

Kfc vision mission  
and principles  
worldwide business  
essay



**ASSIGN  
BUSTER**

KFC is one cooperation company that we also know as Kentucky Fried Chicken and it is one of the very famous chains of fast food restaurant. In Malaysia, Singapore and Brunei, it exceeds 540 outlets. The founded of Kentucky Fried Chicken was by Colonel Harland Sanders and currently KFC is one of the largest businesses of food service in world. KFC is a part of Yum! Brands, Inc., the world's largest restaurant company in terms of system restaurants, with more than 36, 000 locations around the world. The company is ranked #239 on the Fortune 500 List, with revenues in excess of \$11 billion in 2008. KFC was acquired by PepsiCo in 1986, it had grown to approximately 6, 600 units in 55 countries and territories. In 1997, pepsi Co spun off their restaurant business such as KFC, pizza hut and Taco Bell into a new company which called as Tricon Global Restaurants, Inc. The Colonel has spread his business food industry currently to over eighty countries in world. The business of KFC primary most is the food made by chicken like the chicken nuggets, fried chicken, chicken burger and so on. Nowadays, people all rush for their life and work, so fast food restaurant is their choice to fulfill their demand to full the stomach. So, there has been the battle as called as competition between fast food restaurant such as KFC, Mc Donald, and Marry Brown are the famous fast food selling in Malaysia. The competition happened because they have the same goal and characteristic. They are provide the quality goods(food), serve customer quickly but efficient and effective. The packaging of the food also attractive and the surrounding of environment also clean and comfort for customer to having meal. Besides that, KFC also provide a line of dishes and desserts such as ice-cream, salad and potato wedges and so on.

## **KFC VISION MISSION AND PRINCIPLES**

[http://www.kfcholdings.com.my/Images/Content\\_s1/subtitle\\_vision.gif](http://www.kfcholdings.com.my/Images/Content_s1/subtitle_vision.gif)

To be the leading integrated food services group in the ASEAN region delivering consistent quality products and excellent customer-focused service.

<http://www.kfcholdings.com.my/Images/SubBullet.gif>  
[http://www.kfcholdings.com.my/Images/Content\\_s1/subtitle\\_mission.gif](http://www.kfcholdings.com.my/Images/Content_s1/subtitle_mission.gif)

To maximise profitability, improve shareholder value and deliver sustainable growth year after year.

<http://www.kfcholdings.com.my/Images/SubBullet.gif>  
[http://www.kfcholdings.com.my/Images/Content\\_s1/subtitle\\_principles.gif](http://www.kfcholdings.com.my/Images/Content_s1/subtitle_principles.gif)

The KFCH principles are adapted from the Yum! Dynasty Model and are known as the KFCH Dynasty Model.

### **History/ Milestone of Kentucky Fried Chicken (extract)**

1930

Harland Sanders started his business in a small front room of a gas station in Corbin, Kentucky. The motel/restaurant name is The Sanders Court & Café.

1939

A fire destroys The Sanders Court & Cafe But it was rebuilt and then reoperation again.

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The pressure cooker is introduced. So Colonel Sanders able to fried chicken more faster.

1940

Original Secret Recipe of Kentucky Chicken was born.

1952

The Colonel begins to expand his chicken business by traveling from town to town.

The Colonel awards Pete Harman of Salt Lake City with the first KFC franchise. A handshake agreement stipulates a payment of a nickel to Sanders for each chicken sold.

1955

Sanders sell the service station that he receives his first social security check for \$105. After paid all the debts owed, he is virtually broke, bankrupt. He decides to sell his Secret Recipe to restaurants.

1957

Kentucky Fried Chicken first sold their chicken in buckets.

1960

There have total 190 KFC franchisees and 400 franchise units in the U. S. and Canada.

1964

Kentucky Fried Chicken has more than 600 franchised outlets in the United States, Canada. The first overseas outlet located in England. Sanders sell his interest in the U. S. company for \$2 million to a group of investors headed by John Y. Brown Jr., so KFC now cooperation.

1966

The Kentucky Fried Chicken Corporation goes public.

