

Mutira penang essay



**ASSIGN
BUSTER**

1. Describe how you think Wernie will (a) make sure that the way he manages the hotel is appropriate to the way it competes for business; (10 marks) Wernie emphasize on quality of service, it must be impeccable. The hotel tries to anticipate guests' needs in a number of ways. Also, Penang Mutiara provides fast response to customers' requests as time is precious and all of the customers do not like to waste time on waiting.

Likewise, Wernie regards dependability as a fundamental principle of a well-managed hotel. For example, It is on the grand occasions, however, when dependability is particularly important in the hotel. When staging a banquet, for example, everything has to be on time. Drinks, food, entertainment have to be available exactly as planned. Any deviation from plan will very soon be noticed by customers. It would easily spoil customers' impression to the hotel. Furthermore, Flexibility means a number of things to the hotel.

First of all it means that they should be able to meet a guest's requests, no matter what customers' request, hotel will try their best efforts to get it for customers. It is impeccable customer service which gives the hotel competitive advantage, not price. Good service means that hotel guest return again and again. The more guest hotel has, the higher is the utilization of rooms and restaurants, and this is what really keeps cost per guest down and profitability reasonable. So in the end, it is the quality of the service which keeps the volumes high and the costs low.

I believe with the best service to customers, is the best way to competes for business. (b) implement any change in strategy; (10 marks) To implement any change in strategy in order to expand Penang Mutiara, Wernie should

have an agreement or associate with other business such as tour companies, theme park or clubs (eg. Golf club, car club, or diving club), to provide complete set of hotel industry such as gathering tour, amusement, business exploit, or relaxation. For examples, provide complete foundational services such as transporting line services and wireless internet. Also, to diversifying its services to satisfy different demands of customers, such as offering difference holiday travelling packages, seasoning conference market different packages or diversified types of foods. In addition, hotel can develop automatic system to offer, services and payment. Once hotel is successfully expanded, hotel can alliance with other hotels in other areas to gain more profits. (c) develop his operation so that it drives the long-term strategy of the hotel. (10 marks)

To develop hotel operation so that it drives the long-term strategy of the hotel, Wernie's should expand its business to other areas to gain more market shares in order to compete with other strong competitors in all over the world. On the other hand, hotel should offer a more differentiation, high standard quality and characteristic hotel services and comfortable environment for customers. In addition, hotel should target those who are high income and high consuming individuals, and the high class business and political unions or organizations, hence hotels should pitch itself as an "up-market" end hotel business.

To target on this organization it because they are more 'faithful', and more highly expenses organization compared to youngsters. It helps hotel to generate more return sales. Also, building and developing hotel website which including introduction of hotel services, map, resources and promotion

information, booking online, requirement and feedback of customer, online payment can help hotel to build a strong image as well as to drive hotel to a long-term business.

Furthermore, continuous improvement for whole operation helps to match the market requirements in operations decisions and long-term strategy of the hotel. 2. What questions might Wernie ask to judge whether his operation is a Stage 1, Stage 2, Stage 3, or Stage 4 operation on Hayes and Wheelwright's scale of excellence? (20 marks) Stage 1, internally neutral which is the very poorest level of contribution by the operations function, In a Stage 1 organization the operation is considered as a 'necessary evil'.

The other functions, if they have anything to say at all about operations, regard it as holding them back from competing effectively. The operations function, they would say, is inward looking and at best reactive. It certainly has very little positive to contribute towards competitive success. It is unlikely even to have developed its resources so as to be appropriate for the company's competitive position. The best that the function can hope for is to be ignored. At least when operations are being ignored it is not holding the company back in any way.

Certainly the rest of the organization would not look to operations as the source of any originality, flair or competitive drive. In effect the operations function is aspiring only to reach the minimum acceptable standards implied by the rest of the organization. It is trying to be 'internally neutral', a position it attempts to achieve not by anything positive but by avoiding the

bigger mistakes. Certainly even when good organizations are let down by their operations function the resulting publicity can be damaging.

Stage 2, externally neutral which Hayes and Wheelwright's idea of the first step of breaking out of Stage 1, it is for the operations function to begin comparing itself with similar companies or organizations in the outside market. This may not immediately take it to the 'first division' of companies in the market, but at least it is aspiring to reach that position and is measuring itself against its competitors' performance. The operations function is certainly not holding the company back.

It may not yet be particularly creative in the way it manages its operations but it is trying to be appropriate, by adopting the best practice from its competitors. By taking the best ideas and norms of performance from the rest of its industry, it is trying to be externally neutral. Stage 3, internally supportive is a operations have probably reached the 'first division' in their market. They may not be better than their competitors on every aspect of operations performance but they are broadly up with the best.

Nevertheless, good as they may be, Stage 3 operations aspire to be clearly and unambiguously the very best in the market. They try to achieve this by gaining a clear view of the company's competitive or strategic goals and then they organize and develop the operations resources to excel in the things in which the company needs to compete effectively. Not only are they developing 'appropriate' resources, they are taking on the role of the 'implementers' of strategy. The operation is trying to be 'internally

supportive’ by providing a credible operations strategy. Stage 4, externally supportive.

