

Benihana of tokyo assignment

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



Considerable success has been achieved by firms practicing TQM. Try to assess what TQM Means for Benihana of Tokyo business model and what are the expected benefits of TQM implementation at it? TQM places quality responsibility on all members of the organization; this is opposed to the earlier models of ' quality control' where such responsibility was effectively confined to one particular organizational sector.

So considering this, for Benihana restaurant it is not only the responsibility of the top management Rocky but of the entire team. TQM emphasis on the organization's input , process and people , the team work and team involvement and empowerment is key beside clear vision mission and strategic objective. TQM should be practiced in all activities by management, chefs, waiters , front door staff , cleaning staff , marketing , material and contracts people and all other involved in design , production and delivery of the goods and services.

The main benefits of implementing TQM at Benihana is customer satisfaction and achieving organizational objectives. As a end product result, high quality goods and services will meet and exceed the customer needs and also comply with service and product design (quality conformance). TQM will help Benihana in better understanding of customer needs and design the service based on the requirements. This will help Benihana, to design processes that facilitates doing the right job even during first time, and track the results.

Extending quality participation to the supplier will help Benihana to increase business and reduce losses by eliminating wasteful practices, which in end

leads to increase market share and profit. In Benihana restaurant the business focus is on human as a key input source, implementing TQM and Synergy will have a great positive impact on the service being delivered. TQM is particularly appropriate for Benihana, since the company already adopts a holistic model in regards to service environment, service delivery, interaction between staff and customers, etc.

High quality in one sector of the organization is directly related to high quality in other sectors. In addition, the organizational and business models presented by the 'quality gurus' originated in "Japanese business practices", we can see a number of areas in which these concepts have been retained by Benihana. In order to achieve operational excellence and maximize profitability, every product and service that touches the customer must reflect the highest level of quality. Q. 2 Is the goal of Six Sigma philosophy realistic for services provided by Benihana of Tokyo? Explain in details? Six sigma as a business improvement and management philosophy seek to find and eliminate causes of mistakes or defects/errors in business processes they would focus on customer requirements, processes, and outputs that are of critical importance to constituents. As a result, process performance is enhanced, customer satisfaction is improved and the bottom line is impacted through cost savings and increased revenue.

Six Sigma philosophy is aiming to improve quality, reduce costs, save time and increase productivity through decreasing defect. (less than 3.4 error per million) Six sigma philosophy is applicable to most of goods and service industry. If an organization decides to implement Six Sigma, there is no

precise path that will be taken by the organization because each organization's objective is different, and these differences justify varying approaches to implementing the Six Sigma. The route an organization chooses will determine the scope and depth of Six Sigma's implementation impact.

A fundamental principle of Six Sigma is that the people close to the work are often best equipped to improve the process. At the same time, organizational leaders need to provide direction and should be fully engaged in the drive to build a better organization. To go more specific for Benihana of Tokyo the philosophy is realistic; we can see evidence of this already being practiced in Benihana's current model. For example, their waste management system is extremely effective, especially in comparison to other types of restaurant.

Minimization of waste begins at the start of the production process, rather than during or after it. For a restaurant, this would mean bulk-buying and thus reducing packaging; by cooking in batches will reduce the amount of wet waste; streamlining processes and planning more effectively; and choosing high-quality product so that all the produce can be utilized. All of these methods are already part of the organizational process for Benihana.

Q. 03 Before Benihana of Tokyo builds Quality in, they must think it in", what are the implications of this statement?

This refers to the difference between establishing quality at the systems level, and using 'quality control' methods later in the process. If a company inspects products after manufacturing and finds defects, there will be

wastage of both effort and materials (inspection cost). Focusing on quality in production processes means that there will be fewer defect or rejected items (thus aiming more closely for the Six Sigma objective). Benihana should look at root causes rather than 'quick fixes' for identified problems.

And this can be done on implementing preventive actions (preventive cost) and through the implementation of the TQM Q. 04 How would you identify the quality dimensions for Benihana of Tokyo? The following will identify the quality dimension for Benihana Dimension Explanation Tangibles Were the facilities clean, personnel neat? And this is one of the area that is unique about Benihana; so for this purpose the food was cooked in front of the customer by Japanese chefs, and the decor was that of an authentically detailed Japanese country inn.