1969

The Kentucky Fried Chicken Corporation is listed on the New York Stock Exchange.

1971

More than 3, 500 franchised and company-owned restaurants exist in worldwide when Heublein Inc. acquires KFC Corporation.

1976

An independent survey ranks the Colonel as the world's second most recognizable celebrity.

12/16/1980

Colonel Harland Sanders died. Flags on all Kentucky state buildings fly at half-staff for four days.

1982

Kentucky Fried Chicken becomes a subsidiary of R. J. Reynolds Industries, Inc. (now RJR Nabisco, Inc.) when Heublein, Inc. is acquired by Reynolds.

2002

Tricon Global Restaurants, Inc., the world's largest restaurant company, changes its corporate name to YUM! Brands, Inc.

2006

More than a billion of the Colonel's "finger lickin' good" chicken dinners are served annually in more than 80 countries and territories around the world.

2007

KFC introduces a new recipe that keeps the Colonel's 11 herbs and spices and finger-lickin' flavour, but contains Zero Grams of Trans Fat per serving thanks to new cooking oil.

2008

KFC change its icon. KFC replaces Sanders classic white, double-breasted suit with a red apron.

2009

Kentucky Grilled Chicken has less calories, fat and sodium than KFC Original Recipe.

## **MARKETING MIX (FOUR Ps)**

### **PRODUCT PRODUCE BY KFC**

The good (food) has been provide or produced by KFC are shopping goods which under consumer goods category, that marketed is to fulfill consumer wants and needs. The special and the various product of KFC is serving or made by chicken. The famous of the KFC is fried chicken with its own secret recipe; the chicken can fried with original recipe and other flavor. Beside chicken, KFC also provide other product example potato wedges, burger, carbonate water, and other foods. The quality of their product also will be to maintain and improve to make it better and satisfy nowadays consumer taste.

### **PRODUCT DIFFERENTIATION OF KFC**

KFC also produce other product other than chicken, and they will improving the existing product, example KFC improve their exist product, Kentucky Fried Chicken into varies type of favorite example spicy favor chicken, curry favor chicken and black pepper favor chicken, and KFC also developing new product other than Kentucky Fried chicken like mashed potato, burger and so on, it called as product differentiation, mean that they creation a new product differ from existing products to attract more consumer.

### **PRODUCT LIFE CYCLE AND PRODUCT LIFE CYCLE EXTENDING**

The product life cycle which the natural process of product begins, start to grow, mature and decline and die. The food of KFC fried chicken about to reach decline stage but still not decline because it has many competitor

although substitute product competitor, brand competitor, and international  
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competitor. The product also can stand for long because of the power consumers to support it. Besides that, KFC also use many way to extending the product life such as the reintroduction, create the new and many favorite and feature for their product. Example, the fried chicken with original recipe flavor, but KFC also intro some other flavor like spicy and black pepper chicken to extend it product and to improve efficiency. Packaging of KFC is the red and white paper bucket it uses for larger sized order of chicken and has come to signify the company was originally created by Wendy's restaurants, and founder is Dave Thomas. The paper packaging use because of that it can help to keep the chicken crispy by excess from moisture. The packaging also for add convenience to consumers and assist to attracting and promoting the product to consumers. The packaging also helps to provide information about their company brand, the product ingredients and so on to consumers.

## **Target Market and Market segmentation variables**

### **Target Market**

KFC targeted city people rather than people out of city because people in city more concern about the quality of food. Besides that, city area is more popular than non-city areas because the population is much greater than non-city areas. In case, KFC is consider as very expensive good to purchase for low income people which their income is not as much stable as city people. The other reasons that city people is targeted because the distribution of product to the customer is much more easy to solve, because the transportation is more convenience them because city road are more flat compare to non-city area. After that, city people minds are more flexible and



always looking for change so they suit to be the demand of market. KFC also set young people as target because nowadays young people very willing to enjoy the food rather than old generation. Thus, many KFC locations are near school, college and work place.

