

# Operation management and service analysis



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## **1. Task 1**

### **1. a Introduction**

The Waterlander hotel is a part of major international hotel chain world-wide. The hotel was running but was without satisfactory results. Customers did not seem to be satisfied with their services. It was the day when one corporate customer seriously had a problem and was noticed by the senior management. Everyone was blaming each other's fault. It was Plastix International Plc, who asked for the service at Waterlander hotel but could not express exactly what they wanted and they were dissatisfied by the service of the hotel. It actually wasn't the satisfaction level that Plastix International expected but unfortunately that they did not meet. The line managers who were not internally satisfied with the hotel system couldn't give the highest level of satisfaction. Hence total quality management was the only medium for customers to get satisfied and then only they would meet their satisfaction level. Total quality management refers to all operations related from lower level workers till managers like operation management, gap analysis, time management.

Total Quality Analysis would be extremely useful for this situation for an organisation like Waterlander hotel. Here in the case study of the Waterlander hotel shows different time gap, information gap and deficiency in operation management. Mainly we see few internal characters of hotel as general manager, line managers, conference managers, head chefs and headwaiters and external were electrician, vice president of global marketing, Plastix International Plc and the photographer.

There was no proper information flow from one person to another, which was the main cause of the whole disaster. Every one seemed to be upset due to problems in flow of information. The vice president of Global marketing, Plastix International Plc was mostly upset due to the poor quality service and told that he would not pay excessive charger for that banquet and wanted a written apology for the upset caused by the service they received. The manager of Aalsmeer electronics was upset since they were asked to set up by 7 PM and so they started to do their jobs at 4. 30 PM but they were forced to wait for the hotel staffs to clear them for it.

Hotel service managers got upset since they were not informed about the colours of flowers that client ordered which were red and yellow. The red would not look good against the dining room décor.

Suddenly electricians moved all the arrangements. When they got the needed flowers, electricians completely the rearranged themselves.

The conference manager was upset since he was not told that the client wanted to use the video equipment, which was sent for maintenance. He did not have the checklist for the conference hall by the client. He could have hired one if he had known about the video equipment. Head chiefs got upset because he did all according to the detailed schedule he received from headwaiter. He made every thing on time but was not served when it was ready. Waiters were also badly behaved by the customers.

The headwaiter the upset since they were not informed about the set-up that had to be done by electricians for loudspeaker and amplifiers. Those

electricians told them to clear all the tables that were now ready to be used and which they had put everything right within half an hour.

The photographer was upset since he was scheduled to come at 10 PM and they needed only for half an hour during the speeches. When he reached inside the conference hall, every thing was late and had to rush for another concert hall at 11 PM. He would have arranged another guy to take photographs if he were informed to start the program late.

So here we see every person is blaming each other. This would have been better if the flow of information was correctly done.

### **1. b Operation management in Hotel Waterlander:**

The operation management refers to the framework for understanding operations management and its organisation and manager context . the nature of operations may be goods or services. According to Samuel K M Ho ' Operations and Quality management', Operation Management can be defined as " the deployment of effective and efficient methods for the reaction and delivery of goods and or services to satisfy the needs of the customers". Without an effective and efficient operation functions, no organisation can hope to stay in business. Since it will fail on the key dimensions of competition quality, speed or price. Here in the case of Hotel Wanderlander, every where there is operations management. In the kitchen chefs convert raw foods into meals, waiting staffs provide meals to customers. Process in operation management - " Heart" The transformation process.

The customer gets the final output and they are the only way to evaluate the quality of service. There exist different operations inside an organisation for a service to be delivered. So for the proper management operation, the proper flow of information is needed, According to the above figure A, customers are attracted using different business competitive strategies. Customer has the right to choose an efficient and cheap service available in the market.

There must be a proper planning and control of resources inside the organisation. As we see inside the Waterlander Hotel, every where are disturbances in the flow of information among service providers.

The general Manager of the hotel was supposed to transfer the information to the right person in the right time, but he seems to be not doing his job properly. He was the only person to meet with customers to know what they really wanted in their services.

The transformation process is greatly effected by the transforming resources either they are staffs or material. If they are not satisfied with their management, the quality services can be poor which reflect to the bad operation management. When those transformed resources of staffs and materials are in sufficient enough, then the only flow of information and planning and control makes efficient service. The proper concept of improvements and design also effect the quality of service which are directed by the operational strategy of the organisation how they are processed to be served for the customers.

