

# Operations and project management

Business



Diamond Catering Report Affiliated: Diamond Catering Report Competitive priorities, Operations strategy and process strategy Competitive Priorities

Collected feedback from a customer survey for the months (Jan-June) of business operation was rated as follows; Always get what I expect- 14 Timely Delivery- 16 Ease of placing an order- 18 Good Menu Variety- 19 Recommend to others- 21 Food Quality- 28

From the feedback rating, one was able to derive monthly performance score from the above business operations; January-17, February- 15, March- 19, April- 21, May- 22, June- 21.

Diamond Catering has struggled with consistency issues in its delivery-only arm. In a fast paced and competitive business sector as this, the company needs to offer the best service otherwise customers will shift to where they feel they are provided with the best services. Customer satisfaction is the unique selling point of any business if there stiff out competition in their market space. If customer excellence is not achieved, the business risks losing its customers to a competitor. Diamond Catering seems to have issues in delivering what customers want, if a client places a particular order, the specifics must be followed to ensure that one does not deliver the wrong order. To this effect, Diamond Catering received a low rating. The low score can be attributed to the fast scheduling of the orders due to the short-order lead times. Also, it can be as a result of running out of ingredients. Diamond Catering needs to schedule its orders and match them appropriately to customer specifications to avoid mismatch of orders or ingredients. If the meal is not delivered on time to customers, they become angry and are reluctant to place an order with the same company again. The firm received a low rating on the same. It may change customers perception of the firm and classify it as unreliable to deliver a particular service on time. Diamond

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Catering should ensure they are flexible and ensure focus is placed on the range of catering requests and menu variety. Operation StrategyDiamond has traditionally made and baked its bread used for making sandwiches. They are currently considering whether to continue baking the bread or purchase baked bread. The argument is that by baking bread; it consumes an entire oven valued at \$50, 000 which could be used for main entrees for their deliver and serve business. They estimate that variable costs average approximately \$1 per 24\*36 pan of baked goods. While for purchasing baked products it averages \$2 per 24\*36 pan and could buy a small oven of \$10, 000 to heat or toast. Purchasing would seem the best way to go since it saves on operation expenses. In a market segment where other competitors such as Lunches-R-U are competing on cost, it is important to follow the leader. Cost savings allows an enterprise to leverage, on other activities, in order to improve customer value on a product or service. If the cost of operation is high, it means that the business profits will be minimal compared to a competitor. That means that the competitor can offer the same product or service but in a better way, thus, exposing your firm to a customer lose and plunge into profit decline or loss making. Process StrategyDiamond delivers boxed lunches. They consist of a sandwich, salad, dessert, and fruit. Customers call no more than a day ahead of time by 10 am to guarantee the same day delivery. For the delivery only service the customer is limited to six sandwich selections. Three salads or potato chips, and a brownie or fruit bar. The deliver-only orders are scheduled day -to -day, due to the short-order lead time. After the order has been placed, it is taken to the food preparation facility. The facility has five major work areas; stove-oven area for hot food preparation and cold area for salad preparation.

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The other areas are hors doeuvre area, sandwich preparation area and an assembly area where delivery-only orders are packed. The layout can be improved to ensure that the processes are sequential and cut on time required to pack a whole meal. Time saving during processes ensures that delivery time is adequate; thus customers receive their lunch in time. Supply Chain and Inventory Current Concerns Diamond runs out of ingredients for delivery-only menu items. The situation has been attributed to limited space and the risk of spoilage. Thus, it hampers the amount of raw material and prepared food that can be carried in inventory at any one time.

Recommendations Diamond can move into a bigger plant, which can accommodate its entire process line and create space necessary for storing inventory. It ensures that whenever stock levels reach a re-order level they are replenished. In such a case, ingredients will ever be available, and orders will be processed faster thus raising customer satisfaction levels. If Diamond lacks the capacity and financial strength to move into a bigger processing plant, then it can use an inventory method known as the Just in Time inventory method (JIT). The strategy strives to improve a business return on investment by reducing in-process inventory and associated carrying costs. In such an approach, Diamond may achieve and save on costs especially on spoilage. JIT ensures that there are zero defects, eliminate waste and non-value activity. Raw materials are pre-ordered but are delivered when needed without delay. Thus, Diamond incurs little or no costs on inventory as suppliers only deliver when needed.