## **Geographic Variables**

This variable is talk about the segmentation divides markets into certain areas. It is meet the need with the product of specific market. KFC outlets and shop all almost are in posh or cities area, so the cost for it is will be high. The costs are such as rental fee, electricity and water fee and also salaries pay to employees. Therefore the cost will cause them make no high gross profit because the cost very high if they sell their product in higher price. But they targeted the middle and higher income family and people, so they will push up the price to make more profit, because the middle and high income individual is able to pay.

## **Demographic segmentation**

They use the statistical analysis to subdivide the population according to characteristic such as age, gender, race, occupation and religion. KFC divide the market on demographic basis in several ways like age of population, they targeted the age group between 6-65, gender they targeted is both male and female, family size they targeted all kind of family size, include single, but they more prefer to sell their product to big family rather than small size family because more product going to sell. The income status they target for all and income is about RM800 above. That is no age limit for the consumer of KFC, it is focus to all individual in society. But the largest

customers will be target to young people or the office workers who rush for <https://assignbuster.com/kfc-vision-mission-and-principles-worldwide-business-essay/>

their times. The gender focus by KFC is both male and female and they target whole family rather than single person to having meal in their restaurant.

## **Psychographic variables**

It is dividing market into different group based on social activities, lifestyle or personality characteristic. It is divided market in basic ways of psychographic variables like upper and middle class, personality is not specific and lifestyle is ambitious and authoritarian.

## **Economic factor**

The income receive by the household is the important key to KFC to targeted which classes of consumers will be targeted. In the early stage, they will more focus on the upper classes but slowly they also will turn into focus the middle. It will be estimated to the product like and dislike by consumers toward the pricing.

## **Price**

Price is the amount need to pay when purchased a product and it also is a total value that consumer use for exchange the product. The price will be set for every product like the value of set of dinner meal or the price of set of fried chicken.

## **Price Strategies**

The price strategies used by KFC was price skimming. Price skimming means put their product's prices above the market price. The main objective of doing this is to maximize profit rather than market share and to cover the

cost of production. They use the strategy of pricing above; they believe that their products are quality than other competitor so they push up their price, because in people assumption, they feel that the higher the price of the product, the quality of the product will higher.

## **Promotion**

Every company will promote their product in order to let people know the existence of their product and everything good about the product.

Nevertheless, KFC is also doing the same thing. Promotion is the method used by organization to let certain class of people know more about their new product. The type of promotion used by KFC were advertising, sales promotion, public relations, events and experiences and even coupons, discount and bundled packages and sponsorship.

## **Advertising**

KFC will advertise their new product in radio, television, billboards, flyers, and sponsorship, voucher and contest. KFC regularly advertised Colonel Sanders licking his fingers and talking to the viewer about his secret recipe in 1960. Although Sanders death in 1980, KFC still continue and used him in branding and advertising. Reminder advertising is also used by KFC. In any way related to KFC we often can saw a phase, that is " finger licking good." This phase function's is to wake up KFC lover and reminded them their feeling and tasty at their eating last time. Thus, this can attract them to come consume in KFC again. In India where chicken lovers are plenty abound these ads featuring normal people connect instantly and create a rush at their outlets. Using the following methods KFC spreads its message of finger licking good chicken.

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## **Sales Promotion**

KFC also offer voucher which voucher holder will receive a certain amount percentage of discount in certain products. Example, KFC Jom Jimat Afternoon Cravers have a 10% off on 3 layer tea or Fizzberry Freeze. In certain time, our house will receive some catalog which is from KFC. The catalog always listed the price of new product, the information of that product, venue available, and something else.

## **Sponsorship**

Sponsorship is another tool to strengthen image and well known of organization. KFC had become the sponsor of the Australian Cricket Team and the colonel logo can be seen on their uniforms throughout the matches. Once people see the logo, they will think about KFC.

## **Contest**

KFC is currently organizing the Colonel's "Doublicious Double" Contest. All participant need to do is creating a likeness to Colonel's Sanders. Thus, KFC is slowly promote their product because once they creating Colonel's Sanders, they will automatically think about fried chicken of KFC.