**1. c Problems in Waterlander Hotel:**

There are different information gaps between every individual. Customer expects the highest level of expectation and if they don't get it, the level of satisfaction is lowered. This situation is the worst for any business firms to lose valuable customers and have to bear losses. An author sees lots of gaps in the case study of hotel Waterlander. It is mainly with the customer and the management, how the service performance is and how much skill was used to maintain the standards of quality. As a whole, gap is seen in every factor.

A big gap can be seen between consumer Expectation and service performance when the customer don't meet the desired expectation., Service performance is wholly interrelated with service standards. Every service is categorised with some standards and if they do not have good standards then there exists a gap with service performance. If the manpower don't use their skill properly, then they cannot maintain their standards, which then create a gap between skill and standards. If the proper skills were used but there is not good management, there also exists a gap.

The gap is also seen between standard of service and customer expectation while the consumer doesn't meet the level of satisfaction. The huge gap can be seen between customer expectation and the management.

**Expectations:****Plastix Internal Expectations:**

They had a minimum expectation like others. They just expected red flowers on the table, dinner on time, no food on dresses, simple things, video equipment, photographer, lastly smooth performance.

**Service:**

There was no exclusive standard to be measured. It was informally agreed standards, which didn't work while working in a team. Finally the expectation were not relevant to customers satisfaction.

**Standards:**

The organisation seemed to under skill. There were too many issues with internal staffs and huge gap was seen with kitchen staffs and waiting staffs.

**Management:**

A huge was seen in between person's skill and management since a manager was not able to handle them properly. He was the only person who was responsible to flow the information to its juniors who work under him.

**1. d Solutions:**

The problem with the Waterlander Hotel can be overcome by efficient training to its staffs and quality of service offered, to its customers otherwise it falls under its standards. The solution can be found with the four main key issues as

- \* management and supervision
- \* employee perception of specification and rules
- \* customer needs and expectation
- \* lack of technological support

Management seemed to be irresponsible to the organisation and not supportive in quality behaviour and lack in quality specification. The problem in skills is the main issue and the attitude of the person who cannot adjust.

### **Recommendations for Improvement:**

- \* Sort out the internal problem occurring inside the management. Till it won't be sorted out then the same situation will definitely repeat again.
- \* Consider the employee Reward System. It could be the encouraging point for a staffs to have some reward of they do best, which will let them to do better in every moments.
- \* Arrange training to internal staffs of Hotel that aware the impact of performance
- \* Improvement of the recruitment process so that highly skilled can be available who can perform better even without certain training.
- \* The execution of the quality system specification of organization, to improve by training and internal marketing.

### **1. e Conclusion:**

Total Quality Management refers to a quality emphasis encompasses the entire organisation from the supplier to the customer (Heizer, Jay, Operations Management 1999). The only problem with the hotel was mis-communication. The hotel should stop depending on the inspections to find out the problems, and should think to improve quality and service. It is the fact that every organisation has different views on quality. It is also known fact that customers have their own attitude on quality rather than on



organisation. However internal staffs may have different aspects and definition, which could harm on organisation a lot, which could lead to unsatisfactory service by an employee. Which could lead with customer dissatisfaction like what happened with Plastix International.

## **2. The Mystery Shop**

### **2. a Introduction:**

The author tries to select the fast-food service in the UK like Starbucks, McDonalds, Burger King, Pret A Manger. When there are choices among the before stated names ten definitely a student would choose Starbucks because the principle customers are students itself. They have café society where they can use most of their time in reading. It is also need to replace alcoholic bars to non-alcoholic Starbucks society. Starbucks also have wifi zone, which attracts college students' and businesspersons for research purpose and business meeting locations.

### **Starbucks:**

Starbucks is the largest company in the world having more than 13, 100 stores world-wide spreading over forty countries. The stores sells drip coffee, espresso drink, tea, blended drinks, coffee mugs and other coffee accessories. Starbucks has entertainment division selling books, music and film. Starbucks was founded in Seattle, Washington in 1971, since then Starbucks Company spent a minimal account on advertising to promote the brand concept.

### **2. b Service Analysis of Starbucks of Ealing Broadway**

An author was at the Starbucks Coffee Shop at Ealing Broadway on December 6th, 2009. He entered there at about 3 PM. There were three

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employees who were serving customers. An author now prepares questionnaires regarding the services and level of satisfaction to be received by their service.

Did they give an author a value when he entered the shop?

What was the first reaction while an author was entering Starbucks?

How much does he need to wait in the queue to get the service?

How many choices of items were there in the shop?

How many staffs were there for the service?

Were they smiling while serving?