Convenience Was the service center conveniently located? we can see that for Benihana they select the location based on the following : Because of the importance of lunchtime business, Benihana had one basic criterion for site selection-high traffic (turnover). Management wanted to be sure that lot of people should be nearby during both lunch and at dinner time. Most units were located in a predominantly business district, though some had easy access to residential areas. Completeness Benihana offer specific menu as only three simple Middle American entrees: steak, chicken, and shrimp.

This may cause some limitation from customer point of view

Responsiveness Were customers service personnel willing and able to answer questions? The entire team is highly qualified and they response to the customer request in effective manner and also the customer satisfaction is

the key for all the team members. TimeHow long a customer must wait for a service Normally, a customer could come in, be seated, have dinner, and be on his or her way out in 45 minutes, if needed. The average turnover at the teppanyaki table was an hour, and up to an hour and a half in slow periods.

AssuranceDid the customer service personnel seem knowledgeable? All chefs were highly trained. All were young, single, native Japanese and all were certified, which meant that they had completed a three-year formal apprenticeship. They were then given a three- to six-month course in Japan in the English language and American manners as well as the Benihana form of cooking, and this give the is will give the assurance of the ability to resolve and any problem and having the full knowledge about what the service they are providing .

CourtesyWere customer service personnel and the cashier friendly and courteous? Customer is a key to any business and especially in the service business. Each Benihana branch has service and management hierarchy with suitable number of waiters and front man, in addition to that the company invested 8%-10% of its gross sales in order to reach the public. ConsistencyIs the same level of service provided to each customer each time? Due to the highly qualified chefs and waiters who all had minimum number of year of experience the same service is being provided everywhere.

In addition to the above quality dimensions the Benihana provides the high quality food, entertainment as part of the food preparation process, and the unique atmosphere - are effective in attracting and maintaining the customer base but have not transferred well, for instance, to franchising. Q.

05 Explain how can Benihana of Tokyo build a climate of TQM implementation? As mentioned previously, TQM is very much a holistic approach and the one which involves all members of the organization at all process levels.

Building the climate of TQM will start by creating a quality culture on the Benihana of Tokyo and it Requires total integration of TQM into day-to-day operations and Benihana should clearly identify the quality meaning on it and should develop clear vision and mission . It should focus on strategic planning and objective and consider continuous improvement of quality as a part of this. Benihana of Tokyo should focus and promote the importance of Customer satisfaction and this should be the “ motivation engine” for achieving the improvement and delivering quality product and services.

Leadership and ownership is important in TQM implementation and the there should be commitment towards the quality from management at all levels. Management should empower employees and should motivate them to participate in the implementation of the TQM and create team spirit. Based on the above, time should be devoted for quality improvement at all levels of organization (TQM) and we should not look to quality as a “ quick fix”, instead we have to look and consider TQM as the long term approach. As TQM will effect the whole organization, communication is important and should be upward, downward and across.

The thing that can support this in Benihana is that the owner is believing in quality and he himself had participated heavily in developing the process and selecting the input resources and that was based on scientific and

practical approach, beside that entire staff has attended complete training program. In addition to that a clear organization chart which will support the implementation and the control. At current stage there is also a sense of implementation of BSC which will start by setting the sales objective and work to do in achieving it.

Q. 06 What are the key ingredients in Benihana's successful recipe?

Compare Benihana's operating ratios with those of a typical service restaurant. Concept of preparing and serving food on the hibachi table in front of customer makes this process an integral and essential part of the dining experience. This is the different from any other restaurant by eliminating the need for a conventional kitchen with the hibachi table arrangement, unusual amount of attentive service was provided at the same time still keeping labor cost to 10%-12%.

It is not only this but the need for the back house (preparation areas, dry and refrigerated storage, employee dressing rooms, and office space) was reduced to 22% comparing to 30% on the regular restaurant which gives more space for dining space. Typical service restaurants prefer to offer long menu with wide range of choices, which often is one the source of wastage. Benihana used this fact and differently from other restaurants they offer limited choices to be served (only three simple Middle American entrees: steak, chicken, and shrimp), but ensures that quality is excellent.