## **Price Competition**

The competition of KFC obviously is various fast food restaurants like MacDonald. KFC and MacDonald offers almost the same types of fast food like fried chicken, burger, soft drink, French fries and else. Normally competitor will reduce their price when other competitor did the same thing. The main product of KFC is fried chicken. Because KFC got its own secret

receipt in frying the chicken, thus it can put higher price to the chicken. The price of other product is more or less same as McDonald.

## **Cost base pricing**

KFC places their product price in different view. They adopt the cost base price strategy. The price of their product already included government taxes, service taxes, and exercise duties. So, they product will be set higher price which suit the target market and the standard of their product and to cover their cost such as variable cost

## **Place**

KFC create its own business place in order to make transaction among customers. Besides that, KFC also provide “ free home delivery” which deliver their product-chicken, French fries, burger and else to office or home. This is an effective way to transfer the product to the customer. Customer will feel very convenience in this hectic lifestyle which customer can save times and easy to get the food. Besides that, KFC also offer different price to different classes in order to attract all classes of people. This is actually create economic convenient for the customers. KFC is actually fall in the first channel which is direct channel from producer straight to customers. KFC act as a producer and it sell their product at the same time when the product is produced.

## **Human Resources Policies**

Human resources policies are a system that uses to perform more perfect output. KFC human resources policies provide coaching to employee even though the employee is new or old. They also will have a training employee

to perform better in their working area. Besides that, human resources policies also provide leadership concept also using to perform better. It also provides operational structural to employee to let employee to know about their organization daily operation.

It also provides the best environment so that employee working inside KFC restaurant can provide the best service to their customer. If its environment is good, employee will be motivated to perform better. Besides that, human resources policies will implementation most of the important policies to employee. Example, recruitment, training and development are those aspects that are important in human resources policies.

Recruitment refers to the process of attracting, screening, and selecting the most suitable people for a job for the specific position. Recruitment is the process of select the suitable person to filling a vacancy. A success company is that company growth rapidly and there is a lot of people who want to work there, and then there is an easier recruitment for those companies to filling the vacancy.

Training is the process that wants to make their employee to be a better worker in their working area. Those workers that need in KFC restaurant is those have the willingness to learn. Training is the process where employee upgrades their knowledge and skill to perform a faster and effective service.

Development include of counselling and guiding. It helps to correct for those error and help to improving performance, it also help employee to learn about previous error and as an alert to remind them don't make the same error.

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## **Recruitment and Selection Process**

Recruitment is the process where the process of attracting and selecting the most suitable people to be the employee for the specific working place.

Recruitment is the primary process to filling a vacancy. If there is a shortage of employee in certain working area, there will be recruitment for that area.

Recruitment strategy can offer employee high quality options such as potential for advancement, company reputation, benefit package and salary scale.

KFC policy is to hire the employee who will work in there for a long period and loyalty to KFC so that there will be less recruitment process is need. In the others hand, KFC policy also need those people who have willingness to learn. Willingness to learn is to most important criteria to build a most successful people. Those people will want to learn more to improve and make them more valuable.

Therefore, in the recruitment process, human resources staff will compare the value of the employee that they need and compare with those people who want to work there is that they are matching the condition that they need for their worker.

## **Internal recruitment**

Internal recruiting is the practice of considering present employee as candidates for job openings. KFC believes that with the promotion from within, it will encourage employee to perform better on their jobs.

## **External recruitment**

Even promoting the jobs within the organization, there will also have other recruitment such as corporate with universities such as there will be internship for some of the degree program, when student is having their degree program, there will be some internship for those program that they are taking with working in the company. In the other hand, there will also have recruitment through internet like post their recruitment in the popular social network such as Facebook. Besides that, there will be also recruitment through newspaper because newspaper is those major all the people will see and newspaper is good promoter of news. Banners also can be use to promote the jobs hiring.

## **Job specification**

KFC restaurant is located at most of the state in Malaysia, most of the worker working there is selected specially by their manager to make sure those worker can contribute to their restaurant.