How was the taste?

How long is the speed of Internet provided freely inside the shop?

How long can we stay inside the shop?

How was the toilet facility?

Did they understand authors language?

What did an author ordered?

Did he find the product he ordered satisfactory?

Was the content of espresso, steamed milk and a dollop of foam quite good enough to drink?

What about the location of the shop?

What about the price? Was it competitive or expensive?

What were the advert strategies?

Were they good at customer management?

Were the staffs skilful so that they served quickly?

What was the quantity of drink in the cup?

How was the environment?

How did an author see the life in Starbucks?

How did an author rate the standard of quality?

Did an author find any scrap pieces around him?

Were the tables and floor regularly cleaned?

Did anybody ask how was the service?

How did they behave while getting out, did they greet?

The author tries to find out the answers of above listed questions.

It was a Sunday at 3 PM so there were 4 customers in front of an author while he was in the queue. It took around 5 minutes to get his turn to order for a cup of Cappuccino. There was a guy who was taking my order. He didn't even see me well saying what do I want. Then an author replied with a big cup cappuccino. He seemed to be rude while talking and asked to wait

for 30 seconds but he had to wait for around two minutes to get the drink. A beautiful lady was shouting “ Cappuccino”. So an author hurriedly answered “ yeah it is mine”. An author didn’t find it so easy with how they treated with him. All the tables were almost packed and finally an author went to tall chair placed beside entrance door facing to the road.

The cappuccino was very hot to drink but the contents of espresso and milk foam was very tasty but much little in quantity. There were one guy taking order but other was preparing drinks and serving and the other one was roaming around cleaning some tables and picking up some scraps around. Since the environment was quite good but the disturbance was allergic. The place was congested. It seem like they emphasis mostly in take away rather than come and eat strategy. An author could see some guys with their laptops doing their work. The WIFI facility of Starbucks could attract youths, which could be seen by an author. An author could see only youths ranging from 20-40 of ages but could not attract people older than that. This could be seen as a disadvantage of Starbucks. He could also see very little business class people and most of them seem to be college students. While an author was there for about half an hour, he could see the life in Starbucks tough as there were only three people working outside to serve customers. An author sees there was a need of one more staff that would be enough to serve customers easily without hassle. An author also saw some scrap pieces below his table. It showed that staffs were not responsible to work. An author visits a restroom and finds to be satisfactory but without handicapped accessibility also there was no baby changing station. An author then gets out of the Starbucks but there was no one to ask how was the drink neither

greeted saying, " have a nice day". The drink was somewhat expensive as compared with the market price but the flavour was superb.

## **2. c Backgrounds and problems**

The main objective of Starbucks is to serve customers within three minutes has somehow added customers a loyalty. Starbucks attracted mostly students who only wish to study.

The problems, an author faced during the service.

- \* No greetings while entering to Starbucks.
- \* Had to wait for more than five minutes to order the drink, the timelines were beyond the expectation.
- \* The guy at the reception looked rude enough to talk.
- \* Service was not satisfactory but the drink was the best.
- \* Staffs didn't look qualified since they acquired a bit long time in their service.
- \* No one asked for any thing or after sales reaction, saying how was the drink.
- \* Some scraps around showed that the staffs did not paid attention in the hygiene.
- \* Could not attract people of older ages.
- \* No accessibility for handicapped and no baby changing station.

**GAP Analysis:**

During the mystery shop analysis, an author finds few gaps, which could be filled up.

GAP 1 is in between the customer expectation and the service performance which was seen while an author had to wait more time in the queue to get a cup of drink. If staffs were qualified enough, they would have served it very fast.

GAP 2 is seen in between service performance and standards. While some scraps were found near an author, the level of standards did not meet the customer satisfaction.

GAP 3 is seen in between standards and skill when Starbucks' staffs served an author with very hot drink which was not drinkable, showed to the skills of staffs.

GAP 4 is seen between manpower of skill and management. The manager could manage the staffs especially when the flow of customers were high, he have to think of extra one extra staff needed that could easily serve customers. If customers had to stay longer in queue then customers could find another coffee shops.

GAP 5 is seen between customer expectation and standards when an author could not get the standard service as expected.

GAP 6 is seen between customer expectation when the management could not serve its customer as they expect. An author had not expected expensive drink and had to wait for long for a service.

**2. d Solution:**

The solution for the problem in Starbucks services analysis could be achieved using Marketing Mix of 7 P's.

**Product:**

Cappuccino was very hot to drink while it was served to an author. Very hot to drink while served to an author. Espresso content was satisfactory but the quantity of foam of milk was little bit less.

