

History of kfc the restaurant commerce essay



**ASSIGN
BUSTER**

When we are saying about the Kentucky Fried Chicken its generally recognized as KFC, is a chain of fast food restaurants based in Louisville, Kentucky. It was a fully owned subsidiary of Tricon since 1997-2002 & it has been a fully owned subsidiary of Yum. The chain also publicizes itself as the Poulet Frit du Kentucky or it's publicized as P F K in the state of Quebec in Canada. This company mainly vends the chicken as in the form of Pieces, Wraps, Salads & the burgers. Although its main focal point is on Fried chicken it also offers a lineup of roasted chicken foodstuffs, sides & deserts. KFC Company is offering beef based food stuff such as burgers or kebabs, pork based food stuff such as ribs & additional regional fare outside of North America. Because of their popularity & uniqueness the company has led to the common formula of the fried chicken, fast food restaurant is being copied by the owners of the restaurants worldwide.

The company KFC was established as Kentucky Fried Chicken by Colonel Harland Sanders in the year of 1952, though the idea of establishing this company was in the year back in 1930. Actually KFC was born & raised in Henryville Indiana & sanders had been conceded throughout several professions in his life time. Also the founder of KFC, Sanders provided the fried chicken for the first time in the year 1930 in the center part of Great Depression at a gas station where he owned in North Corbin, Kentucky. In that particular place the dining room was named as the " Sanders Court & café" & it was more successful through the year 1936 then after that Kentucky Governor Ruby Laffoon granted sanders the designation of honorary Kentucky Colonel, in appreciation of his involvement to the state's cuisine. After that the following year he prolonged his restaurant by adding

some additional seats of 142 in order to keep the customers come through to the café across the street. In the year of 1939 he altered the cookery method for his fried chicken to make use of a pressure fryer, resulting in a very much abridged cookery time similar to that of deep frying. Next in the year of 1950 he sold his properties & traveled to U. S to sell his chicken to the owners of restaurants. He penetrated into the franchise agreements by paying five cents for Corbin for selling each one of his chicken piece, in that the first person to have the offer was Pete Harman who lived in south salt lake, Utah after that they both started the first & primary " Kentucky Fried Chicken" outlet in 1952.

In accordance to that in the early 1960's Kentucky Fried Chicken was vended in more than 600 franchised outlets in both the countries of U. S & Canada. One of the oldest franchisee who lived for a long period of time was Kenny kings chain; he is the person who opposed sanders chicken concept. KFC Company holded more of the Northern Ohio dinner-style restaurants & those all were closed in 2004. The owner Sanders sold all his KFC franchising operation during 1964 for the amount of \$2 million U. S Dollar. From the time when the chain has been vend for three more times & in recent times it has been vend to PepsiCo, which made it part of its Tricon Global Restaurants division, which in turn was spun off in 1997, and has now been renamed to Yum! Brands.

Ref: (www. elogiboyau. centerblog. net/)

TASK-1

Vision

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Our passion, as a restaurant company, is to put a YUM on people's faces around

the world, satisfying customers every time they eat our food and doing it better than

any other restaurant company".

I would say that their vision statement says that their aim is to satisfy the customers by placing the YUM & not to let the people go to the other restaurant companies. It further says that they have the ideas of putting the tastiness of the YUM on the faces of the people who are seeking for it & also it says that they are trying to satisfy more of the customers to be in favour of their organization rather than customers going into the other competitive companies.

Mission

To sell food in a fast, friendly environment that appeals to pride conscious, health minded consumers.

Ref: (www. KFC. com).

In my point of view I would say that their mission statement says that their aim is to sell the food items in a fast way & not to spoil the surroundings or the environment, it also further says that their aim is to keep the customers in a health minded way, it means that to keep the customers in a healthy way by providing good food.

Objectives

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KFC is a profit oriented company so the main objective is to earn the profit by offering a good product & also the main objective of KFC is to satisfy the customer.

Ref: www.scribd.com/doc/36555456/KFC-Project

Actually when saying about their objectives their main motive is to earn more profit by selling their products to the customers & by that to satisfy the customers in an optimum level.