Requirement to be a worker in KFC human resources executive

Need to have Degree in Human Resources or related discipline

At least 2 years working experience in Human Resources department

Independent and a team player

Computer literate & knowledge in accounts

Friendly to others, proactive, willing to learn and able to work under pressure.

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## **KFC job description**

KFC Company is a fast food supplier for most of its product is made from chicken and there also a high interactive working place. When working there can meet new friend, and also can learn many working skill. Besides that, KFC will offer some worker that performs perfectly to have some training for improve their performance in their work.

## **KFC Team Member Job Description**

The main responsibility for Team Member is to interact with customers.

Normally, Team manager are basically are need to welcoming and serving customer that come to KFC Restaurant. Sometime they will want to go to dining area or kitchen depending the arrangement of manager and where is the place that needs them for serving customers. KFC will provide all the initial training for new applicants if they have good attitude that can be consider being a good worker.

## **KFC Assistant Manager Job Description**

Normally a manager is come from an assistant manager after assistant manager getting experience form manager. Assistant manager is the second in command and managing the whole restaurant while working with others. Assistant manager can learn most of the skill in how to manage a restaurant and they can show to other fast food company that they have their experience working there, so that they are not need to work from bottom part of organization structure.

## **KFC Restaurant General Manager Job Description**

A Restaurant General Manager has to overall responsibility of manages the restaurant daily operation and can analyze the standard of the overall company. A Restaurant General Manager also needed to fulfill the demand of a customer such as service given to customer. General Manager needs to report directly to an Area Manager.

## **KFC Shift Manager Job Description**

A KFC shift manager is those who want to be a full time manager somewhere in professional career. A shift manager allows people those who want to develop knowledge and skill in management and need have other free time to do other stuff. KFC will give some bonus and incentive to those who perform well in their working area.

## **KFC Cashier Job Description**

A cashier have to responsible in manning cash drawer but also have to take order, interact with customer, replace order of customer if requested example some of the customer request to change meal for their order.

## **Training and development**

### **Training**

Most of the company will having training for their employee for makes sure that their employee can perform better and help to improve the reputation of KFC. The entire worker in KFC need to have the attitude has the willingness to learn. Training is to upgrade the knowledge and skill of worker.

One of the training methods is on job training. On the job training is work based on training, sometimes is informal. It is conducted while an employee is in the actual work situation. In each progress, manager have the responsibility to guide and coach to the others employee about the other job. At KFC, “ customer service workers” and “ food service workers” have extra training in health and safety, cleaning procedure and food preparation.

Employee also give lecture to inform them what KFC expected and want from them. Most of the guide line is about how to perform well in their working area. There is also having a program to enhance language skills. Human resources staff is responsible to assist the management in the improvement of language skill training program. The most important part is to improve the language skill of employee so that when they work, they can use a smoother language to communicate to customer so that there will perform a faster services.

## **Development**

There is some of the counseling and guild, both of it is the best tools to improve the performance and help worker to develop their skills. It will correct errors and transform it into a positive learning experience. Those mentors in KFC have the duty to act as a mentor for employee. Besides that, there are also a formal development programs have to improve the relevant skill and competencies. They are proposed in the framework of individual development programs. Training programs is well organized at the training centre with the purpose of developing and share the best practice of the various management disciplines practiced in the group.

## **Performance Appraisal**

KFC use performance appraisal to determine their worker in their performance, this can make the human resources manager to choose the best employees to make their company able to use the lowest cost for recruit employees but their performance are effective.

Every outlet of KFC will choose a shift supervisor or executive according to their working experience, the particular person will responsible to guide the other worker in the same outlet, and the supervisor choose by them are responsible to do the performance appraisal for other worker on their performance, example they need to appraisal on the workers punctuality, responsibility, skill and other else

KFC is a very systematic cooperation so they also allow the worker to make comment on the supervisor based on evidence, if more than 2 peoples complain for the supervisor; the management will do a research on the particular outlet to ask opinion from all workers to decide either to continue use the supervisor or change other people to replace him.

## **Compensation and Benefits to employees**

KFC use salaries and wages as their compensation to return to their employees contribute and willingness to perform various jobs and task within the organization.

