

# Innovation in pizza hut dominating the pizza sector



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Nowadays in organizational innovation is the base of developmental a new system or way product introducing in business sector.. It is necessary for an entrepreneurial practice. It's may start of firm, a big organization, and a public or private-sector company. Innovation is change, something new, its fundamental change. When the opening out of the computer its present incremental revolutionize, such as the conversion computer software. In other hand managements should build up process to motivate and trained to the changes attractive situate.

### SOURCES OF INNOVATION

In business ant innovation comes with strong source. Opportunities are other part of innovation in organizations. Innovation usually from the persistent search for opportunity and source. Management guru Peter Ducker recognized opportunities of innovation be present both into outside or inside of a company or industry. Innovation development requirements sources and opportunities for changes in the marketplace or industry structure.

Information is collected in two ways one primary and other secondary . The definition of primary information is the first hand or the original or the principal knowledge. There are many source of primary information these include survey, interview, meeting, observation of object, discussion etc. The secondary information comes from electronic survey. Management and employee research about their sales, cost, production etc. They can find out customers interest and needs by this way.

## **PIZZA HUT:**

The record of Pizza hut begin in 1958, nowadays the world's biggest pizza franchise was born. Today the Pizza hut company is part of the YUM, but back then two brothers' borrowed \$600 from their mother and started to forge the history of Pizza hut.

Pizza Hut is the biggest international franchise and restaurant chain store in pizza sector. Pizza hut is division of Yum! Brands Inc. – the largest restaurant group with 30, 000 outlets in 90 countries. It's providing both dine in and take way service. Pizza hut offers different types of menu; various types of pizza, pasta and salad etc. The first pizza hut was born in Wichita Kansas of America in 1958. Two brothers Dan and Frank Carney borrowed \$600 from their mother and open 25 seats restaurant of pizza hut.

## **The Commercial History of Pizza Hut**

The whole history of pizza hut has been achieved through innovation, but the history of pizza hut really took off with amalgamation into the Pepsi Company and more aggressive marketing techniques especially in the take out market.

Not surprisingly over the years Pizza hut had to reinvent the pizza again and introduce a healthier style of pizza. Pizza in itself is not the unhealthiest meal, but it is laden with unnecessary calories and fats when cheese is added. Pizza hut was forced to add new taste combinations to their menus that offered a lower fat alternative. It is now possible to select between three to eight

In 1973 pizza hut open their first UK restaurant in Islington, London. Now Pizza hut (UK) is a 50: 50 joint venture company between Yum! Brands Inc. and Whitbread Group. PLC. Pizza Hut UK now has more than 650 outlets, including 420 dine-in restaurant all over UK and Ireland and over 270 home delivery outlets. Now Pizza Hut UK has more than 20, 000 employees.

Pizza hut is the leader of highly competitive pizza business sector. They have lot of branches all over the UK. They have to operate their branches systemically to stand in top position. Pizza hut has a great reputation about their various innovation of pizza, pasta and others foods. They always focus on customer choice. That's why they provide different foods menu in different area with different taste. Pizza hut always analysis their progress of sales in different store level. They try to make flexible their operational and management level activities. They analysis how to improve in store sale, stock management, productivity, waste control, information updating. Since 1980s pizza hut using POS (point of sale) system to operate their value of store business and create specific business decision. But it's not enough for now day's. That's why in beginning of 2000 they try different information systems, But at the end after lot of experience in 2004 MICROS business information systems installed in 11 Pizza Hut in UK. Micros systems provide the facilities business operation and management processing level. Julian O'Neill, Director of Business Process and IT division of Pizza Hut (UK) Ltd. says " Our felling, after pretty stringent testing, was that MICROS had the capability to develop what we needed more quickly and robustly. Their system fitted the UK scenario"

## **Pizza Hut (UK) Ltd. And MICROS:**

MICROS system developed to create a network of point of sale terminal for order entry, series of kitchen display monitor to maintain order of food preparation; it's makes easy the complicated cash handling and controlling delivery display in take way section. MICROS have structural activities to store control, production, report making through business process with strong network to store management to regional manager and head office.