The difference between Stage 3 and Stage 4 is admitted by Hayes and Wheelwright to be subtle, but nevertheless it is very important. In essence, a Stage 4 company is one which sees the operations function as providing the foundation for its future competitive success. Operations look to the long term. It forecasts likely changes in markets and supply, and it develops operations-based strategies which provide the company with the performance which will be required to compete in future market conditions. In effect the operations function is becoming central to strategy making.

Stage 4 operations are creative and proactive. They are likely to organize their resources in ways which are innovative and capable of adaptation as markets change. Essentially they are trying to be ‘one step ahead’ of competitors in the way that they create products and services and organize their operations – what Hayes and Wheelwright call being ‘externally supportive’. At Stage 4, operations are not only developing ‘appropriate’ resources and ‘implementing’ competitive strategy, they are also the long-term driver of strategy.

There are two points are worth considering :- -It assess the performance of operations by the function’s aspirations. In other words, it asks the operations function how it would like to be seen and the rest of the organization how they actually see the contribution of the operations function. -As companies move from Stage 1 to Stage 4 there is a progressive shift from operations’ contribution being negative and operational through to

its contribution being positive and strategic. The company is relying on an ‘operations-based’ advantage in its competitive strategy. 3.

The case describes how quality, speed, dependability, flexibility and cost impact on the hotel’s external customers. Explain how each of these performance objectives might have internal benefits. (50 marks) Quality means doing things right. For Mutiara, quality means consistently producing impeccable services, using top-class and durable materials to create the right impression and environment, to anticipate and thinking ahead all potential problems in advance. It makes life easier inside the operation. To provide the best performance in quality helps hotel to build a good and strong image over the world.

It makes the hotel to become well-known all over the world and business will become better and better. Good quality leads to stable and efficient processes that less mistake, easy for coordination for matching the standard of processes, dependable and advance equipments and tools to use adds dependability for internal customer. It reduces cost for Mutiara due to it is fewer the chance to make mistakes. Redoing or correcting mistakes, or to reducing confusion or irritation for each people; second, it also reduces the labor cost.

Dispelling some serious troubles or problem always needs more staff or more time to do it, thus, it results in the labor cost added, such as part-time salary, overtime compensation. The more minimizing mistakes, the more minimize the excess labor costs to pay for doing excess works; third, less mistake and using top-class and durable materials also result in saving expenditures such

as maintaining fee, cost of materials resulted by mistakes, transporting fees, and other excess expenditures. There is something fundamental about quality.

Because of this, it is clearly a major influence on customer satisfaction and therefore the likelihood that the customer will return. Conversely, poor quality reduces the chances of a customer coming back for more. Providing speedy and fast response helps to speed up decision making and speedy movement of materials and information inside the operations. Its benefits are to reduce the inventories, means increasing the utilization of rooms and restaurant, faster cleaning and preparing the available rooms for queuing customers. Overall, it increases the efficiencies of the whole hotel.

Speed also helps to add flexibility and dependability. Fast response adds the capability for operations to the flexibility dealing with urgent things. And fast delivering for latest information within the hotel makes hotel more dependable. Dependability is showing the reliability. Dependability means well management and coordination with each operation to ensure that other process are reliable, such as accurate prediction, delivering right material or information on time, and planning for the facilities, reorder and human resources. It helps to provide a more efficient and effective operation.

It effectively arranging the facilities, information, material, workforce, money and time to ensure all of them can be available whenever necessary, saves the time to wait or to look for the other substitutes. Dependability arrangement reduces the chance of repeating input resources or some resources leaving unused increasing the cost of maintain or store fee, or

labor cost. Flexibility means change what you do. It means according different requirements or things to fast handle with, making change or decisions, flexibility arranging and coordinating operations' work.

Flexibility saves resources and can prevent unnecessarily repeating planning, spending, and using resources such as time, money, workforce, to follow the traditional ways to do things done. Flexibility also increases speed of response and are able to give fast service for customers depends on the operation being flexible. Flexible operations speedily transfer extra skilled staff and equipment to the urgent conditions and emergencies will provide the service with other customer's needs. Cost is the main impact the whole hotel operations. Do things cheaply gives a cost advantages.

High quality operations do not waste time or effort to re-do things nor are their internal customers inconvenienced by flawed service. In other words, high quality can mean low costs. Also, fast operations reduce the level of in-process inventory between micro operations as well as reducing administrative overheads. Both these effects can reduce the overall cost of operation. As far as cost is concerned, around 60 per cent of the hotel's total operating expenses go on food and beverages, to provide the best food and beverages to hotel guest makes hotel guest felt comfortable, it strengthen hotel image as well as to makes hotel become amous. On the other hand, energy costs at 6 per cent of total operating costs are also a potential source of saving. However, although cost savings are welcome, the hotel is very careful never to compromise the quality of its service in order to cut costs. Both of the above will resulted in more return guest and helps hotel to generate more sales. The more guest Mutiara have, the higher is the

utilization of rooms and restaurants, and this is what really keeps cost down and profitability reasonable.