

Example report

[Business](#)



[pic] [pic] MCDONALD HAS A POWERFUL BRAND AND EXCELLENT BUSINESS MODEL THAT MADE MCDONALD’S REVENUES CONTINUES TO GROW. A report submitted in partial fulfillment of the requirements for Academic Skills for Accounting (FE1019).

Prepared for: Miss Rahiza Ranom Prepared by: UEL ID School of Accounting and Finance Linton College 24th July 2009 ACKNOWLEDGEMENT I would like to thank God for all His blessings. A lot of people have played a very important role in the successful completion of this report.

In this section, I would like to express my appreciation for those who help me directly and indirectly in my work. I would like to thank my supervisor, Mr. _____, for the valuable advice and support he has given me in the writing of this report.

I would also like to thank my teachers, Mrs. _____ and Mr. _____ for their encouragement and guidance. Thanks also to my typist, Ms. _____, for her immaculate job and her suggestions.

My deepest thanks go to my wife/husband, for her/his love, understanding and support.

SUMMARY / ABSTRACT This study was to

It was requested by _____ It

was requested on (date). The investigation was done by

The main findings were that _____

_____ It

was concluded that _____

_____ The

recommendations are that _____ should be _____

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Background This report has been written because

_____ It was

requested by _____

_____ It
was requested on (date). 1. 2 Research Question

The research question is _____
_____ 1. 3

Objectives The objectives of this report are to

_____ 1. 4
Scope This report examines _____ . It does not
examine _____ because

_____ . 2. LITERATURE REVIEW 2. 1
Review from different scholar

The area of investigation has been commented on by Channel (1994), Hoey
(1993), Halliday (1993) and Lesser (1979), who are in agreement that

_____. However,
they have different opinions on _____

_____.

Due to the differences highlighted above, it was decided to investigate

_____.

_____ . 2. McDonald History

McDonald's Corporation is the world's largest chain

_____ . 3. Definition of Business Model According to John (2007)

said that business model is _____

_____ . 4. Definition of

Brand

According to Brown (2005) stated that brand is

_____ . 5. SWOT

Analysis 1. Strengths McDonald's business model is its biggest strength

_____ . 2. Weaknesses Failure to respond to changing customers' preference and need, and also the changing need of franchisees is weakness. Another weakness as _____

_____ . 3. Opportunities

Even though the fast-food industry in US is saturated and mature (Thompson, Strickland and Gamble, 2005), there are still ample opportunities overseas. This is evidenced when

_____ . 4. Threats Declining market share experienced by McDonald's is a threat. This is evidenced from

_____ . 6. Number of Rivals

Taking all of the regional and local outlets into consideration, there are tens of thousands of fast-food outlets in the United States. While the industry is fragmented into many small companies, it was also noted by Thompson, Strickland and Gamble (2005) that

_____ . 3. METHODOLOGY 3. 1

Instrumentations There are _____ respondents, chosen by the method of _____ were surveyed from (start date) to (end date). Of these, _____ were invited for interview on (date).

The statistics were analyzed using a _____ test because

_____ The significance of the results was _____

_____ 3. 2

Research Framework The research has a life cycle to be followed, which is a framework for describing the phases involved in developing and maintaining the research. There are a few phases in the operational framework that are: PHASE 1 Preliminary investigation PHASE 2 Data collection PHASE 3 Analysis & discussion PHASE 4 Documentation

The objective of phase 1 is _____

_____ Phase 2 is

_____. Then,

Phase 3 is _____

_____. Lastly,

Phase 4 is _____

_____. 3. 3

Project Scheduling Project scheduling is
_____.

A proper time management ensures _____. Gantt chart is used as an important aid _____.

during the research were shown in Gantt Chart as Appendix 1. 4. FINDINGS

4. 1 Introduction In 2003, the US consumer food-service market totals approximately \$408 billion. From this amount, \$64 billion, or 15. 7%, was contributed by the top 30 sandwich chains (Thompson, Strickland and Gamble, 2005). It was projected that future growth in the sandwich segment to be around 2% p. a. for the foreseeable future. The two percent growth rate indicates that this industry is in a maturity position in the business life cycle.

It fact, Thompson, Strickland and Gamble (2005) reported that the US fast-food market was rapidly becoming saturated. What is the significance of the two percent p. a. growth rate? Translate into absolute amount; this is equivalent to approximately \$8. 2 billion for 2004. This is an attractive figure to potential entrants into the fast-food industry. It can be attributed to the growing world population and that food need to be consumed to survive propels the growth of the food-service industry. Table 4. 1 gives the sales and the percentage sales among the 10 largest chains for food-service market based on 2003 systemwide sales. It gives a good account of the fast-food industry. These results are represented graphically in Figure 4. 1.