According to O'Neil, benefits get into two categories: financial and operational " Firstly, the system has helped drive up revenue by increasing average guest ticket," O'Neill commented. " That has happened particularly thanks to the intuitive nature of the system and the way it leads staff through the selling process, in addition to the ability to incentivise individual team members through the use of detailed employee performance reporting."

### Systems Makeover Re-Energizes, Pizza Giant's Sales and Productivity

MICROS information technology system is developed to operate in various sector in Pizza Hut store to head office. In store activities totally controlled by this system. It's creating serious improvement in order flow. Its makes faster and easier to taking order from customer by waiter and send to kitchen and delivered on time. O'Neill said " MICROS supports staff in a contemporary and user-friendly way, putting a lot more intelligence behind the selling process," He estimates average increase in guest check at around 1 to 2 per cent.

## **MICROS system in store function:**

End of Week Week

Forecasting

Labour Management

Stock

General

Daily Tasks

- 

mymicros. net

Troubleshoot

Cash Management

Add New Employee

- 

Time Cards

Day off Request

Holiday Request

Table Plan Editor

Section Management

Driver's commission

Deduction

TMRI

## **Managers Desktop**

### **Figure: Pizza Hut Information Systems.**

MICROS information system in Pizza Hut generally operate by store management. They doing their daily tasks duties. By this system forecasting for daily, weekly and monthly sales is done. They analysis with systemically and forecast daily product preparation. Inventory and order processing done by this systems. All daily, weekly and period report done by MICROS. Pizza hut all employee have a employee card. They can use it for clock in clock out with MICROS. Management control labour workforce by this excellent system.

Particularly MICROS information systems have huge impact in Pizza Hut business sector.

By MICROS management done their operational and strategic process.

Following some activities of MICROS information system in Pizza HUT (UK):

### **# Labour Management:**

Management analysis labour scheduling by MICROS. They fine out best way to use the employee hour. Make employee weekly scheduling with this technology.

O'Neill commented." Store and area managers can -almost in real time - monitor how sales are trending and how staff are being allocated,"

O'Neill said." One direct result is more efficient labour deployment. Which has improved by 3-4% in trial stores"

### **# Order Processing:**

MICROS makes comfortable for employee to take order and process it. This system is so quick and efficient. In this system there is lot of option to make job easier. This system has very good interlinked to front of house to back of house.

### **# Payroll Management:**

Pizza Hut weekly payroll done by MICROS system. Every Sunday is the end of week. Management control every day labour hour by MICROS system. They can analysis how many will be needed. After end of week they send this report to Pizza Hut head office HR department and employee get proper salary regular bases.

### **# Management Control:**

Every Pizza Hut store has MICROS information technology system. They have own access password to control their restaurant business up to-date. Store management and area manager can easily visit to my. micros. net and get report of every moment sales performance, labour cost etc. MICROS system has lot of facility. By this store management can share there performance, sales report, business mail, online food order, table booking, etc. Every restaurant has my inventory section. They can order online to their regular



food supplier 3636 by using MICROS system. O'Neil says " The ordering process is now much more operator-friendly," and O'Neill observed. " Rather than receiving a phone call from the distributor and placing an order over the phone, store personnel can now do things in their own time, going into their system whenever convenient and placing an order for delivery at some future point."

MICROS system gives management more flexibility to manage their business plan and decision making. O'Neill says " It allows much more detailed management decision-making and much increased transparency of what is happening with stocks - food and consumables - in every store,"

### **Management Change of Innovation:**

Management change is very essential concept of the organization. Change mostly depends on corporate structure, technology and people. If there is no change the managerial job would be vary easy. Planning would be simplified because tomorrow would be no different from today. The issue of organization design would be solved because the environment would be free from uncertainty and there would be no need to adapt. Management change is an organizational reality. It is very important job of the manager to handling change management, but now question is which facto create the change? factor is structure, technology, and people.

