained to prepare and present meals according to very specific procedures that are strictly enforced. For eg., a ten-minute ' holding time' for sandwiches ensures maximum quality and freshness to each customer. McDonald's even designs our restaurants to meet the ultimate in hygiene specifications , including

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hand-washing procedures. Likewise, staffs of McDonalds are also trained to maintain the right procedures, food quality and safety, especially in the preparation and handling of raw and cooked products.

Four key points for the quality management of McDonald's are given below:

- Meet customer requirements: The core of quality conformance
- Error-free work: Only on standard to aim for- to be right first time every time.
- Manage by prevention: Adopting a proactive approach to managing quality leads to prevention rather than the detection of faulty work.
- Measure by the cost of quality: The key measure is the cost of doing business – doing things right the first time reduces costs in the task of meeting customers' needs and expectations.

Measuring performance of operations system

McDonald's claims that the quality of its products has indeed improved, waiting times in the restaurants have an average of 2 to 3 minutes per order, slow lane performance in the cut-throat fast-food business. McDonald's is also trying to improve its image and reputation through involvement and sustained investment in projects like ' sports coaching' and its commitment to social responsibility. In the case of operations strategy McDonalds Company take a resources view. McDonald's work in almost every significant economy of the world, but maintain practically the same format for operations. Numbers of McDonald's restaurant in UK are growing rapidly. McDonald's drives 80 percent of its revenues from eight countries like UK, Japan, Canada, France, Germany, Brazil, US and Australia. Technological,

Structural and Financial resources are the best market positions which help for sustainable competitive advantages. The Company started to focus on its greatest advantages after 2003. The given graph shows the rate of McDonald's restaurant growth in the UK.

McDonald's is famous for its lean operations to provide capacity, tight portion control and fast service. But the drive to reduce cost is not only limited to its core tasks. By analysing electricity costs on a half-hourly basis, reviewing this provision and pro activity seeking alternative suppliers, McDonald's has cut £14 million from its £18 million electricity bill for England and Wales. A separate deal for Scotland has led to saving of more than 30 percent (www.mcdonalds.com). McDonald's 600-plus suppliers are independent Companies with whom long-term relationships have been developed. This strategy is intended to improve McDonald's ability to focus its efforts on its core business- restaurant operations. Most suppliers operate on a cost-plus basis. To discuss the needs of suppliers McDonald's often holds seminars and conferences

Conclusion

McDonald's possesses good information about market and knows a great deal about the common attributes of its most valued customers. There is high rate of franchising in fast food industry, so this sector is supposed to be one of the most challenging sectors to operate in. McDonald's is trying to get good will from the customers by providing hot, fresh and tasty fast food of good value to customers on every occasion. McDonald's uses four terms for their operational missions which are quality, cleanliness, service and value.

Mc Donalds take a resources view of their operations strategy. They work in almost every significant economy of the world, but maintain virtually the same format for operatons. McDonalds has expanded to become one of the world's best known brands, with leading share of the branded quick service restaurant industry.

Recommendations

From the above study and conclusion, I would like to suggest some recommendations for the improvement and to increase the business of McDonald's Company.

Most of the staffs working in the McDonald's company are under 21 years of age

The waiting time for customers is 90 seconds which is targeted by McDonald's Company, but many people are waiting for long time in the queue for their meals in busy time, so McDonald's should do the management in it.

For the internal improvement of the Company, McDonald's should collect external information from its customers to find out good performance and weakness of the Company.