

Technology management at mcdonalds essay

[Business](#), [Industries](#)



Introduction McDonald's start its first restaurant in the UK in October 1974. McDonalds operates its business from high streets to airports and business locations. Two business men one from UK and one from USA went for partnership with McDonald's restaurants and started Golden Arches Restaurants Ltd in 1973 which was a joint venture, and successfully opened first restaurant in Woolwich, London in 1974. The Golden Arches become its symbolic identity. The McDonald's Corporation taken over ownership of golden arches restaurants ltd and new name was introduced McDonald's Hamburgers limited. The first quick service restaurant of UK has been awarded to McDonald's in 1985. McDonalds introduced drive thru restaurant business, expanded its business to 200 branches and introduce first franchisee in 1986.

In 1989 McDonalds change its name to McDonalds Restaurants Limited. McDonald's started its business at Gatwick airport in 1990. Company reached to 400 restaurants all over the UK and first branch has been open in Northern Ireland in 1991.

McDonald open a first UK operational restaurant on Stena Sealink. Football World Cup 98 has been sponsored by McDonalds. McDonalds mature its restaurant business almost everywhere on top key customer oriented locations e. g.

train stations, bus stations, shopping malls, town centres and high streets. McDonald's did its first Information technology move in 2000 and introduced its UK website [www. mcdonalds.](http://www.mcdonalds.co.uk)

co. uk. McDonalds introduced hot drink e.

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g. Cappuccino and Latte in its permanent menu. McDonald's organizational development continue to improve business and made company's maximum hold on food market while facilitating its customer with cash machines, internet access and restaurants refurbishment. McDonalds improves its business strategy and adopt innovative culture. McDonalds Innovations

There are three types of innovations introduced in McDonald with the passage of time since 1974 in the UK. Year| Food| Technology|

Refurbishment| 1982| breakfast| | Head office relocated| 1986| Happy Meal| | Drive thru restaurants| 1989| Chicken sandwich| | | 1996| Vegetable deluxe| | 700th branch opened| 1999| McBacon roll| | | 2000| The Mcflurry Ice-cream| www. mcdonalds. co.

uk| | 2001| Mc Chicken Premier, Cappuccino and Latte| Cash points, internet access| Commissioned research projects| 2002| McChicken Value and Big breakfast| | | 003| Fruit bag and organic milk| | 40 refurbishments started| 2004| Salad Plus, Kenco coffee and oat simple porridge added into breakfast menu| Wifi access| | 2005| New Happy meal Choice and chicken tika and salad, Deli| | | 2006| Nutrition| career and lifestyle website| | 2007| Organic milk, British organic semi-skimmed| Free wifi for customers | 1191 restaurants were trading in the UK| 2008| Desserts and treats| Drive thru visual order placing machines installation| 1200 branches, internal and external redesigning and refurbishment| 2009| Little taster| | Apprenticeship for employees| Table 1. 1: McDonald's Innovations Discussion McDonalds Innovation and Business strategy McDonalds introduced technology innovation to expand its business in March 2008 through improved customer

service and fast order placement. Display base remote ordering kiosks are developed by Acrelec.

Display base touch screen technology offers customer an opportunity to place an order of their choice in their time while sitting inside their cars and the same information available with kitchen staff which make this happen for customers to pick their order when move to the collection window. The use of McDonald's drive thru kiosks increase McDonalds sales by 26%per and decrease the workload fatigue since been installed. Role of manager to support technology Management role is very important to implement change because there is always resistance to change. In this case a manager can play his role to successfully manage change process through the following four principle methods to support technology change. McDonalds management play an important role to implement technology change which is in fact a move to increase employee's flexibility and reduce effort without affecting any other probabilities and provides a competitive edge after successful implementation.

i. Enhance the benefit: emphasize on maximum benefits of change to everyone involved e. g.

individuals, teams, organization, customers, stake holders and employees etc. ii. Enhance the clarity: provide clear picture of change and repeat it again and again and feedback can help to implement change.

iii. Diminish the uncertainty: clear message what u don't want to do or rectify if there is any wrong presumptions about change. iv.

Diminish the effort: make change very easy to complete. Technology Role Play in McDonalds Performance This technology provides customers visual confirmation about orders placed through accessible screens while sitting inside their cars. This technology developed and installed by Acrelec in response to McDonalds wider restaurant refurbishment program. The main concern to use this technology is to gain speed and accuracy to reach high standard of customer services and better organization performance.

McDonald's restaurants performance improved in many ways after implementation of display based ordering systems. Technology make it possible to improve quick order processing as soon as remote customer place his order from drive thru same information is available to kitchen staff and order is in its way when costumer move to collection window. Payments already have made so it save company time, labour and facility.

It also helps to win customer's motivational support to save their time to stay in queues. Accuracy and level of customer service also increased.

Technology also supports McDonald's advertisement and offer base marketing.

Customers can see what McDonalds want to offer to increase company sales. Technology also helped staff and customers to replace the old speaker posts order placement. On the other hand visual order placement has overcome the problems of voice based order placing (road noise or high wind) and staff misunderstandings to hear customer orders. Display based ordering kiosks upgraded voice technology into improved wireless systems. Organizational Change Management ' Organizational change management explains how

organizations can move from one particular state to another to achieve maximum level of performance at very low cost. Organization change management is a process of planning for the desired future of organization or its business with the everyday changing business dimensions in response of developments in technologies or changing customer requirements. It also discusses methods and techniques to implement those plans, with minimum level of resistance.