By doing this Benihana have virtually no wastage and can cut food costs between 30% to 35% on food sales (this depending on the price of meat). Benihana main focus is on food and its preparation, which sometime is

contrary to the regular restaurant in America where food service is an addendum to alcohol sales and consumption. Benihana quickly adopted its floor layout to accommodate a larger bar / lounge suited to American tastes (figures from 1972 bear out the wisdom of the growth). In West, beverage sales represented about 18% of total sales. In East, they ran 20%-22%. And at the Palace, they ran a handsome 30%-33% of total sales.

The beverage cost averaged 20% of the total beverage sales. Where in regular restaurant the average cost of sale for food cost (% of food sales) is 38% to 48% and for beverage cost is 25.0% to 30.0% (% of beverage sales)). Creating the historical authentic atmosphere which physically reflected through the walls, ceilings, beams, artifacts, and decorative lights all from Japan and this will have extra time and cost, a unit can cost us a minimum of \$300,000. Benihana had one basic criterion for site selection—high traffic (turnover). Rent normally ran 5%-7% of sales for 5,000-6,000 square feet of floor space in comparison to 4.0% to 9.0% for regular restaurant that normally like to setup in shopping center. The operation opening timing for Benihana units varied according to local requirements. Training program for the chefs and other staff is unique. Training is not only given on the food making but also on the American culture and English language. In Benihana it is one of the key to the successful recipe as it affects the quality of service it provides and the constancy of it. This is also due to the fact that it is an integral and essential part of the dining experience.

Advertising and public relation is also one of the success recipe of Benihana. The company invested 8%-10% of its gross sales on reaching the public compared to 0.7% to 2.0% of regular restaurant. Q. 07 what is designed in Benihana services? The clear aspect from physical point of view is the architecture of the restaurants, which mimics a traditional Japanese farmhouse. But the other aspect, is the well studied innovative service design, including the direct interaction between the chefs and the diners, is a big distinct from traditional restaurant service.

Moving food preparation out of the 'privacy' of the regular kitchen and making it an explicit part of the diners' experience. The service and the food designed on high-quality with acceptable price and also matching with the target customer needs in terms of both food and service standards. Another aspect of the designed service is the selection of high-traffic locations and aims for a fairly rapid customer turnaround (a service design which is normally associated with fast-food outlets). Q. 08 why is Benihana a good example of a production-line approach to service?

Benihana has developed a quick and efficient production-line approach to service delivery. It takes around 45 minutes on an average meal consumption with special and high quality dining experience. With the visible preparation for fresh meat and vegetable, with attentive service and consumption of the food, and interaction between chef and customer ensures that the diners do not feel as if they are part of a faceless, mass-production line; rather, the speed and 'showmanship' of food preparation emphasizes quality, freshness, and the skill of the chef.

Q. 09 Give the opportunities facing a Benihana restaurant now, which one or ones should it exploit? Benihana should select the opportunity that is alien with the company vision, mission and business goals and objectives. The company should utilize the success already done and at the same time bring value and enhance the company's image. I think they should go public by issuing IPO. They can move into joint ventures in Mexico and overseas. Each joint venture is unique in itself.

And it will bring the advantages to the parties concerned, taking into account the contributions of each party in the form of services and cash. This will reduce the cost investment risk and required control will support the expansion on new market in other countries. Contrary they can go for the extraterritorial arrangement with David Paradine, Ltd., to supply technical assistance, public relations, advertising, and financing; and Benihana's management knows "know-how". This will support the expansion across the Continent.

The second opportunity is in the line of Japanese food products under the Benihana brand for retail sale. This will utilize the good reputation of the restaurant will be sure success. By doing this they will also reach customer in other areas at all different time and to all age groups. This will also encourage others to come and try at restaurant the fresh food and atmosphere. Q. 10 Consider a Benihana of Tokyo restaurant as a production system in which the final product is a tasty food. For this system: a.

Define the quality from the producer's and customer's perspectives. From the producer's viewpoint, the aim is to make sure that the product or service

is they produce is according to the design, and at the same time minimize the costs as much as possible whilst still delivering quality. Benihana have achieved this by maintaining a very limited menu and choosing highly reliable suppliers; there is therefore little room for defect or error in terms of poor quality produce being served to customers, or wastage in terms of producing not in demand dishes.