In the objectives part some other additional objectives had been included those are the:

Stated objectives.

Implied objectives.

Stated objectives

Product Development

Increase variety on menu

Introduce desert menu

Introduce buffet to restaurants

Introduction on the neighborhood program with following:

Menu items target African Americans in major cities with the following items:

Greens

Macaroni and cheese

Peach cobbler

Red beans & rice

Menu items targeting Hispanics in major cities with the following items:

Fried plantains

Flan

Tres Leches

Implementation on non-traditional units including the following:

Shopping mall food courts

Universities

Hospitals

Airports

Stadiums

Office Buildings

Mobile Units

Increase profitability of KFC through the following:

Reduced overhead costs

Increased efficiencies

Improved customer service

Cleaner restaurants

Faster and friendlier service

Continued high quality products

Implied Objectives

Expansion of international operations to provide the following:

The increased percentage of overall sales growth.

The increased percentage of profit growth.

Augmented growth of franchises into Mexico

Expansion of Central America Beyond franchise operation

Continual promotion of healthier image through removal of the word "fried" from the name

Strong competitor

According to the report KFC's strong competitor is McDonalds.

These additional objectives give you an idea about that KFC is a multinational company & it has some more intention on doing their businesses over many countries.

Values

To reward & respect the contributions of each individual at KFC.

Their values say that they will always give returns to their customers for what they are paying & they always give respect to the customers for their support to continue the company in an successful way.

Conclusion- I would say that the KFC's concepts such as mission, vision statement, objectives & the values are all in a correct way, which in most explains about how they are satisfying the customers by providing good food to the people around the world.

1.2

When we are saying about the stakeholders we can say that they are the group of people or individual person who are keeping an interest on any kind of a business & also we can say that they are the people who can simply affect or is affected by the achievement of an organization's objectives" (Freeman, 1984: 46).

Some of the stakeholders who are having an interest are given below:

Stockholders/ shareholder.

Employees.

Customers.

Competitors.

Suppliers.

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Government.

Media.

Stockholders

Basically shareholder or a stockholder is an individual or institution that lawfully possesses one or more shares of stock within a community or confidential business (Fama 1980).

Actually they are having the full power of controlling the business, because they are the people who are investing more of the money into the business. They are influencing the people under their position; it means that they are pressurizing the board of directors who in turn pressurize labors to work hard in order to always succeed in the business rather than losing all the money which they have invested. Share holders also have the right to vote to change the board of directors.

KFC shareholders get there services under a brand called YUM shareholder services. These shareholders have the right of voting the board of directors & act as an owner for KFC as they get the ownership through the shares they buy for KFC.

Employees

Employees are the persons who are hired for, to give a service to an organization on a habitual way in exchange for reimbursement & who do not endow with these services as part of a sovereign business.

They are having the power of going against the firm through labor unions, if the company goes against the interest of the workers. Furthermore we can say that they will have some power of ownership over the company if the company provides shares to the employees.

KFC has the social responsibility of providing jobs to people though they are uneducated. Through this the country's unemployment rate comes down. Employees also given a power of recommending other new employees to organization & recommending the organization to the society.

Customers

We can say that the customers are the people who are using the goods or services of a company for their final use.

When saying about the customers they have the power of buying the products from the sellers. Actually they are playing a major role in the world because if there isn't a customer in a business then the suppliers will have to face many problems, so their contribution to buy the products is very important.

KFC serves 12 million customers over 109 countries. Customer has the power of giving feedback on the organizations products. They have the power of recommending KFC's popularity to the society.

Competitors

Actually when saying about the competitors they are any of the person or entity which is a contender against another. We can further say that

competitors can be defined as a company which equally sells or offers goods or service.

Ref: (www. businessdictionary. com)

When saying about the power of competitors we can say that they are having the equal power of competing to their opponents in the business field.

Competitors have the power of finding the secrets of the products of KFC & innovating a substitute product for that in order to gain profit & be top of KFC. They will also try to gain information on illegal acts that KFC does & try to mediate that to the society.