### **Three categories of change:-**

#### **Structure:-**

Authority relationship, Coordinating mechanisms

Job redesign

Span of control

+

### **Technology:-**

Work process

Work methods

Equipment

+

### **People:-**

Attitudes

Expectations

Perceptions

Behaviour

### **Change Process:**

Beginning of any kind change in organization some people doing important rule and responsible for managing change in company. This may any from management's role or organization experts. They called as a change agents. In organization manager cannot innovate any kind of so easily. All change should with rules & regulation, logical and realistic. To introduce any process of change management should think about feedback and reflect of change.

Management has to prepare to face employee resistance to change. That's <https://assignbuster.com/innovation-in-pizza-hut-dominating-the-pizza-sector/>

why change process is a important research issue. Researchers' have innovate lot of change process model for successful of change. Generally two methods are use for change process. One is “ calm waters” and others is “ white - water rapids”.

### **Calm waters:**

The calm waters metaphor also known as a The Lewin Model. Kurt Lewin change process mainly base of three steps of change. Change about academic, general rules & regulation with theoretical and practical related to management in large areas The first one is Unfreezing to everyone that why change is important than the next one is introduce the Change and the last one is Freezing, analysis and modify the change to successful of implement.

# Unfreezing: Look after on driving and resistance forces; expenses, internal resource, employee organized.

#Change: Introduce two combinations of two factors, implement it briefly. Communication with everyone.

#Freezing: Get feedback, analysis, solution and be successful.

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Figure: Changing Process (Fundamental of Management-page; 233)

### **White- water rapids:**

This methods focus on doubtful and self-motivated atmosphere. Mainly highlighted the advantages for organization and small facts can be

removable for large implements. Management get strong feedback instantly and go for action quick Explain probability and profitability of opportunities

## **Reason of Resistance of change:**

“ We may like change and regard it is an essential feature of living; it does not mean that we always welcome it” – (Hughes, 2006, p. 118)

Resistance about any kind of change is natural human behaviour. It's a psychological weakness of people to adjust with something new. Resistance of change is common effect for management. So management should reason of resistance and how to reduce it from organization. Why people resist about change in organization it's a common and important question. Let's find out some common factor of conflict of change between management and employee.

**Uncertainty:** In general reason resistance of change for organizational people is hesitation. It's a common problem for human being to indecision mentality. Normally employee feels nervous & uncomfortable. That's why they always try to avoid any kind change. They think may their position will be lost.

**Threatened Self Interest:** This type of normally coming from part of management and senior employee. They fear to loss their position, they think when something new introduces their long time experience will be useless.

**Different Perceptions:** Conflict between top management and employee level is one of reason for resistance. Managements want to introduce any upgrade

in business from their point of view, but employee does not except it, because the lack of inter relation.

Feeling of Loss: Change is effect on work environment. People have own system to work. They don't want come out from his own network. They scared, If they try something new they can loss their dignity, power, co-relation, money, life and social security etc.

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Figure: Why People resist (Fundamentals of Management – Page: 236)

Its expectable management have face conflict of changing from their employee. The management have prepared for this kind situation. When resistance coming management should it take strongly. Resistance about change is always on top form. Ignore any thing this circumstances not a good move. Management have to analysis what the key point that people have resistance with something new. They have to utilise proper process to introduce any kind of change in organizational level. Recover the resistance about change in organization it's not so simple. For successful change it's really important to overcome resistance of change. Management should be technical to reduce the resistance of change in organization. Management can utilised several technical process like Education, Training and Communication. People resist for new thing because that have lack knowledge idea about that. Corporate training, inter personal communications; seminar can reduce the resistance of change. Management have provided proper information about changing process. They have to

present the advantages of change in organization. There are some key technical processes to reduce the resistance of change:

### **# Education and Communication:**

People have lack of idea and information about anything new. They don't know how any change can give them facilities, extra advantages. Impact of change can be successful, they don't understand because of communication gap. If management provide proper education, trained them to get ready of change. Proper Information can reduce the resistance of change in organization. It can give strong confidence to employee.