Basically, they pay their full time employees in form of salaries, the salaries pay inform of cash cheque; sometime they also pay in term of cash, the salaries paid for discharging the responsibilities of a job.

Wages also a compensation to return for the employees in term of money, for KFC, they normally pay their part-time employees wages which according to their working hours, for the latest standard wages pay rate, one hour will pay for RM5 for part time worker.

Incentive programs also provide by KFC to their employee to motivate their employees to perform better in their job. The activities they always provide to their employees are trips, they can motivate their worker though a trip to somewhere else and always from the working area, and this also can make them build a good relationship between management and subordinate. KFC also will provide performance-related bonuses to all management level employees if the profit of their company is increase compare to past year, this is a kind of profit-sharing plan under company-wide incentives provide to their employees by KFC.

According to the regulation of Malaysia, a cooperative must provide insurance for compensating their workers injured on the jobs, so KFC also provide their worker an insurance of accident injure. Beside that KFC also provide free drink of carbonate water and food to their worker for all outlets. All the KFC employees can having a delicious KFC meal and enjoy a discount by using Employee discount booklet. Excellent career advancement opportunities also provide to motivate their worker to work harder.

## **Trade Union**

KFC allow their worker to join trade union. Industrial trade union is a group of worker come from many different careers, they united as one to achieve shared job-related goal, they always hope and aspect for something that

very different with their employer, they hope for higher salaries and wages, more benefits, shorter working hours, better job security and safety and comfortable working place, so what they will do is having a collective bargaining with management level to achieve their aspect job-related goal support with legal issues. That is not necessary for KFC workers and other high level workers to join this union, is based on their will. KFC worker normally join the union is under white-collar unions.

So far in Malaysia there was not any argument between trade union and with KFC. But in China, that was happened an incident that is that KFC want to pull down the salary of the Chinese employee. A collective bargaining happened to solve such conflict. The article bellow is the newspaper for that time.

(source from <http://english.sina.com/business/2010/0602/322723.html>)

From the article above, we know that KFC is tried to do something to prevent some bad happen example strike. Because a company that can't protect their

## **Analysis**

KFC is one of the most famous fast food restaurants around the world, although that KFC now facing many competitive in the competitor market, KFC always try to make himself stunning by using many method, they are trying to extending their product life to prevent the product fall into the decline stage. The problem now facing by KFC is, their competitor such as Mac Donald is now become stronger than previous, KFC was replacing by many other fast food restaurant as the first choice of them. We know that <https://assignbuster.com/kfc-vision-mission-and-principles-worldwide-business-essay/>

KFC is very hard to do anything on price because their cost is very high because of they choose posh area then their rental, general expenses and salaries they pay for their worker are all very high, they cannot survive their company if pull down the price. This is the first problem they hard to come out with market strategy to rebate other company.

The other challenge KFC facing now is the product they produce is no suit for majority teens nowadays, they more prefer the economic set meal rather than the food provide by KFC now, so in short, KFC problem now is too less set meal intro to the market, but this is a very easy question to solve.

Because KFC main targeted family group is all, but they more prefer bigger family, so the product they product more on family set, so they should come out more single set.

The other problem is, healthy. Actually the fried food is no good for people health, but problem is, the main product of KFC is fried chicken. The people nowadays receive more better education on healthy, so they will avoid to eat too much unhealthy foods, and KFC is actually “ blacklist” by people, mean that many people agree with the statement KFC is an unhealthy food. This is one of the biggest challenge the facing by KFC nowadays and they haven't come out the solution until now.

## **Recommendations and Conclusions**

For KFC cooperation, they are done a very good job in marketing, example KFC is very famous compare to other fast food restaurant, if I mention 3 restaurants, KFC, Marry Brown and 99 Snacker, most people will know what Is KFC rather than the other restaurant stated. But from our opinion, we think

the human resources department is not good enough in some area. Example the compensation and benefit KFC provide to their worker, the free foods provided, that is very costly because KFC food is expensive and high market value, other than the profit problem, this also regard to