Suppliers

Actually suppliers are the single person or a business that offers goods or service which will be inputs for the outputs product of the company.

If they strike their products will not come into our company, so our company would face problems in productions this will result in reduction of growth, profitability & etc.

Supplier has a power of deciding to produce their product to legal and profitability organizations. Even the organization also has the power of getting the products from a legal and reliable supplier. As the above lines KFC's suppliers will supply until the KFC's popularity, profitability etc. retained.

Government

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Government can be defined as a body which has the right towards formulating & the power towards enforcing the laws within a civil, corporate & religious or other group. Moreover in its widest sense it is given as " to govern" it means to manage or to control, a set group of people or a Compilation of resources.

Ref: [www. answers. yahoo. com](http://www.answers.yahoo.com)

When considering about their power they have laws & regulations regarding taxes & duties on companies income, imports & exports etc. it also has laws on companies registration on logo, if the companies goes against governments tax laws & registration laws owners can be jailed & the company can be banned.

They are having the power of checking whether KFC is paying tax on income, import & export duties. They also check whether KFC is abiding the rules & regulations of the territory on which it provides its operations.

Media

Basically media can be defined as the source of communication through which we can make general indulgent. It moreover used towards influencing somebody. Actually there are quite a few types of media for example we can say the electronic media or the print media etc.

Ref: [http://www. blurtit. com/q5069669. html](http://www.blurtit.com/q5069669.html)

Media is a power of communicating any types of information in terms of picture & words as fast as possible. Media also has a power of criticizing any

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illegal movements of any types of organizations. Media can influence people to go against the illegal acts happening. They influence the minds of people by just providing information about the illegal movements taking place. We could say that media is an indirect power to go against the illegal acts.

Media has been given the right & power of recommending the popularity of KFC & also mediating the information on illegal & various issues in which KFC gets involved to the society.

TASK-1. 3

Private & public

The KFC scholar program is providing scholarship to those high school seniors who apply for it. This is done by providing a seat from a university in the state they reside. Through this the high school seniors get up to \$20, 000 to finish their bachelor's degree program.

<http://www.kfcscholars.org/>

Private

YUM! Brands, Inc. (" Yum") is committed to conducting its business in an ethical, legal and socially responsible manner. To encourage compliance with all legal requirements and ethical business practices, Yum has established this Supplier Code of Conduct (the " Code") for Yum's U. S. suppliers (" Suppliers").

Compliance with laws and regulations

Suppliers are required to abide by all applicable laws, codes or regulations including, but not limited to, any local, state or federal laws regarding wages and benefits, workmen's compensation, working hours, equal opportunity, worker and product safety. Yum also expects that Suppliers will conform their practices to the published standards for their industry.

Employment Practices

Working Hours & Conditions: In compliance with applicable laws, regulations, codes and industry standards, Suppliers are expected to ensure that their employees have safe and healthy working conditions and reasonable daily and weekly work schedules. Employees should not be required to work more than the number of hours allowed for regular and overtime work periods under applicable local, state and federal law.

Non-Discrimination: Suppliers should implement a policy to effectuate all applicable local and federal laws prohibiting discrimination in hiring and employment on the grounds of race, color, religion, sex, age, physical disability, national origin, creed or any other basis prohibited by law.

Child Labor: Suppliers should not use workers under the legal age for employment for the type of work being performed in any facility in which the Supplier is doing work for Yum. In no event should Suppliers use employees younger than 14 years of age.

Forced and Indentured Labor: In accordance with applicable law, no Supplier should perform work or produce goods for Yum using labor under any form of indentured servitude, nor should threats of violence, physical punishment, <https://assignbuster.com/history-of-kfc-the-restaurant-commerce-essay/>

confinement, or other form of physical, sexual, psychological, or verbal harassment or abuse be used as a method of discipline or control.

Notification to Employees: To the extent required by law, Suppliers should establish company-wide policies implementing the standards outlined in this Code and post notices of those policies for their employees. The notices should be in all languages necessary to fully communicate the policy to its employees.