They also have other different varieties of coffees express cappuccino, beverages, and music.

**Place:**

Since Starbucks is near at Ealing Broadway station, it is centre for customers to visit. It is nice place and the surround is also pleasant. Though it is very near to the station, it has focused in take away coffee shop by congesting the place to sit and eat. It is seen that small and congested space inside Starbucks.

**Price:**

The price of the products in Starbucks is found to be expensive then that of other coffee shops. Though it is expensive but they have got varieties of coffee like express, cappuccino etc. The products bought by customers can achieve the value of price.

**Production:**

Starbucks is found to be the company with least advertisement in compare with its rivals like McDonalds, Pret A manager, Burger King.

**People:**

Starbucks staffs were not found to be so much skilled according to on author. Staffs were very slow in serving for that reason, customers had to wait for long time to get service. Starbucks staffs were not very good at customer management as an author was going out from the coffee shop, there weren't any response from the staffs.

**Process:**

The process at Starbucks was found to be simple. The staffs did not avoid customers.

**Physical Evidence:**

With the flow of customers inside Starbucks we can find that Starbucks lovers and in many. People still believes in Starbucks knowing it contains wide variety of coffees. The major customers were student rather than elderly people. Staff members were also very young and fresh faces. Since Starbucks has been a best place for student to start up their career, every individual seems to be students. Due to free WIFI, people find it luxurious to go and stay.

**2. e The important of quality Standards:**

Quality Standards means for planning, designing, developing, implementing, maintaining and improving customers service quality and customer satisfaction issues are important as companion attempt to differentiate their services and complete effectively in the market place (Paracisuraman, Zenthaml and berry 1988, Brown and Schwartz 1980)



According to the above statement it is clear that every companies should make a target to provide quality service by satisfying their customers. Total quality management is the only way to maintain service standards to the customers.

Here total quantity management is combined the way of managing for the future and is for wider in its application then just assuring product or service quality . It is a way of managing people and business.

Processes to ensure complete customer satisfaction at every stage, internally and externally. Total quality management is combined with effective leadership results an organisation doing the right things right, first time.

### **Customer Supplier Interface:**

The heart of total quality might is this customer supplies interface where the internal and external lies with many process. Their foundations of Total Quality management surround the core of customer supplier, which are commitment to provide quality. Communication of the messages within and outside the foundation and lastly the culture of the organisations in creating total quality and these foundations are back supported by key roles of people, process and systems in any organisation.

Quality as a whole bundle consisting of performance, appearance, delivery, reliability, availability, maintainability, price and cost effective.

As we compare the definition of quality with quality achieved by an author in Mystery Shop analysis, performance was not satisfactory so do price,

appearance was also not so very fine but others were found to be somewhat satisfactory.

**Bad practices:**

Bad practices could be recognised in most of organisations and also was seen in the mystery shop analysis.

- \* Managers not giving clear direction
- \* Each department working only for itself
- \* Confusing quality with grade

When customers get bad impression they are least likely to choose the same service in the future since they have Variety of choices. So if staff members of service providers did not respond in good behaviour they will definitely loose their valuable customers.

**2. f Recommendations for Improvement:**

- \* Consider the employee Reward System

Large number of the staff are near the age of twenty to thirty so if they are rewarded then company will benefit with its service outcomes including benefits package which focus on medical, dental, and vision care, as well as the employee stock options.

- \* Site does not have handicapped accessibility

Condition of restroom was satisfactory but had no baby changing area

- \* Prompt staff meeting

- \* Training to the staffs
  
- \* Changing method of selection

### **Action Plan For Improvement:**

- \* Focus on hiring older employees more appropriate with the high interest to work.
  
- \* Develop and maintain a reward system for staffs
  
- \* Develop a system of regular staff meetings
  
- \* Improve site accessibility and cleanliness
  
- \* Upgrade front door and restrooms for handicapped accessibility
  
- \* Add a baby changing station
  
- \* Enhance Starbucks wide or big atmosphere

### **2. g Conclusion:**

Customers are always right seems to be the final conclusion of the mystery shop analysis. Customers are free to choose services anywhere so they want to be cared by the service provider. This could be possible only if the services provider follows customer care quality standards keeping in mind that customers are always behaved properly from the time they enter to the shop. While answering, greeting providing services within time scales, welcome any complains or suggestion. The analysis of mystery shop comes up with the conclusion of unsatisfied the level of satisfaction. There must be good coronation of mangers and staff members.

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