Today's business should be more responsive to change because business environment change so rottenly, to be remain competitive companies need to adopt change successfully. Globalization and new technology has increased business performance. (Cummings & Worley, 2001) Kurt Lewin (1951) explains in his theory for change that there are three types of planned change. A. Incremental Change: extension in existing system to improve performance is known as incremental change. B. Strategic Change: strategic change brings something new to replace existing system (policies or procedures).

C. Transformational Change: The process of implementing change from one particular state to complete new state which is fundamentally different.

Strategic Change Management McDonalds adopted strategic Change approach. It took innovative change to improve customer service standards at the remote end where customers can save their time and get their food with least possible time. McDonald used visual order placing technology to improve existing speaker based order placement to overcome voice related problems. McDonalds had manual system of attendance and payroll. Now it

shifted it to computerized IT based system. Lewin 1951 explains, there are three phases towards a successful change management.

Unfreezing Move Refreeze In the event of unfreezing change motivation provided to employees so they prepare themselves for change. Move or transition determine the exact implementation of change after reaching the desired state or position trouble shooting can be done and make change permanent. Triggers of Change: There are two type of trigger to initiate change in organizations. External Factors There are number of external factors can trigger change in organizations to be competitive and remain in the industry, here in case of McDonalds following factors trigger change. i.

Technology developments and advancements e. . Acrelec designed new technology of visual order placement for food industry, which trigger change to replace voice order placement system already in operation at McDonalds with few draw bags of road side noise and misunderstandings errors during order placement from drive thru voice order system. ii.

Competitors Activities & innovations e. g. KFC decided to use Acrelec technology in its restaurants with the slogan of speed Attitude. This situation triggers external change towards McDonalds. McDonalds is a market leader in the fast food industry and it has a high reputed image. McDonalds has a constant business development strategy it is therefore new technology must be bring to the organization and keep its position. It's because innovation of competitors treat as a external trigger.

Internal factors for change The internal triggers for change in McDonalds were * To gain speed and accuracy in orders taking. * To reach high standard of customer services. * To improve organization performance.

* To reduce Long queues and efforts * To reduce errors encounters in previous voice drive through orders placement system * To Reduce cost and delays To reach maximum flexibility at both ends customers and employees Competitive advantage This move enables McDonald kitchen and counter staff to manage customers more responsively and with the minimum time and effort. McDonalds drive thru visual orders placement innovative kiosks provides competitive advantage over other restaurant business like KFC and Burger King. Although KFC running same technology in its restaurants but still the use of technology at drive thru increased McDonalds competitive advantage over KFC and all other fast food restaurants.

Another competitive edge that make McDonalds more prominent and provide advantage over its rivals is McDonald's property surveys and internal and external refurbishment provide much higher advantage over indoor self order kiosks. Customer orders are already in service before they move from visual order placing kiosk to collection window and their food is ready for collection. Technology provides same information to the kitchen staff as soon as any order processed through drive thru facilities.

Technology provides consumers a visual representation about their orders at the same time through text, food item pictures and order total price.

Additional information about meal items and recommendations are available to the customers. Value chain McDonald's restaurants uses display based

ordering systems to improve accuracy and to reduce errors to reach highest level of customer service. Remotely ordering display base kiosks help to increase drive thru sales by 26 per cent in four months as part of a wider restaurant refurbishment programme. McDonald's and its partners work with suppliers to mutually establish environmental goals to minimize waste, energy and water efficiency. And every one receives annual environmental audits, which then form their annual business review. Visual Display Order Taking Technology Benefits Customer friendly touch screen technology designed and implemented with simplicity so customer can easily place their orders.

Technology also enables customers to explore McDonalds complete product range, use as much time they need to choose their orders and pay quickly before going to collection area where order is assembled and ready for collection. Its common phrase everyone hates waiting for collection so quick service increase customers loyalty towards McDonalds on the other side the service areas are less crowded and reduced queues. * If required, the customer can choose alternative languages * Waiter service selections for families or disabled.

* Peak hour's rush capabilities added to achieve higher sales advantage. * Self order can also increase the average spend, through encouraging offers. * No of transactions increase because of additional items. * High accuracy and low errors in order taking Customers come again and again, and loyalty program can help to improve staff productivity * This also helps to put special offers and new products to attract customers to spend more. *

Technology help to save customers who do not want to queue

Recommendations Change for better is a common phrase in today's innovative environment. Companies with innovations and having adoptive culture to change worth more and companies those less responsive to change can no more exist. McDonald's business strategy and innovative culture expand its boundaries worldwide and high performance during the recession time. It's because McDonald's business strategy to welcome innovation into its business made company worth billions.

In our finding about technology management, we had seen technology improves business growth, when organizations willing to accept change and successfully implemented. In the case of visual self ordering kiosks technology bring many benefits to McDonald's order processing and order taking two big areas. On these finding organizations with innovative strategies can enhance business growth and improve their supply and value chains. References 1. Thomas G.

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