Audits and Inspections

Each Supplier should conduct audits and inspections to insure their compliance with this Code and applicable legal and contractual standards. In addition to any contractual rights of Yum or Unified Foodservice Purchasing Co-op, LLC ("UFPC"), the Supplier's failure to observe the Code may subject them to disciplinary action, which could include termination of the Supplier relationship. The business relationship with Yum and UFPC is strengthened upon full and complete compliance with the Code and the Supplier's agreements with Yum and UFPC.

Application

The Code is a general statement of Yum's expectations with respect to its Suppliers. The Code should not be read in lieu of but in addition to the Supplier's obligations as set out in any agreements between Yum or UFPC and the Supplier. In the event of a conflict between the Code and an applicable agreement, the agreement shall control.

<http://www.kfc.com/about/supplier.asp>

Packaging-public

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KFC is as committed to the environment as we are to our food and to our customers. We are proud of the steps we have taken so far to reduce our environmental footprint and are committed as a brand to do even more in the in future. It's an ongoing journey that we're on and we want to keep you - our customers - informed along the way!

By 2011, KFC will reduce its use of foam by 62% and total plastic use by 17%. In 2010, KFC introduced fast food's first reusable food container. We have also replaced our plastic plates with paper serving boxes. It is part of our plan to reduce our use of non-renewable resources and to reduce the amount of styrofoam from our restaurants.

<http://www.kfc.com/packaging/lineup.asp>

Yum! Brands, parent company of KFC, is committed to the humane treatment of animals.

Yum! Brands is the owner of restaurant companies and, as such, does not own, raise or transport animals. However, as a major purchaser of food products, we have the opportunity, and responsibility, to influence the way animals supplied to us are treated. We take that responsibility very seriously, and we are monitoring our suppliers on an ongoing basis to determine whether our suppliers are using humane procedures for caring for and handling animals they supply to us. As a consequence, it is our goal to only deal with suppliers who promise to maintain our high standards and share our commitment to animal welfare.

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To assist us in that effort, Yum! Brands formed the KFC Animal Welfare Advisory Council, which consists of highly regarded experts in the field. The Council provides us with information and advice based on relevant data and scientific research. The Animal Welfare Advisory Council has been a key factor in formulating our animal welfare program.

In consultation with our Council, KFC has developed guidelines and audit programs for our suppliers in the broiler industry. We were also a prominent player in the joint effort conducted by the National Council of Chain Restaurants and the Food Marketing Institute to develop comprehensive guidelines for all species of farm animals.

KFC has implemented a farm level audit program - a program which is industry-leading in the areas of poultry care and handling.

<http://www.kfc.com/about/animalwelfare.asp>

You are the World Food Programme (WFP), the food aid arm of the United Nations and the biggest humanitarian organisation working on hunger worldwide. In your mission to tackle world hunger, you work to enable local populations to achieve greater food security and support sustainable solutions to help the approximately 1 billion people around the globe whose access to food remains at risk. How do you go about fulfilling this mission? You team up with fast food giant Kentucky Fried Chicken (KFC).

CORPORATISING FAMINE

The specific details of the collaboration between KFC and the WFP are a bit hazy, but their relationship is essentially an exercise in raising money -

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principally in the form of financial donations and staff working hours through charitable activities - to fund food rations (in countries including Somalia, India, Rwanda, Colombia and Ethiopia).[2] As part of KFC's 'World Hunger Relief Week' ('the world's largest private sector hunger relief effort, spanning 110 countries, 36, 000 restaurants and over one million employees'),[3] a further aim is to 'raise awareness' of the issue of world hunger 'and mobilise staff, franchisees and customers to help do something about it'.[4]

While the upsurge of goodwill around tackling hunger is a great example of people's desire to improve our world (Yum!'s companies apparently raised a total of US\$20 million in overall donations in 2009, with activities involving some 4 million volunteer hours),[5] the main thing being fed is KFC's public relations (PR). It's not clear whether these donations are always channelled through the WFP or to whom the company is ultimately accountable; details for example of KFC UK's contributory funding of £365, 000 to 'a school food project in Africa' are thin on the ground.[6] And while 'raising awareness' is on the face of it a positive aspect, you have to question the legitimacy of the source of information and the company's ultimate ability to communicate the complex historical constellation of politics, climatic conditions and policy which determines people's access to food worldwide.