Table 4. 1: Sales and percentage sales for the top 10 food chain in U. S. | Chain | Sales (million) | Sales (%) | | McDonald's | 20, 305. 70 | 30. 14 | |

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Burger King | 8, 350. 00 | 12. 39 | | Wendy's | 6, 953. 00 | 10. 32 | | Aramark Global Food | 5, 334. 00 | 7. 92 | | Subway | 5, 230. 00 | 7. 6 | | Taco Bell | 5, 200. 00 | 7. 72 | | Pizza Hut | 5, 100. 00 | 7. 57 | | KFC | 4, 800. 00 | 7. 12 | | Applebee's Neighborhood Grill | 3, 182. 60 | 4. 72 | | Domino's | 2, 926. 70 | 4. 34 | | Total | 67, 382. 00 | 100. 00 | (Source: Nation's Restaurant News in Thompson, Strickland and Gamble, 2005, pp. 217). Figure 4. : A pie chart showing the relative market shares of the top 10 food chain in US [pic] Leading the field is McDonald's with 30. 14% of the total sales of the 10 largest stores. Burger King and Wendy's come in second and third with 12. 39% and 10. 32%. It can also be observed that the sales of McDonald's itself is approximately equal to the combined sales Burger King, Wendy's and Aramark Global Food. 4. 2 McDonald's Strengths McDonald's business model is its biggest strength. It has a diversified income base. These income bases are related and synergistic in McDonald's operations. Putting together McDonald's can weather storm better compared with companies with a narrow income base.

These income bases include the company's restaurant operations (McDonald's and its partner brands), its vast real estate holdings and the retail sales of merchandise. The retail sale of merchandise is a category that has great potential to grow and contribute a larger percentage of total revenue. McDonald's ownership of one of the world's most recognized and a respected brand is strength. It carries many associations in the mind of people: hamburger, fun, children, fast-food, Golden Arches. This is also the opinion of Kotler (2003, p. 11). In addition, McDonald's also drawing its strength from being the world's leading foodservice retailer (Market-leader

strategies, Kotler (2003 p. 254-5). Adding to this, it also has an unparalleled global infrastructure.

Furthermore, it has competencies in restaurant operations, real estate, retailing, marketing and franchising. Most important of all, its operation generates substantial amounts of cash from serving nearly 50 million customers a day (McDonald's Corporation 2004 Summary Annual Report). The company own and franchise operations are strengths. Results show that over the past ten years, franchised restaurants typically had accounted for approximately 60 percent or more of McDonald's total systemwide sales while the company's own restaurants brought in another 30% of its sales revenue. The amount of profit generated by the company-owned restaurants is strength.

Although the lion's share of existing McDonald's outlets were franchises, the company owned restaurant contributes a fairly significant portion of the total income. The company kept and applied 100 percent of those profits rather than the much smaller portion of the franchises' profit it received. McDonald's Plan to Win is strength. The plan stays focus on five key drivers, the people, products, place, price and promotion. It clearly spelt out the strategy and the direction that it is heading. This plan has been instrumental in McDonald's successful turnaround, as evidenced by the latest financial results. McDonald's product offerings are strength. It is offering a variety of high-quality menu options, innovative products that are well accepted by customers worldwide.

These products are not easily copied by competitors. 4. 3 Financial Statement as evidences Financial statements given in the case have been <https://assignbuster.com/example-report-report-samples/>

taken to ascertain whether McDonald’s current strategy is working. In case there is an insufficiency of data from the case, data has also been incorporated from McDonald’s 2004 annual reports. Operating profit margin, net profit margin, returns on total assets and return on stockholder’s equity for McDonald’s Operations from 1998 to Q3 2003 have been abstracted and represented in Table 4. 2. The information is further presented in Figure 4. 2 to facilitate readers understanding of the underlying facts. Table 4. : Profitability ratios analysis for McDonald’s, 1998 - Q3 2003 | | Q3 2003 | Q2 2003 | Q1 2003 | 2002 | 2001 | 2000 | 1999 | | No. of restaurants | 31, 561 | 31, 129 | 31, 108 | 30, 093 | 28, 707 | 26, 309 | 24, 513 | (Source: McDonald’s 2004 annual report) The number of restaurants increased by 29%, a steadily increase from 1998 to 2004. In line with the company strategy to increase sales rather than the number of restaurants, the increase in this area has slowed down. However, as noted earlier, there has been increase in the 4 measured parameters. This is another indication that the company current strategy is successful. 5.

CONCLUSIONS The main conclusion that can be drawn is therefore that

_____ . In the light of this, it is recommended that

_____ (+ a
general recommendation; e. g. that something needs to be changed.

The detailed recommendations should go in the Recommendations section below.) 6. Recommendations In the light of these conclusions, I recommend that _____ should be

_____. In addition, a
_____ could _____

_____.