

Business analysis part i mcdonald's

[Business](#), [Company](#)



Business Analysis Part I – McDonald's Jason Christenson MGT/521 Instructor: James Anderson University of Phoenix Introduction The purpose of doing this business analysis is to decide whether or not to invest in McDonald's. It is regarded as one of the leading organizations within the global marketplace. As a result, the preceding discussion will provide a SWOT analysis of some key areas, since the identification of an organization's strengths etc... acts as a critical core element in identifying its competitive advantage and potential as an investment opportunity.

Internal and External stakeholders will be identified to help analyze their wants and needs. Strengths McDonalds has established a large and consistent brand. A client can have confidence they can purchase a hamburger and fries in one its locations and across the country receive the same quality of meal at another. It is a leading fast food service based on sales, with a network of over 33, 500 restaurants serving burgers and fries in 119 countries to 68 million customers a day. " Getting To Know Us", 2012) The company is famous for its commitment to investing in the future of its employees and creating a culture of knowledge, quality service, and cleanliness. " Since its inception, training at Hamburger University has emphasized consistent restaurant operations procedures, service, quality and cleanliness. It has become the company's global center of excellence for McDonald's operations training and leadership development. " (Hamburger University, 2012) Many of McDonald's top leaders were entry level hire's that were trained from within and gradually advanced through the ranks.

Its family friendly environment with the introduction of large play structures is a major appeal for parent and kids alike. Weaknesses The major weakness

facing this company is the continued focus on its health adverse menu. As obesity concerns in the United States continue with emphasis on getting healthier it will influence people to avoid fast foods in general and opt to cook better foods at home. " Americans are heavier than ever before and, according to an advocacy group, by 2030 more than half the people in the vast majority of states will be obese. (Fox News Latino, 2012) McDonald's has found it difficult in diversifying and expanding its menu, its failure in offering a pizza is the most recent example. Due to its high employee turnover the amount invested in training could be better utilized. McDonald's employees are largely represented by high school students that eventually move on after graduating to obtain better employment, which identifies McDonald's pay structure as not very competitive to keep employee's long term.

Opportunities Though health concerns identify McDonald's current menu and offerings as a weakness, it could also be recognized as a great opportunity. McDonald's as a leader in its industry can dedicate itself to changing the way fast food does business. McDonald's strives to be responsible in how it responds to the social changes happening within communities. The company continually strives to introduce healthier foods, which have helped add revenues.

McDonald's is recognized as the first in its industry to embrace the initiatives and policies being proposed by the President and upheld by the Supreme Court to help customers make better nutritional choices by requiring restaurants with over 20 locations to list calories on its menu. (Choi, September 12, 2012) McDonald's move to do this is expected to have its

rivals scrambling to do the same. Threats Outside competition will always be an external threat as new food service companies enter the marketplace focusing on more balanced menus.

Established companies like Burger King, Taco Bell, and Wendy's are also constantly striving to introduce new methods of stealing market share away from each other. The economy continues to be a threat to the fast food industry. Though analysts are not saying we are still in a recession, the truth is companies are still reducing overhead and striving to minimize risk, making jobs difficult to keep and find. As more people are out of work, it continues to cause households to reduce the amount they spend on fast food, deciding instead to stay home and cook.

You also cannot discount the effect documentaries and lawsuits are having on the industry as a whole. External and Internal Stakeholders Dozens of stakeholders could be identified with time, but this analysis will focus on what it considers the key external and internal stakeholders. Externally, the key stakeholders would be the shareholders and customers, because if their needs are not being met they will pull their money and customers will go to different locations. Based on the stock prices steady climb over the last ten years the indication is both of their needs are being met.

Internally, McDonald's Leadership and employees would be the two key stakeholders. These two groups have large interests in the success of the company. Leadership wants to continue and drive quality food at the lowest prices to keep customers loyal, while employees want the best possible pay and advancement potential. It's difficult to gauge how well the workforce needs are being met, because the demand for work is so high and their

willingness to take the offered pay, instead of being in a position of power to demand higher wages. Conclusion

Drive by any McDonald's and it is easy to see the demand and convenience of their business model is thriving. The SWOT analysis indicates McDonald's has streamlined and perfected its processes over the years and though the external environmental factors indicate it faces real challenges, its continued appeal shows they are positioned well for the future. The stakeholders continue to show support for the vision and mission McDonald's has set forth. Reference Getting to Know Us. (2012). Retrieved from http://www.aboutmcdonalds.com/mcd/our_company.html Hamburger University. (2012).

Retrieved from http://www.aboutmcdonalds.com/mcd/corporate_careers/training_and_development/hamburger_university.html Fox News Latino. (September 18, 2012). Obesity in America: Can it Get Much Worse? Yes, Advocacy Group Says . Retrieved from <http://latino.foxnews.com/latino/health/2012/09/18/obesity-in-america-can-it-get-much-worse-yes-advocacy-group-says/#ixzz29UnEJO5I> Choi, C. (September 12, 2012). McDonald's new menu item: Calorie counts. Retrieved from <http://www.boston.com/lifestyle/food/2012/09/12/mcdonald-new-menu-item-calorie-counts/mMeWvHuN7WyRHTo9CgA3TM/story.html>