In honour of the efforts behind World Hunger Relief, WFP executive director Josette Sheeran has been fulsome in her gratitude to the company: 'WFP knows how to reach those most in need and will do what it takes to get a cup of food to any kid in the world ... But without funding, we can't reach these kids. It takes just 25 cents to fill a cup with food. The World Hunger Relief

campaign helps fill the cup for tens of thousands of kids - and we're so grateful for it.'[7]

While it is of course of the utmost importance that people around the world facing critically shortages of food supply are assisted and that the primary international institution charged with doing this is fully funded, the very premise that a fast food corporation would be able to bask in reflected glory leaves a bitter aftertaste. In the struggle to create sustainable food systems worldwide, the hyper-capitalist, unrelenting drive to lower supply margins no matter the side effects is part of the problem, not the solution. The notion that KFC can enhance its corporate image and profit through an association with the alleviation of hunger is deeply distasteful, but this, it goes without saying, is precisely its intention.

A BUMPER CORPORATE-IMAGE HARVEST

What does KFC get out of this association? Well, a simplistic feeding-the-world narrative does the company's image and CSR (corporate social responsibility) a world of good among well-intentioned Western consumers. As the Genuine Kentucky blog puts it, 'This warms the heart, feeds the spirit, and makes you want to make haste to your nearest KFC.'[8] For fast food companies' keen to rebuild the sector's declining image among consumers, such words, even from a blatantly pro-KFC source, are music to the ears. Indeed, for a corporation formerly accused of negligence around suppliers' treatment of poultry[9] and alleged purchasing of illegally exported, environmentally destructive Brazilian soy from US commodities giant Cargill,

[10] the WFP charm offensive plays a central role in the drive to restore public credibility.

In the name of continuing this corporate-image harvest, a more sinister outcome is KFC's capacity push this drive to the point of undermining the credibility of the very UN institutions it purports to support. Witness KFC CEO Roger Eaton's efforts to convince UN Secretary-General Ban Ki-moon of the need to recognise the 'Grilled Nation' - KFC's claim for international acknowledgement as a state - among UN member states:

'As Secretary-General, you have pledged to build a " stronger United Nations for a better world." We at KFC are confident that recognizing Grilled Nation will strengthen your organization and satisfy the stomachs of your many Member States.'

[11]

This absurd UN time-wasting is of course a mere publicity stunt designed to achieve brand exposure. But the focus of such efforts further underlines, if it were even necessary to do so, that KFC is far more concerned with enhancing its own image than working towards sustainable solutions to world hunger, and is quite prepared to trivialise the issue of hunger in the process. As illustrated in an October 2007 press release, parent company Yum! will even go to the extent of claiming responsibility for saving lives: 'With funds raised, the company hopes to save hundreds of thousands of people from starvation.'

[12] You would think that if the company sincerely had that much faith in the WFP's work and was that concerned with saving lives, it would donate all of its net profits to the programme each year.

FEEDING PEOPLE, NOT PROFITS

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As a subsidiary of the United Nations, ostensibly the world's leading external force working for equality, peace and justice, the World Food Programme should concentrate its efforts on working to promote and protect grassroots and domestic food producers and defend agricultural biodiversity, not team up with dubious, self-interested corporate forces. To do otherwise perpetuates an implicit discrediting of African and other Southern peoples' historical ability to feed themselves and a tradition - of ingenuity and adaptability rather than of doing the same thing - of responding to changing climatic and environmental conditions with skill and intelligence.[13] It also neglects engaging in serious analysis of the problems surrounding food sovereignty in the global South.