Quality from the customer's point of view is making sure that the product or service does what it is supposed to. And this is based on factors such as taste and freshness, and also consistency and reliability. We can see as per the customer satisfaction survey included in the case study, Benihana's product generates a high and consistent level of customer satisfaction which represent quality product and service. b. Give examples of the cost of poor quality and the cost quality assurance. Benihana has built a reputation of consistently delivering high quality product and services.

Instances of poor quality (food taste , serving time, meat quality of shrimp and chicken) if repeated can on long term affect the customer satisfaction and thereby restaurant's reputation. This will leads to the business loss and will have high cost impact specially when Benihana run limited menu and depends on the unique dinning experience for the customer. It is more cost and quality effective for the company to maintain strict standards of quality control at beginning, rather than dealing with ' quality control errors' at a later point stage of process. . Describe how quality circles might be implemented in Benihana restaurant. Do you think they would be effective? Quality circles or Kaizen teams are useful for generating continuous

evaluation and feedback, and make use of the concept that small suggestions from the workforce can be combined into larger and more productive systemic improvements. Since Benihana already maintains many aspects of the Japanese business model, the use of Kaizen teams would also seem to be very appropriate and beneficial. Q. 1 How you distinguish a good restaurant such as Benihana of Tokyo from a bad one? Does the service's price has any influence on your thinking? Customer satisfaction and meeting/exceeding customer expectation will make big difference and this factor can easily differentiate one good restaurant from other one. The will start with the business philosophy; for Benihana the philosophy is as stated by Rocky " My philosophy of the restaurant business is simply to make people happy. We do it many ways at Benihana. As we start different types of operations, we will try to do it in other ways. The second, is the proficiency of the staff which is clear that all Benihana team members are well trained and there is good monitoring and controlling system. Third is the atmosphere(ambience); this is very important as people expect to have a nice and refreshing atmosphere. The atmosphere should satisfy customer expectations. This is a key in the success of the Benihana . Floor layout and having reserved space for dining , bar , lounge to satisfy different need . Price factor is important for any business to flourish. It key for both service provider and customer. It is the dilemma between price and Quality.

Price shouldn't be reduced to level that it can jeopardize the quality but at the sametime charging high price my also affect the customer demand. At Benihana to reduce cost and improve quality the careful technique selection is done and it is summarized as stated by Rocky " By eliminating the need

for a conventional kitchen with the hibachi table arrangement, I can give an unusual amount of attentive service and still keep labor cost to 10%-12% of gross sales, In addition, I was able to significantly increase the proportion of floor area devoted to productive dining space.

Only about 22% of the total space of a unit is back of the house, including preparation areas, dry and refrigerated storage, employee dressing rooms, and office space. Normally a restaurant requires 30% of its total space as back of the house. The other thing I discovered is that food storage and wastage contribute significantly to the overhead of the typical restaurant. By reducing the menu to only three simple Middle American entrees: steak, chicken, and shrimp. I have virtually no waste and can cut food costs to between 30% and 35% of food sales depending on the price of meat.

So, simply the Benihana concept was to combine reasonable prices with good food. By preparing what was eaten right at the table, held waste to a minimum. Q. 12 Examine the service delivery system of Benihana of Tokyo:

a. What are the flows? As explained earlier the concept of the cooking and serving customer is unique for Benihana and we have two flows (1) the flow of food and (2) the flow of customer. The key about the two flows are: The direct communication between the customer and the chef for the dishes they order help Benihana to make the process flow quicker and more efficient.

One would experience in a typical restaurant that they customer need to wait for the staff to take the order and then pick the food from kitchen and bring to their table. This time will be eliminated at Benihana. We can expect the production flow to be short and limited as food only to be moved from

the cooler room to the tables. The food being prepared at the table and since only fresh ingredients are used storage is reduced to a minimum of 22% of from total space b. Where are the inventories held? There is not a huge inventory as compared to the regular restaurant due to the limited menu and the cooking process.