### **# Participation:**

It's a real technical and smart process to overcoming from change resistance. Generally people become resist to change because, they expect about losing position, power, they may be underestimate. So management have to make sure employee not ignored, they are part of change, part of success. Contribution has to proper way and honestly. Management should give honour expertise. Participation and contribution give strong feedback about acceptance to change.

### **# Facilitation and Negotiation:**

In organization always have some strong community. Ignore them it's not smart movement. If they don't support it will be difficult to get success to up-coming change. Provide them facilities, benefits, declare change can be beneficial. Negotiate with some demand can solve the conflict of change.

There are few more issue can reduce the resistance to change, it could be manipulation and cooptation, force field analysis.

Beside these the manager can do other things to make the innovation successful within the organization.

Establish the needs for the upcoming change or setup of the innovation within the organization. Define the success in market terms by creating an external focus over the market and the competitors.

Be the clear thinker with the deep knowledge of the upcoming change within the organization.

Encourage the employee with the imaginary power, to lead the success of the implementation of innovation.

Energize team with the communication; make them a part of the change or creating the innovation. Make them proud to be a part of the innovation. Let them think they are doing something which will lead in the future. Give them a dream of innovation. Increase then internal communication with the team member.

Obviously the monitoring.

All of these could lead to the implement of an innovation successfully within the organization.

## **Role of an organization in innovation or change:**

For the implementation of an innovation or bring a change within the organization is not a simple task. Here organization must have to involve along with change agent. The main plan to bring of an innovation or change comes from the organizational step – huge involvement. Technology management cycle is the core things for any kinds of change or innovation. It starts with the concept of innovation and final stage is reflection of the concept. It is a continuous process. Only the change is unchangeable things.

In the management cycle the manager gather different types of idea of change in the concept stage. Then try to find out the best possible action to take on. Then move to the experiment stage. Here management try with the chosen action – how they are working. Is it ok to satisfy the management demands? This the experience stage of the management cycle. Finally the monitor and evaluate the actual performance and bring some possible change if necessary. Here, again starts with the generating new idea.

To make a successful change or an innovation organization must have some important roles beside the management cycle. Like –

The organization must have to create a strategic vision

Establish process to convert the idea with to innovation

They must allocate the resources

Reward the innovation result



To bring an innovation or create any change the organization must have focus on few important things as well –

What would be the benefits of the customer or organization or stakeholders

Consider the acceptable turn over

Consider the value adds to the value chain

## **Role of manager in the innovation**

Manager played very important role in tesco especially in the innovation process. Every manager in tesco is very sharp thinker. Manager is the team leader of every store. He has extra energetic power to maintain his team work. He is the developer and expertise in function. Innovation is the process of taking a createve idea and turning it into a useful product, service, or method of operation. The innovative organization is characterized by the ability to channel its creative juices into useful outcomes. When manager talk about changing an organization to make it more creative, they usually mean that they want to stimulate innovation. The manager of tesco doing planning, organizing, leading, monitoring and controlling. Technology provides very positive solution in the company, but technology effect the managerial role. At present company has become integrative communication canters. By using faster broadband computer and other utility tools manager get quick information. Tesco also use their own software in their system, so every manager are well trained about the operate. By using those innovation manager can better formulate plants, make faster decisions, more clearly define the jobs that workers need to perform and monitor activities. In

essence, information technology has enhanced manager ability to more  
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effectively and efficiently. In those innovation are working correctly or not manager are the responsible person to complete this. He is the responsible person to implement those innovations. Tesco`s managerial people have creativity, motivate and encourage employees, scanning the environment, decision maker, entrepreneur, fix any problem quickly, handle under pressures, and negotiator. Every manager is the leader of the company. Manager is not the creator of those innovations but his duty is the implement in operation and practice

### **Role of an organisation in innovation**

Innovation is the main key in tesco for its customer and their business. Companies' main focus is equally in product and the process of innovation. From the begening of the company they try to keep their price low. The company also try to keep the shopping experience as easy as possible.

### **Their strategy:-**

- \* Good customer service, easy and faster shoping.
- \* Very sustainable price with good quality.
- \* Same price in every store.