

# Level of empowerment



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In (a), how would you price based on the s appetite? Different pricing policies would have to be adopted by the restaurant in order to cater to all the segments. Appetite is the key factor which will determine that how much the customer is willing to pay for the food. The restaurant would have to conduct the market research in initial stages to find out different types of consumers based on appetite. This research will reveal that there are people having low appetite who visit the restaurant for a single item in a menu or a food package that is neither too expensive nor too much to take in. For such set of consumers, the pricing should be structured in such a way that does not limit them to purchase a bulky meal but offers them with options to purchase single units or deals that suit their appetites. Restaurant would have to be careful while pricing the single units and the deals because such consumers prefer low priced deals in accordance with their appetite. On the other extreme would be the consumers that crave for large quantity of food. For these consumers deals including buffets, all-you-can-eat deals and other deals which offer not only more quantity but also different options to be explored should be offered. There is a niche which lies in between these two extremes that are neither mild nor extensive food consumers, and therefore mediocre priced deals should be designed for them. It is best for the restaurant to have an ample array of food deals to be offered which are of great quality, because the larger the food and deals portfolio they have to offer the more customers will be attracted from all the segments. 2. In (b), what kinds of decision rights should be decentralized? There are varieties of decisions that Karl would have to decentralize. Primarily, he would need to segregate the operations in different departments. These departments can include Production, Supply Chain, Marketing, Finance, Human Resource, IT

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and Research and Development. Directors should be appointed for their respective departments and each department should formulate of staff comprising of both top and middle management personnel. Each individual will be assigned with a particular job description which will not only grant him certain degree of authority but also accountability for their decisions. The Board of Directors will be formulated which will constitute of these directors. Complex matters of organization requiring astute decision making will be discussed with the Board and a decision based on consensus would be approved. A reporting structure will be formulated which would highlight that which individual is required to report to whom. All the front line staff i. e. the waiters, receptionists and other managerial staff would be incorporated with the right to exercise their will to an extent which will delight the customers and would lead to positive results. The manager of the restaurant branch would be given optimized authority which would not only ensure that he operates on the regulations laid down by Karl but also freedom to take decisions in the horizon of those regulations.