In a time of an acute food crisis and pervasive food insecurity for much of the world's population, the immediate and future challenges will remain to work towards food sovereignty. This is to be achieved through investment in agriculture (owned and organised to cater for the needs of people, rather than big business);[14] redressing the problems of speculative food-commodity trading; cushioning small- and medium-holder producers from low-cost, subsidised imports; and creating more secure returns on production. In some respects, if the UN - theoretically the international, external body with the greatest legitimacy and clout to defend people's interests - is ill-positioned to halt the corporatisation of this space, why is anybody else going to be strong enough to do so?

Number of employees of kfc worldwide?

there is more than 500, 000 people who work for KFC worldwide and that's just the chefs and waiters.

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Read more: <http://wiki.answers.com/Q/FAQ/7106-12#ixzz1Ei6WHZqN>

TASK-2. 1

Microenvironment

Definition

Factors or elements in an organization's immediate area of operations that affect its performance and decision making freedom. These factors include competitors, customers, distribution channels, suppliers, and the general public.

<http://www.businessdictionary.com/definition/microenvironment.html>

Micro Environmental Factors

These are internal factors close to the company that have a direct impact on the organisations strategy. These factors include:

Customers

Organisations survive on the basis of meeting the needs, wants and providing benefits for their customers. Failure to do so will result in a failed business strategy.

Employees

Employing the correct staff and keeping these staff motivated is an essential part of the strategic planning process of an organisation. Training and development plays an essential role particular in service sector marketing in order to gain a competitive edge. This is clearly apparent in the airline industry.

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Suppliers

Increase in raw material prices will have a knock on affect on the marketing mix strategy of an organisation. Prices may be forced up as a result. Closer supplier relationships is one way of ensuring competitive and quality products for an organisation.

Shareholders

As organisation require greater inward investment for growth they face increasing pressure to move from private ownership to public. However this movement unleashes the forces of shareholder pressure on the strategy of organisations. Satisfying shareholder needs may result in a change in tactics employed by an organisation. Many internet companies who share prices rocketed in 1999 and early 2000 have seen the share price tumble as they face pressures from shareholders to turn in a profit. In a market which has very quickly become overcrowded many havel failed.

Media

Positive or adverse media attention on an organisations product or service can in some cases make or break an organisation.. Consumer programmes with a wider and more direct audience can also have a very powerful and positive impact, hforcing organisations to change their tactics.

Competitors

The name of the game in marketing is differentiation. What benefit can the organisation offer which is better then their competitors. Can they sustain this differentiation over a period of time from their competitors?. Competitor

analysis and monitoring is crucial if an organisation is to maintain its position within the market.

Micro Environmental Factor/Stakeholder Analysis

<http://www.learnmarketing.net/stakeholders.jpg>

<http://www.learnmarketing.net/microenvironment.htm>

Macro environment

The external factors which affect a company's planning and performance, and are beyond its control: for example, socio-economic, legal and technological change. Compare 'micro environment'

[http://www.mshmg.com/glossary, M, Macro+Environment.html](http://www.mshmg.com/glossary,M,Macro+Environment.html)

The Macro Environment factors are:

- 1) Demographic Environment
- 2) Economic Structural Environment
- 3) Technological Environment
- 4) Political Environment

Read more: http://wiki.answers.com/Q/List_macro-environmental_factors#ixzz1EQaoSLeP

Micro environmental factors are those which the firm can directly control. Examples of this are: product, price, place and promotion. Macro factors are

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those over which the firm has no control. Examples of this would be: political and legal factors, economic factors, technological factors and social and cultural factors.

http://www.reference.com/motif/Consumer_Electronics/micro-and-macro-environmental-factors

2. 2

House Prices (50% of responses)

Government Debt

Ignorance because of fear

no response

No Problems

What I would consider the most serious Economic Problem:

High levels of consumer debt / bankruptcy

Demographic crisis - Rising retirement levels will worsen government finances and put pressure on pensions.

Housing Market - prospect of house price falls.

High prices for first time buyers - related to shortage of supply

Growing Current Account deficit.

<http://www.economicshelp.org/blog/uk-economy/economics-problem/>

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fuel prices, lack of jobs, short of food.

3. 1

Term market structure Definition: The manner in which a market is organized, based largely