It is limited to the meat supplied to the cold room and the actual inventory kept with the supplier to be delivered fresh on request . Q. 13 Which SPC technique would be useful for achieving the smallest possible variance in the time that takes to wait on the tables in a Benihana of Tokyo restaurant? SPC uses statistical analysis to identify problems so that a systemic solution can be found. For example, Sasser states that once a group is seated the waitress takes the order and brings side-dishes and drinks, after which the chef comes to prepare the food.

SPC analysis of variance might show, for instance, that salad and soup preparation was slower at some times than at others, or that some staff were slower in delivering orders, or that it was harder at certain times of day for the chef to present himself at the table within a certain time after the side dishes had been served. SPC can identify the areas where such problems occur frequently, so that management can identify the root causes for the delays. Various techniques are available which we can use for determining the variation of the wait time on the table.

On an average it takes 45 min to serve a customer on the table, we can use the control charts to determine whether the restaurant is able to serve the customer efficiently. In case the “ food preparation and serving” process is

getting out of control this will be easily depicted from the trend by using control chart. Q. 14 What are the major hurdles to continuing quality improvement that Benihana of Tokyo might face? Continuing Quality improvement is a journey with no end and that there is a need for continually looking for new approaches for improving quality. Cost of quality will be the one of the major hurdles and specially the preventive cost. And this will come with the expansion. The other one is when Benihana decided to enter in a new market in different country understanding the need of the new customer and getting the customer satisfaction may effect the quality improvement process. Getting engage with other investor and joint venture will limit the way the Benihana would like to continuing improving the quality. When the size of operation of the Benihana will grow up the constitutions on strategic planning and keeping the culture of quality improvement is a challenge which Benihana may face.

Time to devote in quality initiatives and motivating the employees for more quality improvement may be will be difficult to attain. Retaining the same qualified staff as the company expands will be one of the hurdles effecting the continuous quality improvement. When Benihana will expand with a lot of branches, the communication will be key in continuous quality improvement. In addition to that controlling the Customer need get change from time to time. The limited menu Benihana offers can effect the customer satisfaction and in turn the continuous improvement.

Providing “ value-added” service with the limited traditional way may be a great challenge to the continuous quality improvement. The simple

organization chart and the existing control of the whole business by three people -Rocky, Susha and Allen Saito may effect the continuous quality improvement as more employee involvement and empowerment is needed .

Q. 15 what are your major concerns about Benihana's future? Benihana is created based on unique concept.

The future expansion will be a major concern specially as the company has already recognized that handing over organizational responsibility to franchises has not been successful, and it is notable that Susha mentions that their current hotel deals have " put teeth in the agreements" so that the company is not " at the mercy" of hotel management. Benihana currently offer limited menu with limited variety which may be consider a high risk in the future as identified by Russ Carpenter, a consultant and editor for Institutions/Volume Feeding magazine, perceptions as follows: " The other thing is how do you hedge your bets?

Is Benihana really on the forefront of a trend of the future with their limited menu, cooking in front of you, and Oriental atmosphere, or is it just a fad? This relates to whether the firm should emphasize restaurant operations only. " The Benihana is currently managed by 3 key manager as per Sucha " In fact, at present the company is essentially being run by three people- Rocky, myself, and Allen Saito. " So there is clear dependence on three key people (leaders) and they hold the secret and the strategy of the company , and in addition to that considering the age factor will make it more worse.

Food quality, staff and decoration with the reasonable price will be on high risk with the expansion in the future that is already identified as one aspect

as per Bill Sucha “ Another thing I’m considering is whether it’s worth it to import from Japan every item used on construction to make a Benihana 100% authentic. Does an American really appreciate it and is it worth the cost? We could use material available here and achieve substantially the same effect. Also, is it worth it to use Japanese carpenters and pay union carpenters to sit and watch? All these things could reduce our costs tremendously and allow us to expand much faster. Market research is a key on any future marketing business and expansion and it is already highlighted by Rocky that how weak it is in America which may be considered as a risk on decision making for selecting an alternative or changing the design of the existing process based on customer need, adding to the financing and liability will be bigger as accompany grow. Maintaining and retaining high qualified chiefs and other staff, and attract them to move from Japan to other country with the existing compensation. Existing employees are also vulnerable to be offered and recruited by the competitors.