

Opm 300 mod 1 slp



**ASSIGN  
BUSTER**

Operations Management in Action: Mc Donald's The processes that a firm or organization undergoes to produce or deliver goods and services are collectively called operations (Bicheno & Elliot, 1997). On this note, this paper will look into the nature of operations of Mc Donald's as a provider of fast food items. Mc Donald's is considered to be the largest fast food chain in the world, serving hamburgers, french fries, chicken products, breakfast items, soft drinks, shakes, desserts, and a whole other variety of fast food items to over 50 million people a day. Recently, they have also included healthier alternatives to their menu such as fruit and salads. Mc Donald's is able to maintain its global power in due in great part to its ability to constantly modify and adapt its operations processes to the demands of its customers and of the social environment as well. One particular operations process that is constantly modified by Mc Donald's to keep pace with increased competition and smarter, more demanding and less brand-loyal customers is the way it makes some of the items on its menu. One particular example was when Mc Donald's considered switching to a hamburger bun that does not require toasting. Trial tests have shown that customers preferred the taste and texture of the untoasted hamburger bun (Gibson, 1995). More importantly, leaving the buns untoasted would translate into considerable cost savings resulting from reduced preparation time and the elimination of commercial toasting equipment. Considering that Mc Donald's serves billions of buns for its hamburgers, chicken and fish sandwiches, this modification in one of their operations processes would rake in millions of dollars in savings for Mc Donald's as well. This illustrates two very important aspects of operations which are customer satisfaction and competitiveness (Meredith & Shafer, 2007). In addition, this move by Mc Donald's illustrates

that improvements made in operations can increase customer satisfaction and lower costs at the same time. Essentially, Mc Donald's has maintained its international position as the largest fast food chain in the world because it adheres to effective global strategies. These include an emphasis on global quality and service standardization and at the same time, reduction in central control, providing branches in specific parts of the world with greater variations in product and service offerings (Stonehouse & Campbell, 2004). Mc Donald's is always in pursuit of ways to achieve low costs and offer low prices together with the reliable quality and value for money that it has been famous for. Since the main market of the fast food chain is the youth, Mc Donald's always makes sure to know modern lifestyles and young people's tastes so that they are able to appropriately innovate their products and employ effective marketing tools. These marketing tools manifest themselves through new and popular promotional campaigns, and the constant redesign of their restaurants and product offerings. Indeed, there is probably no stopping Mc Donald's in continuing to grow as an international fast food phenomenon. For as long as the company sticks to the principles that have propelled them to the top spot in the fast food industry, people will definitely continue to flock under the golden arches. References Bicheno, J. and Elliot, B. B. R. (1997). Operations management: An active learning approach. Malden, MS: Blackwell Publishers Inc. Gibson, R. " At McDonald's, New Recipes for Buns, Eggs." Wall Street Journal (June 13, 1995): B1, B6. Meredith, J., & Shafer, S. (2007). Operations management for MBAs. John Wiley & Sons. McDonald's publication. " Corporate FAQ". McDonald's Corporation. <http://www.mcdonalds.ca/en/aboutus/faq.aspx>. Retrieved 24

January 2011. Stonehouse, G., & Campbell, D. (2004). Global and transnational business: strategy and management. John Wiley & Sons.